



22 July 2022

Ben Rimmer
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Department of Families, Fairness and Housing
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Ask for: Katy McMahon
Phone: 9932 1004
Our Ref: A3741534

Dear Mr Rimmer

Social and Affordable Housing Compact

Hobsons Bay City Council welcomes the opportunity to provide feedback on the Draft Social and Affordable Housing Compact.

Council is actively supporting efforts to increase supply of social and affordable housing through the Hobsons Bay Affordable Housing Trust and the Epsom Street Affordable Housing Project. The latter is a planned development on Council land for which a Big Housing Build funding application will be lodged in the coming months.

As a member of the M9 group of councils, Hobsons Bay is a signatory to the M9 submission on the Compact. We are also one of several M9 Councils with a particular interest in social and affordable housing, who are lodging an additional submission reflecting further and complementary feedback to the M9 submission.

Council recognises the value of a closer and more formal relationship between Homes Victoria which has lead responsibility for social and affordable housing, and local government which works most closely with local communities. Our key areas of feedback on the draft Compact, with further more detailed commentary attached, are:

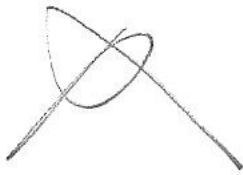
- Encouraging Homes Victoria to prioritise Local Agreements with councils that have established a 'special purpose vehicle' such as the Hobsons Bay Affordable Housing Trust.
- The importance of the State government, as the tier of government with lead responsibility for social and affordable housing, committing ongoing and sustainable funding (and land contributions) to sustain social and affordable housing beyond the Big Housing Build program.

- Consideration of future 'enablers' through the Compact such as planning reforms and more widespread use of surplus State government land.

We look forward to working with you on the Compact, and on further opportunities to improve social and affordable housing opportunities for the Hobsons Bay community, through a Local Agreement with Homes Victoria.

For further information, please contact Katy McMahon (Manager Strategy, Economy and Sustainability) on 9932 1004 or at kmcmahon@hobsonsbay.vic.gov.au

Yours sincerely

A handwritten signature in dark ink, appearing to be 'Penelope Winslade', written in a cursive style.

Penelope Winslade
Director Sustainable Communities

Social and Affordable Housing Compact

Hobsons Bay City Council submission

In preparing this submission, Council officers have focussed on the Draft Social and Affordable Housing Compact, prepared by Homes Victoria and the Municipal Association of Victoria (MAV). The submission has also been shaped by views shared through various engagement activities, including the Inter-Council Affordable Housing Forum (hosted by the MAV) and Regional Council Forums (hosted by Homes Victoria). The submission initially outlines eight recommendations and then provides background and rationale through responses to the discussion questions provided by Homes Victoria.

Recommendations

- 1. Homes Victoria should prioritise the development of Local Agreements with councils that have established a 'special purpose vehicle' such as the Hobsons Bay Affordable Housing Trust.*
- 2. The Compact and Local Agreements should support improved engagement with residents, services and communities, and build stronger alignment between local need and future growth of social and affordable housing.*
- 3. The Compact and Local Agreements should contribute to a collaborative approach to land-use planning issues and complement existing relationships and forums.*
- 4. Victorian Government should provide sustained and ongoing funding to grow social and affordable housing beyond the Big Housing Build program, which ends in 2024.*
- 5. Homes Victoria should provide sufficient human resources and guidance material to support councils to develop and implement Local Agreements.*
- 6. The purpose of the Compact should be expanded to encompass consideration of future 'enablers' such as planning reforms and widespread use of surplus State and Commonwealth government land noting for example the large tracts of well-located VicTrack land throughout the state which would be ideal for both temporary and permanent housing solutions, as well as recognition of the Commonwealth Government's role.*
- 7. The Compact's strategic priorities should be expanded to focus on the need for new supported social housing and resourcing for assertive outreach, as well as the benefits of Universal Design and Environmentally Sustainable Design.*
- 8. The Compact should be agreed between the respective Chief Executive Officers of Homes Victoria and the Municipal Association of Victoria to protect its longevity and ensure its implementation is not impacted by short-term political cycles.*

Response to Discussion Questions

Q1: What are your council's aspirations for a partnership with Homes Victoria on social and affordable housing?

One of Council's key aspirations for a partnership with Homes Victoria is ongoing engagement with the Hobsons Bay Affordable Housing Trust. The Trust is a perpetual charitable trust, established by Council for the purpose of providing affordable, secure, and

appropriate housing to eligible individuals and households with a connection to Hobsons Bay. We hope to identify future projects and funding requirements through a closer and more structured relationship with Homes Victoria. We will also encourage Housing Choices Australia (as the trustee of the Trust) to be included in these discussions and recommend that Homes Victoria prioritise the development of Local Agreements with Councils that have established a 'special purpose vehicle'¹ such as the Hobsons Bay Affordable Housing Trust.

Council has further aspirations for a partnership with Homes Victoria. Agreed and understood roles, responsibilities and decision-making processes will assist all parties to work towards common approach to partnerships, as well as considering future opportunities arising from promised investment from the Commonwealth Government. Improved engagement and exchange of information will facilitate better connections between councils, local stakeholders, Homes Victoria and other parts of Victorian Government, while also supporting more accurate prioritisation and response to local needs. Finally, closer partnerships will provide opportunities to work through planning issues arising in the context of the Big Housing Build program and social and affordable housing more broadly.

Q2: What outcomes would your council like to see in 10 years' time?

Continuing and increased growth in social and affordable housing should be a key outcome for the next ten years. Importantly, growth should be based on identified need (informed by engagement with Councils and other local stakeholders) and underpinned by sustained and ongoing funding beyond the Big Housing Build program.

More broadly, further growth will help to 'normalise' social and affordable housing, establishing long-term, secure and affordable rental housing as a viable and permanent housing option. In Hobsons Bay we are very proud that we have achieved a five per cent affordable housing contribution in recent major developments (unfortunately, this was not replicated in a development that was called into the Minister's fast track process last year). We would like to see these levels of contribution supported by Homes Victoria to become normalised (and even potentially higher levels achieved over time).

Q3: What are the practical opportunities to work with your council to grow and improve social and affordable housing for your communities?

Ongoing growth is reliant on more effective, timely and meaningful communication and engagement with social and affordable housing tenants, support services and local communities. The Compact and Local Agreements should provide a platform for these interactions, but there are also practical opportunities for Homes Victoria to engage directly with local groups, with support from councils and other local stakeholders. This will help to ensure tenancies are targeted and sustained, while social and affordable housing is more supported and integrated within local communities.

Hobsons Bay is in a unique position with a very deliberate Council decision to undertake direction action on social housing as a priority identified by our community. Council purchased a former school site for this purpose nearly a decade ago. However, the provision of social housing is not a local government lead, and not something that all councils or

¹ Community Housing Industry Association and Municipal Association of Victoria (2022) *Assets Places in a Special Purpose Vehicle: A mechanism to secure Affordable Housing Contributions*, <https://chiavic.com.au/wp-content/uploads/2022/03/SPV-Factsheet.pdf>, published February 2022.

communities will prioritise, nor is it something Hobsons Bay is likely to be able to afford to do again.

Housing is a state government lead and the local government sector is looking to the State to lead on sourcing land from its considerable land portfolios. For example, VicTrack owns large tracts of well-located land throughout the state which would be ideal for both temporary and permanent housing solutions. As an example, in Hobsons Bay, VicTrack land in a prime location near the railway station and town centre in Newport is a prime example of land ideally suited for affordable housing. Another local example is the former TAFE site in Newport, a large site currently listed on the Department of Treasury and Finance's surplus land list. Another State government site is the Scout Hall site in Laverton, which is well located and very poorly utilised. The Commonwealth Government's RAAF base, which is located within Wyndham City Council, on the boundary of Hobsons Bay in Laverton, is a large and underutilised site, well located for social and affordable housing.

Council recently engaged with local communities on Draft Design Guidelines for the Epsom Street Affordable Housing Project which, subject to external funding, will proceed on Council-owned land. We hope to have future discussions with Homes Victoria (through the Compact, Local Agreements and Roundtable) to explore further opportunities on land owned or managed by the Victorian Government in Hobsons Bay.

Q4: What can Homes Victoria do to support your council?

In the context of the Compact, Homes Victoria can support councils by providing resourcing and guidance to develop and implement Local Agreements and embed processes. At the state-wide level, the current Social and Affordable Housing Adviser role within the MAV should be extended until all Local Agreements have been established, while consideration should also be given to targeted support at the local and/or regional level. Practical guidance (such as Practice Notes, model agreements, or information presentation) should also be developed and promoted widely.

Homes Victoria can also support councils by providing ongoing and sustainable funding to increase supply of social and affordable housing and ensure that the State government prioritises social and affordable housing outcomes with its surplus land program. More specifically, it can support our community by considering funding proposals presented for local projects, including those brought by the Hobsons Bay Affordable Housing Trust.

Q5: Does the proposed purpose of the compact capture the breadth of opportunities for councils and us to work together to improve social and affordable housing outcomes for your communities?

The proposed purpose of the Compact covers many of the key opportunities for Homes Victoria and local government to work together more effectively. However, the purpose of the Compact should also encompass consideration of the State government's lead role in this area, and other enablers such as support and advocacy for mandatory planning controls and more widespread use of surplus State government land. Additionally, the Compact should support collaborative approaches to relevant land-use planning matters and complement existing forums and relationships. Finally, consideration should be given to how the Commonwealth Government may be incorporated into the Compact and/or Local Agreements, given its promise to deliver 30,000 social and affordable housing dwellings across Australia over the next five years.

Q6: What would the implementation of the proposed strategic priorities look like for your council?

In Hobsons Bay, implementation of the proposed strategic priorities would include:

- *Strategic Priority 1: Drive social and affordable housing growth* – closer alignment between need and growth (through shared data and information); increased use of surplus State government land, including use of air rights and other innovative models; consideration of planning reform and other legislative change. Our highest immediate priority (and largest investment) is the Epsom St project which will be seeking Big Housing Build investment through the current Social Housing Growth Funding request for proposal process.
- *Strategic Priority 2: Identify local priorities for renewal and development* – opportunities to share local knowledge and connections to inform planning, investment, renewal, management and development of social housing.
- *Strategic Priority 3: Coordinate services, support and infrastructure for tenants* - improved connections to support services, who may also be parties to Local Agreements.
- *Strategic Priority 4: Promote the value of social and affordable housing* - improved communication between Homes Victoria, community housing providers and local communities; sharing of best practice engagement and communications materials.

Q7: Are there other strategic priorities that you would like to see included in the compact?

While related to Strategic Priorities 1 and 3, the draft Compact does not directly address the need for new supported social housing and increased resourcing for assertive homelessness outreach services. We saw the rapid mobilisation of hotel accommodation for people sleeping rough during the early months of the COVID-19 crisis and the subsequent benefits of the 'From Homelessness to a Home' initiative. However, local outreach services continue to be overstretched in Hobsons Bay (and the Western metropolitan region) and the Compact should articulate an intention for Homes Victoria to support councils, community housing providers and support services to create pathways to secure housing and reduce homelessness in their communities.

Consideration should be given to including a strategic priority focussed on 'quality design', which incorporates Universal Design and Environmentally Sustainable Design. Ensuring that all new (and refurbished) social and affordable housing dwellings are built to high standards and designed with Universal Design principles will deliver housing that is widely accessible and allows for 'ageing in place'. Similarly, dwellings that incorporate Environmentally Sustainable Design will have reduced environmental impact and be more affordable to maintain for tenants and providers.

Q8: What might be the focus of a Local Agreement between Homes Victoria and your council?

The focus for a Local Agreement between Homes Victoria and Hobsons Bay City Council are largely outlined in the response to Question 1, above. This is likely to include ongoing engagement with the Hobson Bay Affordable Housing Trust; improved exchange of

information and data; clarification of roles and responsibilities, and support for a more collaborative approach to planning issues.

Q9: How would you be more likely to enter into a Local Implementation Agreement? As an individual Council? Or as part of a group?

Subject to Council approval, it is likely that Hobsons Bay would seek to enter into a Local Agreement as an individual council. We are actively progressing delivery of social and affordable housing on several fronts (including the Hobsons Bay Affordable Housing Trust and use of Council-owned land) and, as such, would benefit from a tailored agreement that accounts for local conditions and priorities.

However, we also recognise the benefits of establishing additional regional agreements where this is aligned to existing alliances (such as the M9 which Hobsons Bay is an active member of) or shared issues (such as planning for Metropolitan Activity Centres). Further, we support the intention to involve key stakeholders in Local Agreements such as Housing Choices Australia (as the trustee of the Hobsons Bay Affordable Housing Trust) and relevant local service providers.

Q10: Are there any other issues you would like to raise?

Increasing the supply of social and affordable housing is a long-term undertaking, and it will take many years to respond to unmet need across Victoria. As such, we support the timeframes proposed for the Compact (ten years) and Compact Implementation Plans (five years). To further reflect the need for a long-term approach, we recommend that the Compact be agreed between the respective Chief Executive Officers of Homes Victoria and the Municipal Association of Victoria to protect the longevity of the Compact and ensure its implementation is not impacted by short-term political cycles.