

From: Inquiry into the Public Housing Renewal Program [REDACTED]
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Inquiry Name: Inquiry into the Public Housing Renewal Program

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SUBMISSION CONTENT:

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Victorian Parliament Standing Committee on Legal and Social Issues
Inquiry into the Public Housing Renewal Program

Submission by Port Phillip Housing Association

Port Phillip Housing Association (PPHA) is one of Victoria's nine registered housing associations. PPHA owns and manages 1146 affordable housing units that are home to 1600 people across metropolitan Melbourne in six different municipalities. As the owner of over \$320 million in housing assets, PPHA is the custodian of significant public investment.

Established in 1986 as the St Kilda Housing Association, PPHA has historically a strong focus on housing in the City of Port Phillip area. In 2001, it became known as Port Phillip Housing Association to reflect its role across the City of Port Phillip. In 2004, the City of Port Phillip established the Port Phillip Housing Trust to take ownership of its community housing assets and appointed PPHA as its trustee. This has provided the foundation for a lasting and unique partnership with the Council to ensure that the Port Phillip community remained inclusive via appropriate, affordable housing for people with significant links to the area.

PPHA has since grown to operate outside of the City of Port Phillip and is now one of Victoria's leading non-profit providers of social and affordable housing. What makes PPHA unique is its locally-based approach to housing management with the emphasis on building local communities that are welcoming, socially inclusive and great places to live. PPHA brokers support when tenants need it, and invests in community building activities that tenants and the broader community identify as important to them.

PPHA provides its housing services and community building initiatives from three office locations (St Kilda, Ashwood, Ascot Vale) near to where properties are located. This is reflected in high levels of customer satisfaction, with a 2015 survey of all tenants revealing a satisfaction rate of 88 per cent with PPHA housing services.

Victoria's housing crisis

Victoria's pressing and worsening shortage of social and affordable housing means that all options need to be on the table. A 2012 report of the Victorian Auditor-General estimated that at that time 10 000 public housing properties (14 per cent of the total) would reach obsolescence over the next four years. A further June 2017 report of the Auditor-General found that:

- the average age of Victoria's public housing stock is 35 years, with 60 per cent of public housing stock is now over 30 years old, compared to 42 per cent at the time of the 2012 audit; and
- public housing stock is not aligned to demand; while 80% of applications for social housing need a 1 or 2 bedroom property, there are more three-bedroom dwellings than any other configuration.

There are over 35,000 households who have applied for housing under the Victorian Housing Register, a Victorian government initiative to establish a common register for public and community housing (collectively known as social housing). Of those households, over 11,000 are assessed as having a priority need. This is likely to grow as the waiting lists of community housing organisations are merged with the Register in the coming months, and with the establishment of a new priority category for applicants aged over 55. PPHA has itself over 1000 households on its own waiting list, many of whom may not have separately applied for public housing and therefore will be in addition to those applicants already on the Register. It is also widely acknowledged that the Register understates need, due to many Victorians being deterred from lodging an application by long wait times.

It is clear that doing nothing in the face of this crisis is not an option. In that context, the government's housing strategy, Homes for Victorians, is timely. This strategy includes measures to grow the supply of social and affordable housing, including a \$1 billion Social Housing Growth Fund for community housing to access to build new social housing. The package also includes support for housing associations to obtain finance on more favourable terms and the transfer of 4,000 public housing properties to the management of the community housing sector. The strategy also flagged inclusionary housing policies so that a proportion of new housing on large housing developments and on government land is social and affordable housing.

PPHA looks forward to working with government on the bringing the initiatives in Homes for Victorians to life. These initiatives will help address the pressing shortage of social housing in Victoria identified by the Committee. These initiatives are currently being designed by government and PPHA is keen to understand how these initiatives will work in practice and to start the work of further building new social and affordable housing.

The Public Housing Renewal Program

PPHA welcomes in the interest of the Committee in the Public Housing Renewal Program, also part of the Homes for Victorians package. All providers of social housing – both public housing and community housing – need active asset management strategies. Such strategies seek to ensure that housing assets meet modern expectations, remain in good condition and are aligned with need. This can involve a mix of property upgrades, redevelopments, acquisitions and disposals in accordance with a strategic approach which seeks to maximise the social return on public investment in housing. Registered housing associations such as PPHA are indeed required by a regulatory framework under the Housing Act 1983 (Vic) to adopt strategic asset management approaches. This is so that housing associations manage assets in a manner that ensures suitable properties are available now and into the future.

PPHA acknowledges that the Public Housing Renewal Program involves significant disruption to public housing tenants who currently live on these estates. Many of these tenants have lived there for some time and have strong connections to the area. Government has rightly assured tenants that they will be able to return to the redeveloped estates on the same conditions, including rent and security of tenure.

PPHA recognises that local communities in the area around the estates also have an important interest in the program. The density, height and environmental impacts of the renewals needs to be given appropriate

consideration, balanced with other planning objectives such as the meeting our city's growing housing needs.

While the program involves the sale of parts of the land, this can be appropriate so long as land is sold at its market value and the sale proceeds are appropriately invested in new social housing. Indeed, PPHA would expect that the Department of Health and Human Services' asset management strategy would involve the sale of assets as well as the acquisition of new housing in areas of high demand.

Ashwood Chadstone Gateway Project: A renewal of a public housing estate led by a housing association

The Ashwood Chadstone Gateway Project is PPHA's flagship housing development undertaken by PPHA in partnership with the Victorian Government. To date it is the largest development in Victoria led by a housing association. The project was developed by PPHA, overseeing the full development cycle including planning permit applications, documentation and construction delivery. It functioned as a joint venture between the State Government and PPHA with both contributing to the development.

This project demonstrates how ageing public housing estates can be renewed into vibrant, mixed-tenure precincts under the leadership of a housing association. The development renewed six public housing sites into 282 units over 4 buildings and 9 townhouses. 72 units were sold to private owners, and 210 units and the townhouses were retained by PPHA as affordable housing. One building of 93 units is allocated to older persons (55 years and over) creating a supportive seniors community that enables residents to age in place.

Across the whole project there are a total of 75 one and two bedroom apartments that are disability modified or adaptable in the future. The households allocated to the project have a mix of housing backgrounds; some have experienced housing related stress, some are receiving pensions and benefits and some are key workers.

PPHA implemented a place-based approach to both the redevelopment and operating phase of the project. Prior to the redevelopment, PPHA implemented a community consultation strategy of consistent messages tailored for those directly impacted (public housing tenants and local businesses and residents in proximity to construction) and indirectly impacted (other residents, services providers, local businesses, schools and community organisations). Consultation methods included door knocking, information packs and open community information sessions. PPHA also held regular meetings with a Community Liaison Committee, the City of Monash and other stakeholders.

The consultations led to important community feedback on matters such as:

- improved amenity such as incorporating low operating cost air conditioning in the older persons' units and an additional lift;
- improved safety through increased street lighting and access ways in and around the project precinct;
- better planning for services to meet the needs of the new residents;
- commissioning an independent traffic report to advocate for the installation of traffic lights at a nearby intersection; and
- implementing environmental sustainability initiatives such as incorporation of a picking orchard in the public open space and improved walking and bicycle connections.

Throughout the construction phase PPHA established itself as an active and trusted participant in the community, and a partner to the many existing community organisations in the area.

The completed project has rejuvenated the physical environment and housing, improved urban amenity and increased the social mix of the resident population. PPHA manages the social and affordable housing from a permanent office within the new development, with on-site tenancy management workers, facilities management workers and a skilled community development manager. A community engagement program was developed with input from the local community, that aimed to address issues that the broader community, new residents, public and private tenants identified as the most important to their community. A

social enterprise providing education, training and jobs for young people has been established in a dedicated space on site.

How housing associations can contribute to the renewal of public housing estates

The Registration of Capability document for the program issued by the Department stated that a goal of the Public Housing Renewal Program is to build capability in the registered housing associations sector by encouraging partnerships between private developers and housing associations to deliver the program. At this stage government has not indicated if there will indeed be any role for housing associations in the program and if so, how this role will be determined.

Housing associations such as PPHA stand ready to play a key role in the program to maximise the benefit to tenants and the community from the renewal of these estates. This role could include:

- tenant and community engagement to develop a shared community vision for the renewed estate;
- communication on the progress of the program with tenants and the local community;
- assisting public housing tenants with relocation to temporary housing and with a smooth transition back to the newly-built housing;
- tenancy and property management of the completed social housing units on the site;
- delivery of additional social housing outcomes via additional financial contributions from housing associations;
- additional affordable housing units targeted at low and moderate income working households who are in housing stress or who want to access key labour markets;
- management of site facilities and owners corporation management; and
- management of private rental stock on the site.

The benefits of the involvement of housing associations is reflected in a strong track record of delivery and performance from the community housing sector, including:

- sound rental management, with rental arrears at 1.4% of all rent collected;
- 87% of complaints by tenants and prospective tenants resolved within 30 days;
- 91% of urgent repairs completed within 24 hours, and 89% of non-urgent repairs completed within 14 days; and
- 87% of tenants satisfied with the services that their landlord provides to them.

PPHA believes that best practice for the renewal of these estates would be to implement a mix of social, affordable and private market housing. Introduction of affordable housing into the mix can mitigate concerns about a stark divide between people living in social housing and people living in privately owned units. All housing should be built to the same or similar standard and be indistinguishable from the exterior to promote a truly integrated community. We also agree that the social housing units should contain a mix of types suitable for singles, couples and families.

In terms of development, housing associations value add is:

- utilising best practice design principles to ensure that housing is integrated into local communities and responsive to a variety of tenant needs
- in it for the long haul – knowing we are going to be managing properties into the future makes us invested in ensuring a harmonious pre-development process that will foster a neighbourhood harmony post-development
- very experienced at pre-development consultation with neighbours, existing or prospective tenants, and other stakeholders, for example, the Ashwood Chadstone development
- developing social enterprises employing tenants in roles to provide maintenance for their own organisation and others. These enterprises allow tenants to gain new skills and provide a pathway to employment opportunities.

Involving community housing organisations in public housing estate renewals and other development projects enhances the quality of the design, streamlines the pre-development consultation process and

strengthens communities.

Crucially, the opportunity to manage a number of social and affordable housing units in an integrated precinct can provide a further opportunity to apply place-based initiatives, similar to that which PPHA has implemented at Ashwood Chadstone. Ownership or management by a housing association should be seen as community stewardship rather than as privatisation. As a non-profit organisation, PPHA invests rental income from management of housing back into providing more and better quality housing. Housing associations are subject to rigorous government regulation by a specialist government agency, the Housing Registrar. The Housing Registrar has significant powers to intervene in the affairs of housing associations to safeguard public investment. Where assets are transferred to the ownership of a housing association, an interest recorded on the title prevents them from being sold or used as security without the consent of government.

The way forward

The renewal of these public housing estates is long overdue and an important opportunity to deliver more and better quality social and affordable housing in a city which is adding close to 100,000 new people each year. The program alone will not meet need (indeed the program only applies to metropolitan Melbourne at this stage) and government must continue to support the construction of new social and affordable housing. While public scrutiny of government's implementation of the program is appropriate, it would be unfortunate if opposition to the program led to it being scaled back or shelved. As we have demonstrated in this submission, there are ways in which concerns about the program can be addressed. PPHA urges policymakers to give further consideration as to how housing associations such as PPHA can assist with the implementation of this important program.

1 Access to Public Housing, Victorian Auditor-General (March 2012) page 8.

2 Managing Victoria's Public Housing, Victorian Auditor-General (June 2017) pages 14 and 20

3 Data published by DHHS (<http://www.housing.vic.gov.au/public-housing-waiting-list>)

4 Victorian Housing Register – Determinations of Eligibility Criteria, Priority Categories and Priority Criteria for Applicants for Social Housing, published in the Victorian Government Gazette 23 May 2017

5 Performance Standards for Registered Housing Agencies, Housing Registrar, Standard 2 (Housing Assets)

6 Registration of Capability Public Housing Renewal Program Stage One, Department of Health and Human Services (23 May 2017) page 10

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File1:

File2:

File3: