



IT'S TIME TO END
HOMELESSNESS

2 November 2017

The Secretary
Legal and Social Issues Committee
Parliament House, Spring Street
EAST MELBOURNE VIC 3002

ABN 20 605 113 595
ACN 605 113 595

Launch Housing
Collingwood

68 Oxford Street
Collingwood VIC 3066

📞 03 9288 9611

📞 03 9288 9602

launchhousing.org.au

Re: Inquiry into the Public Housing Renewal Program

I write on behalf of Launch Housing to provide our response to the inquiry by the Victorian Parliament Legal and Social Issues Committee (the Committee) into the Victorian Government's Public Housing Renewal Program (PHRP). Our submission is attached for the Committee's deliberation.

Given the enormous shortage of social housing, and the massive investment required to increase levels of social housing, Launch Housing supports the PHRP as a means of renewing public housing and increasing the supply of affordable housing, which is a necessary response to homelessness. This support is subject to the following caveats:

- The net increase in public housing should be more than 10% and an outcome closer to 20% should be ensured through the public tendering process.
- Reconfiguring of current estates to provide a better mix of housing stock to reflect the pressing need for 1 and 2 bedroom apartments.
- A genuine "salt and peppering" community in each estate though proper integration of public, affordable and market-based housing on the renewed estates. We would strongly oppose any outcome where physical segregation of social housing occurred, as happened in the Carlton redevelopments.
- Proper place management and community building on the estates.
- The linking of necessary support programs to ensure successful tenancies.
- As noted in our submission, the overall success of the PHRP rests on the active engagement of current tenants across all aspects of the planning process including the design of apartments.
- It is imperative that there are enforceable undertakings to support the decision-making by current tenants who elect to return to the estates.

The PHRP needs to be one of a range of strategies by the State Government to increase the supply of affordable housing. Other strategies include direct investment into new social housing, the use of inclusionary zoning and partnerships with a range of players including community housing providers and local government.

I look forward to deliberations of the Victorian Parliament Legal and Social Issues Committee and welcome the opportunity to discuss the matters we have raised.

Yours sincerely,


Tony Keenan
Chief Executive Officer

Submission

Launch Housing supports the PHRP as one means of increasing the supply of affordable housing, which is a necessary response to homelessness.

There are, however, a number of evidence-informed principles that need to be adhered to so to meet the stated policy objective of the Victorian Government's Public Housing Renewal Program to 'transform ageing public housing estates into vibrant, connected, mixed-tenure neighbourhoods, to be delivered in partnership with the private, non-government and community housing sectors.'
Launch Housing

Launch Housing is an independent Melbourne based community organisation, which brings 75 years' experience working with people at risk of or experiencing homelessness. We are one of Victoria's largest providers of housing and homelessness support services. We provide flexible, specialist services that directly assist thousands of individuals, couples and families every year.

Launch Housing is Victoria's strongest advocate for affordable housing and a leader of research into homelessness that produces better outcomes for our clients and lasting positive change for our community. We believe housing is a basic human right that affords people dignity, and this is reflected throughout every aspect of our work. Everyone has a right to a home and it is our job to make this happen. Our mission is to end homelessness.

We operate across 14 sites and 18 local government areas from Whittlesea in the north to greater Dandenong in the south east of Melbourne. Last year we supported 18,000 people at risk of or experiencing homelessness across Melbourne.

To underpin the importance of housing supply, the activities of Launch Housing are structured in terms of 'Getting Housing', 'Keeping Housing' and 'Housing Supply'.

In particular, Launch Housing is widely known for its social enterprise, and Australia's first not for profit real estate agency, HomeGround Real Estate. Since March 2014 we have provided landlords and tenants with a professional property management service, while reinvesting the revenue back into the community. With a current portfolio of over 350 properties, many of which are under the Affordable Housing Initiative, we have demonstrated our ability to increase the supply of housing to low income Victorians

(<http://www.homegroundrealestate.com.au/>).

Affordable housing supply

The lack of affordable housing supply is a critical situation that underpins the prevalence of homelessness. An increase in affordable housing is a necessary feature of any national response to reducing, and over time, ending homelessness.

With the imminent release of the Australian Bureau of Statistics 2016 Census, there is well-informed speculation that there will be a significant increase in the number of people experiencing homelessness nationally. Work undertaken by Launch Housing, in partnership with the University of New South Wales, suggests that the scale of homelessness demand has significantly changed in the past five years (especially in Victoria) and that over a third of respondents to an online survey to service providers said that there had been further significant change in the scale of homelessness over the past 12 months.

Unfortunately, the supply of social and affordable housing is not keeping pace with need. The national share of housing stock in the social rental sector has declined from 5.1 per cent at the beginning of the century to 4.2 per cent in 2016. As observed by the Productivity Commission,

capital expenditure for social housing decreased from \$654.7 million in 2009-2010 to \$232.3 million in 2013-2014. Unfortunately, the private rental market has not filled this supply gap.

The situation is worse in Victoria where effectively the public housing system is financially 'broken' and has an out of date and old stock profile. See: report by the Victorian Auditor-General's Office.

By 2017, this stock is reaching the end of its asset life as maintenance costs become excessive. Expenditure on maintenance rose by 30 per cent in the period 2001 to 2006, double the rate of the previous 5 years. These trends were starkly illustrated in the recent reports by Infrastructure Victoria.

Projections prepared for the Victorian Royal Commission into Family Violence underscore the extent of the housing supply problem. As noted by the report's author, Professor Yates, 1,700 more social housing homes are needed each year over the next 20 years to maintain social housing at its current 3.5 per cent share of the total homes in Victoria. This is an increase of over 30,000 social homes over the next two decades. Double this amount of social housing homes is needed over the next 20 years if lower income households, currently facing housing stress in the private rental market, are to access affordable housing.

It is imperative to retain a supply of social and affordable housing in high amenity neighbourhoods. As noted the Australian Housing and Urban Research Institute (AHURI)ⁱⁱ, "It is an inescapable conclusion that a housing policy priority for Australia is to increase the supply of social housing for the most disadvantaged and affordable housing for low-income households."

The PHRP is one means of increasing the supply of affordable housing and requires a partnership between different players. As noted by Transforming Housingⁱⁱⁱ: "Affordable and social housing is increasingly being delivered through partnerships between not-for-profit housing providers, the private sector, government and philanthropy as fiscal constraints and policy directions reduce the direct role of government in delivering and operating housing."

Principles to support Public Housing Renewal

The research evidence highlights the following five evidence-informed principles to support public housing renewal and lesson can be learned from previous renewal project both locally and overseas.

First, it is critical that any renewal project meets the needs of today's and tomorrow's tenants and has the ability to cater for all demographics including families, couples and singles with the proposed housing mix^{iv}. As observed by Infrastructure Victoria much public housing stock, built in the 1950s and 1960s, was designed to accommodate working families in three bedroom houses (56% of the public housing stock was three bedroom houses in 1981).

Second, and equally critical, is the active input and involvement of current public housing tenants to be directly affected by a renewal program. Choice and support must be provided for public housing tenants disrupted by renewal. As outlined in the Committee's terms of reference, it is essential that during the renewal process current public housing tenants are moved to accommodation that is secure, stable and fit for purpose; as well as provides appropriate social support networks, educational, health and welfare services. It is also imperative that current tenants will be able to return to the renewed estate, if they so choose.

The impact of renewal on current public housing tenants should be a central consideration in all decisions about the timing, design and delivery of renew. The City Futures Research Centre UNSW has noted how the "...renewal of public housing areas can be highly disruptive, cause high levels of stress and trauma and lead to significant adverse health impacts for social housing tenants. These effects are compounded because tenants are often highly disadvantaged and disempowered. Moreover, the renewal process is imposed from above; tenants typically have little or no say in the process, and this lack of control compounds these impacts."

Based on the work of Shelter NSW, Tenants' Union of NSW and the City Futures Research Centre UNSW, a Compact for Renewal has been developed between agencies undertaking urban renewal in Sydney and social housing tenants. The Compact is based on five key principles: Respect for Tenants; Acknowledgment that renewal has damaging and disruptive impacts; Impacts will be mitigated and minimised; Commitment to real engagement; and; Tenants to receive a fair share of the benefits of renewal. Supporting these principles are a number of implementation requirements that include the applications of consistently good relocation practice, and improved support for tenants to resettle in a new neighbourhood, including better information about services, transport, schools etc., and access to resettlement support.

Third, steps are needed to optimise the social mix on an estate^{vi}. We note the problematic experience of the Carlton estate redevelopment. This can be achieved, in part, through good design. Indeed, one of the key gains stemming from tenure-mix policies is their ability to reduce the stigmatisation felt by social housing tenants, the physical appearances of newly built or redeveloped social housing should integrate into the existing housing fabric of the surrounding suburb. For the same reason, where new buildings incorporate both market housing and social housing there should be no visible distinctions between the different tenure types such as separate entrances.

However, the evidence suggest that achieving social mix at an estate-level is problematic. Research by AHURI^{vii} concludes that findings are inconclusive on a number of important dimensions relating to improving outcomes for disadvantaged households through social mix. Indeed, Many of the mechanisms through which social mix is hypothesised to create benefits for disadvantaged populations are either unproven or their causality remains ambiguous.

Fourth, any estate renewal should maximise the value of public land used to leverage a renewal project. One criticism of earlier projects in Victoria is that the public land in the Kensington project was sold for well below its market value – around one-twentieth of the price of serviced land in that neighbourhood at that time^{viii}.

The last principle supported by Launch Housing is that any estate renewal achieves, as a minimum, an increase or uplift in affordable housing of 10 per cent. The proposed 10 per cent increase in public housing (or 1,100 public units) is not adequate in light of the shortfall in the supply of social and affordable housing. Work by Dr Kate Shaw^{ix} has shown mixed results from previous renewal projects in Victoria such as the original program of estate redevelopments at Kensington.

We similarly recommend that the PHRP should be aiming for maximum possible increases in both public and community housing stock; with a higher target of 30 per cent uplift comprising 10 per cent public housing, a further 10 per cent affordable rental and 10 per cent affordable home ownership. This would help ensure the desired policy objective of supporting a range of housing opportunities are encouraged alongside market rental and market home ownership^x.

In keeping with the State Government's policy Homes Victoria, community housing providers have an important role to play for any renewal project. AHURI research shows that transferring the management of public housing from state and territory governments to not-for-profit community housing providers (CHPs) could help to revive run-down estates and fund the development of additional affordable housing. As noted by the lead researcher, Professor Hal Pawson (UNSW)^{xi}, long lease contracts are becoming standard in public housing transfers to community housing providers, and are a useful way forward that should give CHPs a secure basis for leveraging funds while avoiding concerns about public housing 'sell-offs' and 'privatisation'.

In summary

Estate renewal is common feature of public policy locally and in overseas jurisdictions. The regeneration of well-situated public housing estates is a mechanism for improving the stock of social

housing and cross-subsidising projects through the inclusion of market housing. Goals include the creation of mixed-income, mixed-tenure communities, increased density, and renovation of aging public housing stock and the transfer of public housing to community housing associations^{xii}.

The process of renewal can generate funds to modernise and increase the supply of social and affordable housing by the government planning a higher housing density in a neighbourhood, selling land to the private sector so that it is no longer exclusively public housing and using proceeds from the land sales to fund the building of new social housing.

While Launch Housing supports the overall intent of the Public Housing Renewal Program we acknowledge that the program has challenges, particularly in managing the re-housing of existing residents and in managing the integration of public housing, market housing and the surrounding community.

Hence, the five evidence-informed principles to identified in this submission to help inform the roll-out of the program.

And while the Committee's work is focused on the Public Housing Renewal Program, it is important to recall the broader policy issue of how all governments – State, Federal and local – work together to increase the supply of affordable housing. This would include the creation of affordable housing targets at the Metropolitan Partnership scale.^{xiii}

From the perspective of Launch Housing and its mission to end homelessness, herein lies the real challenge.

ⁱ See:

http://www.vic.gov.au/system/user_files/Documents/fv/Victoria%E2%80%99s%20social%20housing%20supply%20requirements%20to%202036.pdf

ⁱⁱ See: <https://www.ahuri.edu.au/policy/ahuri-briefs/public-housing-renewal-and-social-mix>

ⁱⁱⁱ Note that Launch Housing is part of Transforming Melbourne as a university-industry partnership - See:

https://dldztak330v9c.cloudfront.net/cdn/farfuture/QcjvwRzXDoAp807IUkTQC07YWYRaPbpBhHP8I5ctrY/mtime:1495436604/sites/default/files/docs/Delivering%20Affordable%20Housing%20in%20Melbourne_0.pdf

^{iv} <https://www.ahuri.edu.au/policy/ahuri-briefs/public-housing-renewal-and-social-mix>

^v See: <http://blogs.unsw.edu.au/cityfutures/blog/2017/06/compact-for-renewal-project-what-tenants-want-from-social-housing-renewal/>

^{vi} See: <https://www.ahuri.edu.au/policy/ahuri-briefs/public-housing-renewal-and-social-mix>

^{vii} See: <https://www.ahuri.edu.au/policy/ahuri-briefs/public-housing-renewal-and-social-mix>

^{viii} See:

https://www.parliament.vic.gov.au/images/stories/committees/SCLSI/Public_Housing_Renewal_Program/Submissions/S3-Dr_Kate_Shaw.pdf

^{ix} Ibid

^x <https://www.ahuri.edu.au/policy/ahuri-briefs/public-housing-renewal-and-social-mix>

^{xi} See: <https://www.ahuri.edu.au/evidence-in-action/news/Transferring-public-housing-to-build-more-homes>

^{xii} See:

https://dldztak330v9c.cloudfront.net/cdn/farfuture/QcjvwRzXDoAp807IUkTQC07YWYRaPbpBhHP8I5ctrY/mtime:1495436604/sites/default/files/docs/Delivering%20Affordable%20Housing%20in%20Melbourne_0.pdf

^{xiii} Ibid