

Social Housing Funding – Victoria’s Big Housing Build

Background paper and resource proposal

This document presents details relating to the Victorian Government announcement for social housing funding for Victoria. It provides a summary of current data available on social housing need in the Shire, and outlines resources required for South Gippsland to prepare to bid for a share of the funding available.

***Council has previously agreed that it is not in a position to purchase or manage social housing properties. The options presented below retain this approach as it has been recognised that local social housing management organisations are in a position to take on this role.*

There are three possible options for Council. Council officers recommend option 3:

1. Allow current social housing providers to bid for funding under the scheme to supply social housing in South Gippsland.
2. Council works in partnership with social housing providers to influence accessible and affordable housing in line with Council strategic plans.
3. Council develops a social housing strategy that allows Council to take the lead in location, type of development in line with existing policies of Council including town framework plans, social and community infrastructure plans and current and forecast service provision. (preferred option) Details of resourcing this option is included later in this document.

The schemes

The Victorian Government has announced (15 November 2020) Financial investment in social housing that includes funding for regional Victoria. <https://www.vic.gov.au/homes-victoria-big-housing-build> <https://www.vic.gov.au/regional-investment>

Victoria’s *Big Housing Build* will extend across Victoria, and result in new housing developments in almost every one of Victoria’s 79 local government areas.

The scheme to be rolled out over 4 years to 2024 includes:

- 9,300 new social housing properties
- 25% investment in rural and regional Victoria
- 2,900 affordable and housing market properties
- Purchase of existing properties

Funding will go towards projects by the community housing sector (4,200 new homes) and partnerships with the private and community housing sector (5,200 new homes)

A key focus of this investment will be on housing for vulnerable groups including

- People with mental illness
- Victims of family violence
- Aboriginal people

Rural and Regional Victoria (\$1.25 billion)

The program proposes new housing developments in almost every local government area.

For some rural local government areas there is a minimum investment guarantee that supports those local government areas to be able to plan for at least that investment to occur in their area.

Gippsland local government areas with a minimum investment guarantee are:

- o Bass Coast (\$25,000,000) where social housing need has been demonstrated with the closing of the Miners Rest Motel and Coalfields Caravan Park
- o Baw Baw (\$35,000,000) where population growth exceeds the State average indicating difficulty providing social housing to the growing population.
- o Latrobe (\$60,000,000) is part of the roll out to all regional centres across Victoria.

South Gippsland local government area has not received a minimum investment guarantee, however unallocated funds remain available for local government areas wishing to make a bid. Investment in South Gippsland will depend on developing a housing strategy that identifies social housing need and availability of land; and develop strong partnerships with housing and welfare providers in the local area. It would ensure extensive community consultation would be undertaken. To develop this case a number of resources would be required.

Building new homes to fight homelessness <https://www.dhhs.vic.gov.au/buildingnewhomes>

The Victorian Government announced in October 2018 that it would help more Victorians escaping family violence, homelessness and life on the streets by building 1,000 new public housing properties.

The \$209 million investment will include 800 one and two-bedroom properties and 200 three-bedroom

properties, providing homes for about 1,800 Victorians across the state. The new properties will be built in areas of high need across Victoria.

This was a scheme has allowed for one property in South Gippsland to be refurbished and the other to have two new dwellings to be constructed on an existing property.

Local Government Social and Affordable Housing Compact

Social and affordable housing compact will be developed with local governments to include:

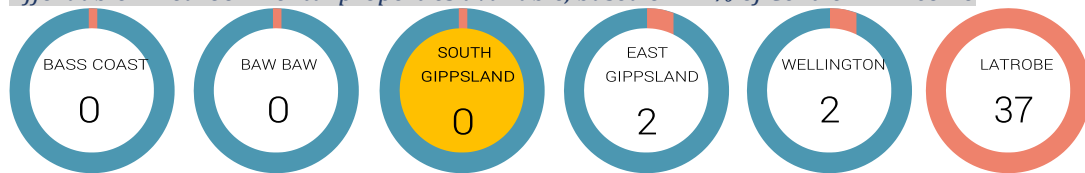
- Local government to identify priorities for social housing growth
- Consultation on mechanisms to bring social housing to become rate exempt like schools and hospitals
- The planning scheme will be changed to accelerate approvals for social housing
- The State Government will assess and approve planning proposals funded by the *Big Housing Build* in consultation with Councils.
- The compact is yet to be finalised

Social housing need in South Gippsland

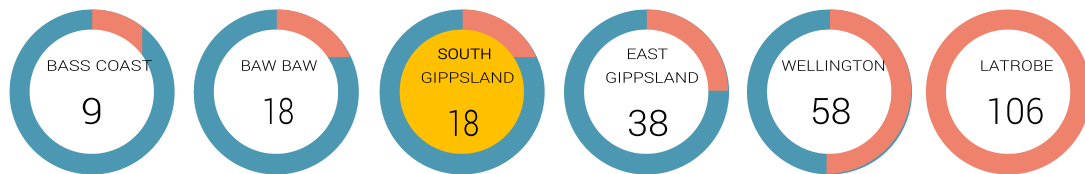
Affordable rental properties.

The data presented below indicates that South Gippsland, along with Baw Baw and Bass Coast local government areas have the least affordable 1 bedroom and 2 bedroom properties available in Gippsland. There are no affordable 1 bedroom properties and only 18 two bedroom properties available in South Gippsland. **Affordable benchmark is that the rent is no more than 30 percent of gross income.

Affordable 1 Bedroom rental properties available, based on 30% of Centrelink Income.

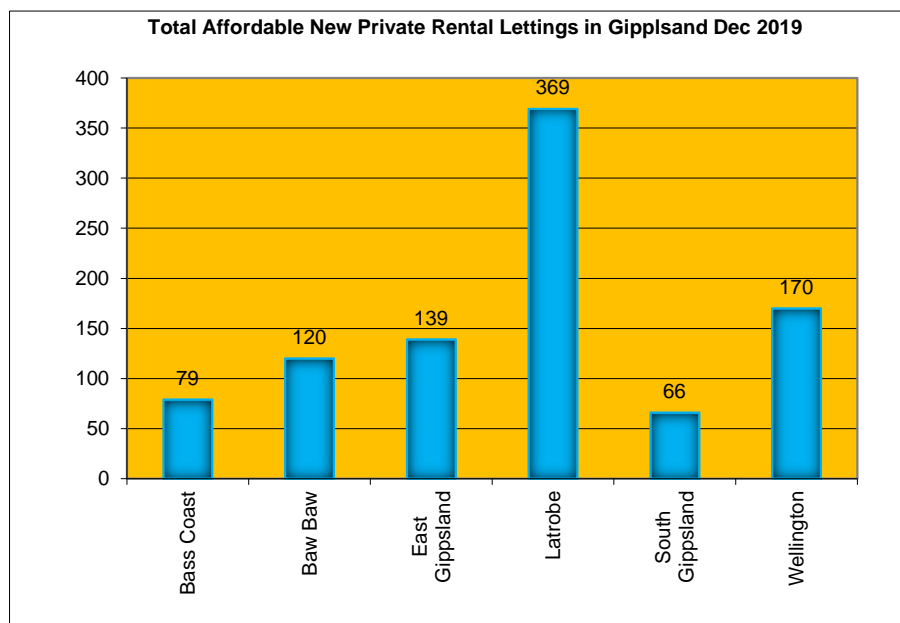


Affordable 2 Bedroom rental properties available, based on 30% of Centrelink Income.



Regional Victoria Rental Availability

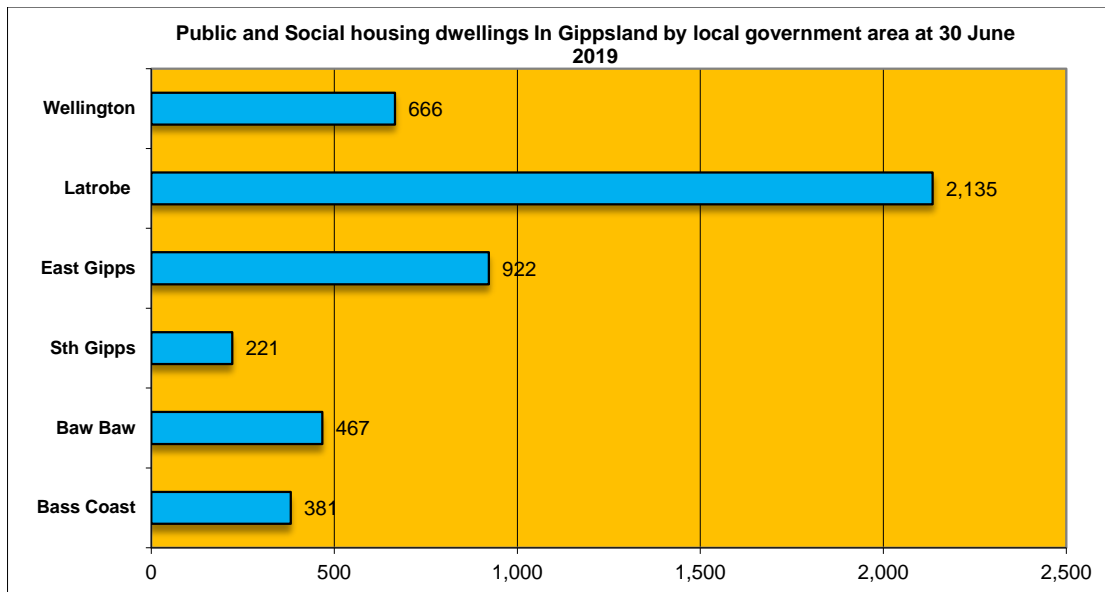
In regional Victoria, number of new rental lettings has decreased in all regions over the past 12 months, ranging from a decrease of 1.3 percent in Barwon-South West region to a decrease of 7.7 percent in Gippsland. Within the Gippsland region, South Gippsland has the least number of total affordable new private rental lettings (December 2019)



South Gippsland has fewer available affordable private rental lettings than other areas of Gippsland in all property sizes.

Public and Social Housing dwellings

South Gippsland has fewer public and social housing properties than other areas in Gippsland with 221 dwellings.



Of the 221 public and social housing available in South Gippsland, the majority are houses (92) or medium density attached dwellings (92) with the remaining being community owned (24), moveable units (8) or other minor categories.

Issues and Opportunities for South Gippsland

Opportunities

South Gippsland Shire Council is part of an Inner Gippsland Housing Working Group with Salvation Army, Bass Coast Shire Council, Baw Baw Shire Council, Department of Health and Human Services, Gippsland Homelessness Services, the State MP Jordan Crugnale’s office and Bunnings. A facilitated workshop is scheduled for the next meeting of this group to identify the scope of the group and clear objectives

The Salvation Army has identified a range of social housing models that may suit the South Gippsland area and have presented on this topic to Council’s Administrators in September this year.

Bass Coast Shire Council has invited South Gippsland Shire Council to join their advisory group for the Bass Coast Social Housing Assessment Project. There may be opportunities to share aspects of planning with Bass Coast Council for greater leverage with the State Government.

Options for Council

There are three possible options for Council. Option three is preferred by Council officers:

1. Allow current social housing providers to bid for funding under the scheme to supply social housing in South Gippsland. This would result in very little input from Council relating to location and type of housing provided.

This option is not recommended by officers. It could result in unplanned provision of social housing with little linkage to broader urban and strategic planning, or to current and future community and social services. Without a strategic approach from Council it could also result in the Shire missing out on funding in favour of municipalities with a clear policy and advocacy approach.

2. Council works in partnership with social housing providers to influence accessible and affordable housing in line with Council strategic plans. This option would enhance the level of strategic input by Council and potential for allocation of funding to the Shire, but would give Council little leverage over any proposals and limit opportunities to leverage current and future strategic planning. This approach is not recommended by officers.

3. Preferred Option. Council develops a social housing strategy allowing Council to take the lead in location, type of development in line with existing policies of Council including town framework plans, social and community infrastructure plans and current and forecast service provision.

This approach would provide Council with the opportunity to ensure investment in the Shire through the Big Housing Build best meets the needs of the Shire and future strategic and investment priorities. This is the recommendation by officers with resourcing detail below.

Resources – Option 3 – Develop a social housing strategy

The social housing strategy would be an advocacy document presenting a case for South Gippsland to receive funding for social housing under *Victoria's Big Housing Build*.

The objectives of the social housing strategy would be to:

- Identify suitable land across the Shire for provision of crisis and social housing
- Collate data specific to South Gippsland to identify the needs of the community today and into the future
- Consider and recommend types of housing and program support aligning with the needs of the South Gippsland community
- Consider and recommend partnerships to support social housing inclusion in new developments for South Gippsland
- Prioritise location and type of social housing for South Gippsland and display spatially on a map

The social housing strategy would require approximately \$100,000 initially and \$9,000 ongoing. This would require a mix of consultant expertise and staffing comprising.

1. **Staffing - \$60,000 (including operating costs)**
 - A dedicated staff member 3 days per week at band 6 would be required to develop the strategy and all its components over 12 months. The staff member would become part of the Social Planning Team under the lead of Vicki Bradley within the Community Services Department.
 - The staff member's primary role would be to oversee the development of the strategy, incorporate work of consultants and broker partnerships with housing service providers and prepare advocacy documents necessary to secure funding for social housing in South Gippsland. The staff member would work with other teams of Council including planning and assets and infrastructure.
 - With the Social Planning Officer, the staff member would engage in extensive community to determine the level of need for social housing and how best to integrate social housing into the character of South Gippsland towns to ensure social housing residents are accepted and integrated into the community.
 - The Social Planning Lead would support the staff member, oversee the work of consultants and provide links with other social planning initiatives and strategic plans.

2. **A land assessment report - \$20,000** (*partnership with Bass Coast to employ a consultant to undertake joint assessment*)
 - In addition to the Population Growth and Land Supply Study 2018, additional scoping of all land suitable for social and public housing needs to be completed. This includes assessing the availability of land currently owned by Council, State Government Departments, Not for Profit organisations including churches.

3. **Social housing data report – \$19,000** (*consultant – one off fee. Initial year id housing –with additional annual subscription ongoing - \$9,000 p.a.*)
 - A collation of social housing data in South Gippsland to individual towns including:
 - Household types – e.g. single parent families, lone person households, families with young children, etc/ Dwelling types and size
 - Approvals for new housing – residential building approvals
 - Median property prices by town
 - Social housing supply and demand
 - Housing prices and local household incomes = households in housing stress; households in mortgage stress; households in rental stress
 - Housing affordability for purchase and renting by town
 - Pin point areas of housing stress and rental stress within South Gippsland
 - Local demographic and economic determinants of housing supply and demand
 - Comparison data for Victoria
 - Set data spatially on a mapping system
 - Forecast population growth

4. **Analyse data, land supply and town strategies**
 - Determine preferred locations for social housing through analysis of community need, current land supply, community infrastructure availability including preschools, schools, public transport, retail food supply etc.

5. Social housing models

- Collate range of preferred social housing models to provide diversification of housing stock, rental housing and housing for people with disability, mental health issues, and older person's housing

Recommendation

That Council agree to:

- develop a Social Housing Strategy to maximise potential investment in the Shire from the *Victoria's Big Housing Build* program
- allocate \$100,000 from this year's budget to develop the strategy and
- allocate \$9,000 per annum on going to maintain accurate real-time data and monitoring.