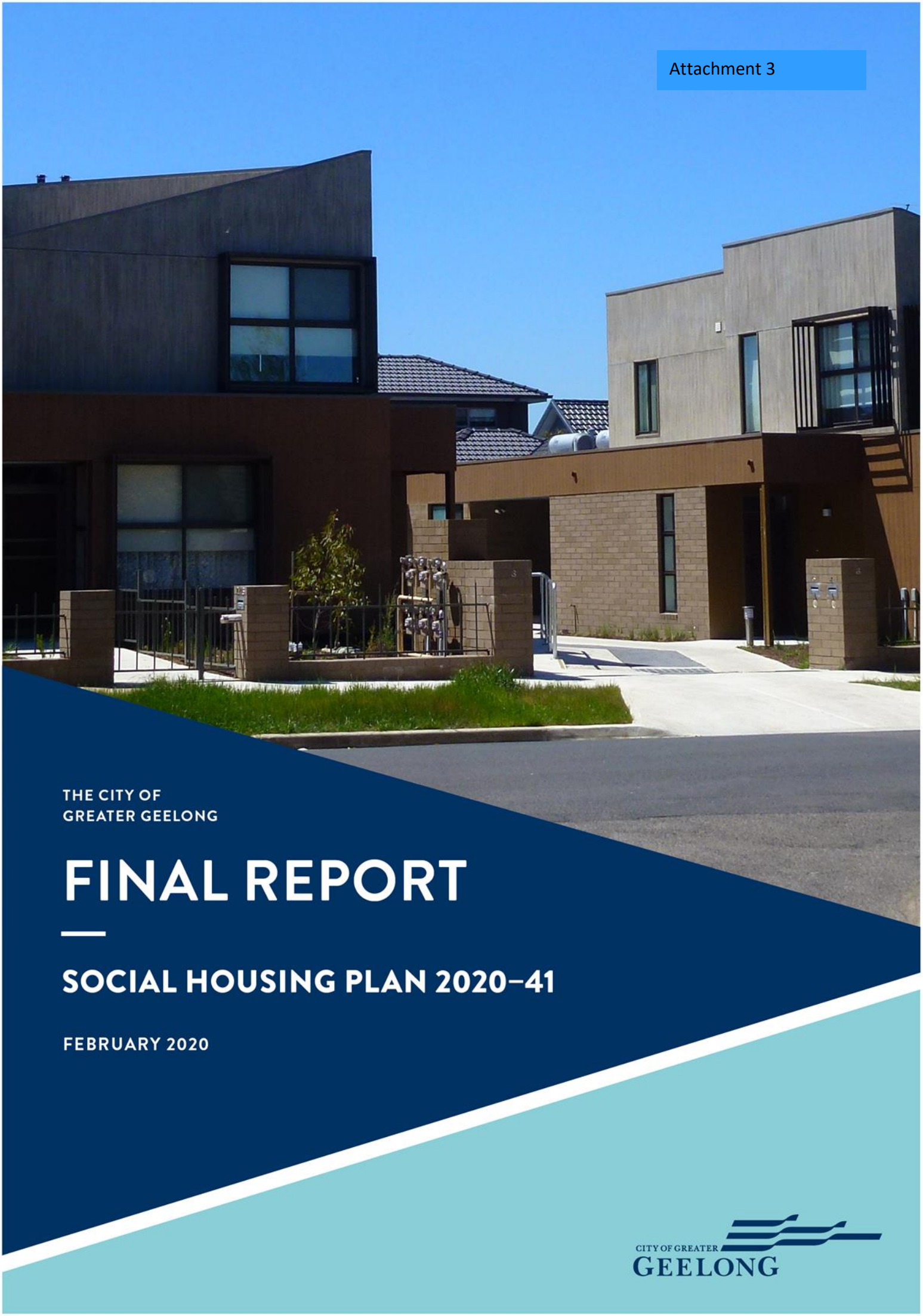
Attachment 3



THE CITY OF
GREATER GEELONG

FINAL REPORT

SOCIAL HOUSING PLAN 2020–41

FEBRUARY 2020

CITY OF GREATER
GEELONG

PART A: CITY OF GREATER GEELONG SOCIAL HOUSING PLAN 2020 - 2041

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Terminology

- **The City of Greater Geelong** refers to the local Council, or administrative body, for the local government area of Geelong (sometimes also referred to as 'Council')
- The term **Geelong** is used to refer to the geographical areas covered by the City of Greater Geelong
- **Planning Area –** this document uses the Planning Areas developed by K2 Planning in the City of Greater Geelong *Children's Services Infrastructure Plan* 2012 and subsequently used in future City of Greater Geelong Community Infrastructure Plans. The Planning Areas groups suburbs into areas that reflect where people travel to access services

List of Abbreviations

ABS	Australian Bureau of Statistics
AHURI	Australian Housing and Urban Research Institute
CEHL	Common Equity Housing Limited
CGDA	Central Geelong Development Authority
DHHS	Department of Health and Human Services
DOT	Department of Transport
GAHC	Geelong Affordable Housing Company
GAHT	Geelong Affordable Housing Trust
IAP2	International Association of Public Participation
IHDA's	Increased Housing Diversity Areas
LGA	Local Government Area
MPHP	Municipal Public Health and Wellbeing Plan
NATSEM	National Centre for Social and Economic Modelling
NDIA	The National Disability Insurance Agency
NGRHC	North Geelong Rental Housing Co-operative
OoH	Office of Housing
PPHA	Port Phillip Housing Association
PPHT	Port Phillip Housing Trust
PSP	Precinct Structure Plan
RHA	Registered Housing Association
SEIFA	Socio-Economic Index for Areas
SHP	Social Housing Plan
TAC	The Victorian Transport Accident Commission
UDIA	Urban Development Institute of Australia
VACRO	Victorian Association for the Care and Resettlement of Offenders
UDIA	Urban Development Institute of Australia

Please refer to Table 21, p. 83 for a Glossary of Key Terms

Part A: City of Greater Geelong Social Housing Plan

1. Executive Summary

Housing affordability is constantly in the news. After a decade of rising house prices fewer people are purchasing a home and private rental costs are causing financial problems for many households. Front pages of many newspapers carry the stories of those who are suffering the most – the homeless and those in housing poverty.

Funding cuts to blame for homeless increase, Corio MP Richard Marles says

With next week marking Homelessness Week, Corio MP Richard Marles has called on the Government to demonstrate more leadership to take real action on combating homelessness…There are more homeless people in Geelong than ever before amid increasing funding cuts to frontline services, warns Corio MP Richard Marles.

(Geelong Advertiser August 5, 2019)

In theory the solution is simple. International research backed by Australian experience indicates that 'housing first' is the right approach – regardless of the many factors contributing to homelessness providing people with safe, secure and affordable **housing first** enables them to gain the stability necessary to deal with other pressures in their lives.

Social housing is the solution. Social housing is rental housing provided to the lowest income groups in the community, at a rent that is based on their income (generally 30%). Social housing is provided by the State Government (public housing) or by Registered Housing Agencies (RHA's) (community housing). To achieve the affordability outcome the construction or operations of social housing must be subsidised.

Currently there are only 3,300 social housing dwellings in Geelong. However, there are an estimated 7,200 households in Geelong who urgently need social housing with about 6,400 living in the private rental market and paying in excess of 30% of their income on rent (often more than 50%) and a further 900 who are homeless altogether. The total demand for social housing is therefore estimated at 10,500 dwellings or approximately 11% of all households.

With the population of Geelong expected to grow by at least another 50,000 dwellings over the next two decades, a current shortfall of 7,200 social housing dwellings, and 50% of the existing social housing needing to be replaced over that period, it is estimated that a Social Housing Plan designed to overcome homelessness and housing poverty will need to deliver **13,500 new social housing dwellings by 2041**.

This implies the addition of an average 675 social housing dwellings per annum over the next 20 years requiring an estimated investment of $235M per annum. This level of investment is far beyond the capacity of any local government and will only be addressed if State and Commonwealth Governments are committed to addressing the problem.

The City of Greater Geelong (the City) is the level of government closest to the lived experience of homelessness and housing poverty. The City best understands the impact of the lack of social housing on individuals and families and has to carry the burden of supporting people when housing costs force them into poverty, contribute to physical and mental health problems, and eventually lead to a crisis.

The City therefore needs to take a strategic role in driving a new social housing growth strategy for Geelong. This Plan outlines the elements of such a strategy including the following roles:

1. Take a **LEADERSHIP** role in advocating for an increase in social housing by presenting compelling data and a coherent strategy to both the State and Commonwealth Governments.
2. **INVEST** in social housing by contributing suitable sites surplus to the City requirements and a modest annual budget thereby demonstrating it's commitment and credibility.
3. Develop **PARTNERSHIPS** with both the State and Commonwealth Government culminating in funding agreements that will lead to significant growth in social housing over the next 20 years.
4. Amend the **PLANNING** Scheme in the context of recent amendments to the Victorian Planning & Environment Act and the anticipated outcomes of the new Victorian Ministerial Advisory Committee on the role of planning legislation to support social housing to enable Council to negotiate significant developer contributions to social housing.
5. Participate in ongoing **URBAN RENEWAL** plans for Corio, Norlane and Whittington thereby contributing to increased social, environmental and economic sustainability in these three very disadvantaged suburbs.
6. **BUILD CAPACITY** in the local infrastructure necessary to achieve the social housing growth and regeneration objectives by building key operational infrastructure organisations.

In practical terms, the key initiatives within the Social Housing Plan include a commitment by the City of Greater Geelong to:

1. Make available all suitable unutilised City owned land for residential development in a timely manner with a minimum of 30% social housing (42 sites identified).
2. Contribute an annual budget of $1M to social housing to leverage investment from other levels of government.
3. Adopt a Local Planning Policy for Social Housing and amend the Geelong Planning Scheme to enable the City to negotiate development contribution to social housing in all new developments where the approval of the planning application increases land value.
4. Negotiate a Social Housing Agreement with the Victorian State Government which includes: State commitments to funding ambitious growth targets; releasing suitable surplus land for residential development with a minimum of 30% social housing; and completion of urban renewal plans for Corio, Norlane and Whittington.
5. Negotiate an Agreement with the Commonwealth government that includes a commitment by the Commonwealth to release all suitable surplus land for residential development including: a minimum of 30% social housing; financial support for the social housing growth strategy through the National Housing Finance Investment Corporation (NHFIC); and allocation of a significant

number of National Rental Affordability Scheme (NRAS) incentives to Geelong, if that scheme is reopened.

In order for the Social Housing Plan to be implemented, the City will commit to the establishment of the following two key components of local infrastructure necessary to support social housing growth:

1. **Geelong Affordable Housing Trust** - a special purpose investment vehicle to hold all assets and contributions provided by the City, the State Government, the Commonwealth Government and the private sector (via Section 173 Affordable Housing Agreements). The Trust will provide assurance to all parties that the value of their contributions will be retained as social housing within the municipality in perpetuity.

2. **Geelong Affordable Housing Company (GAHC) -** a special purpose affordable housing development company that is registered as a Housing Association under the Victorian Housing Act and which is appointed by the City as the Trustee of the Trust. It is anticipated that the GAHC will take responsibility for developing and implementing an investment program based on the commitments of the City, the State and Commonwealth Governments and the anticipated contributions to social housing provided through Section 173 Agreements, and subsequently arranging long term management of social housing assets, including the appointment of housing managers with the capacity to provide the best service to the specific residents of each development.

1.1 Vision, Aims, Objectives and Targets

The City of Greater Geelong *Social Housing Plan* seeks to give effect to the aspiration for an inclusive community which cares for the most vulnerable members of that community outlined in the community's vision for the City, *Greater Geelong: A Clever and Creative Future*.

COMMUNITY VISION
Greater Geelong will be internationally recognised as a clever and creative city-region that is forward looking, enterprising and adaptive, and cares for its people and environment (Greater Geelong: A Clever and Creative Future) *Community Aspiration:* An inclusive, diverse, healthy and socially connected community. *Success will be achieved by:* A variety of affordable options for people to rent or buy a home.

PURPOSE OF SOCIAL HOUSING PLAN
The City's Social Housing Plan reflects the Greater Geelong community values of access to affordable housing and support for vulnerable community members. The Plan provides a framework designed to meet the housing needs of the lowest income households in the community.

STRATEGIES			
Consider the suitability of council owned land which is identified as surplus, for social housing	Update and complete urban renewal plans for areas of high public housing concentration (Corio, Norlane, and Whittington)	Negotiate the inclusion of social housing in all new private developments where rezoning and planning approvals add value to land	Maximise State and Commonwealth investment in new Social Housing in the municipality

SOCIAL HOUSING PLAN TARGETS
Increase the supply of social housing from the current 3% to **7% by 2031** (an estimated increase in supply of 6,750 dwellings including the replacement of 750 existing public housing dwellings.)
Increase the supply of social housing from the proposed 7% in 2031 to **10% by 2041** (an estimated further increase in supply of 6,750 dwellings including the replacement of 750 existing public housing dwellings.)

ROLES FOR COUNCIL	
Leadership	Assume a leadership role in advocating for an increase in social housing in public policy and in the local community
Investment	Evaluate the suitability of surplus Council land for social housing which leverages significant funding from State and Commonwealth Governments
Partnerships	Develop partnership agreements with Commonwealth and State Governments for investment in social housing which expands the supply of social housing in Geelong
Planning	Negotiate the inclusion of social housing in all new private developments where rezoning and planning approvals add value to land
Urban Renewal	Contribute to continued urban renewal plans for Corio, Norlane and Whittington
Capacity Building	Develop the capacity of the City of Greater Geelong to manage the implementation of the Social Housing Plan by establishing essential elements of local infrastructure needed to support an increase in social housing

1.2 A Social Housing Plan Based on Partnerships

State Government has the constitutional responsibility to plan for and provide housing assistance, including social housing. Local Government is not the level of government responsible for the delivery of social housing. However, as the level of government closest to the community, Local Government has the closest understanding of local issues such as homelessness and housing poverty. Local Government also has the closest understanding of the impact of the lack of social housing on individuals and families. In turn, Local Government carries most of the burden of supporting people when housing costs force them into poverty, contribute to physical and mental health problems, and eventually leading to crisis. However, Local Government does *not* have the resources necessary to achieve the targets required to address the current and future need for social housing identified within the City of Greater Geelong.

The implementation of any Plan to deliver on these targets will therefore depend on the negotiation of a partnership arrangement between the City of Greater Geelong and both the State and Commonwealth Governments. These partnerships will respond to the following key issues that will impact directly on the effectiveness of the City of Greater Geelong *Social Housing Plan*:

The scale of investment required in social housing is significant

- An estimated 13,500 new dwellings over 20 years including the replacement of 1,500 existing public housing dwellings that will come to the end of their economic life within that period
- This is an average of approximately 675 dwellings per annum at a total development cost of about $235M (assuming an average cost of $350,000)

Mechanisms are available to Local Government to reduce the cost required to invest in social housing

- the value of land contributed by Local, State and Commonwealth Governments, plus contributions negotiated with private developers during planning negotiations, is estimated to be able to lower the overall cost of development of social housing by about 20% on average; and
- the impact of the GST rebate if the social housing is delivered through a Registered Housing Agency will further reduce the cost by about 9%; therefore
- the total annual net cost to develop this quantum of social housing is in the order of $170M per annum.

The subsidy required to meet the target for social housing is far greater than any return on investment to the City of Greater Geelong

- the subsidy required to meet the cost of servicing this level of investment, (even if all borrowed through an entity such as the National Housing Finance & Investment Corporation at government bond rates plus margin), would be in the vicinity of $10,000 per dwelling per annum or about $6.5M per annum for the annual target of 643 dwellings; whereas
- The City would only generate about $650K in rate revenue from the additional social housing.

The central features of the City of Greater Geelong *Social Housing Plan* therefore are:

i. The negotiation of a **Social Housing Agreement with the Commonwealth Government** that includes:
    a. A review of all Commonwealth land holdings within the City of Greater Geelong and a commitment to release all sites no longer required, in an orderly manner, for use as residential development with a minimum of 30% of the lots produced designated for social housing and transferred to a Registered Housing Agency at cost; and
    b. Debt finance through NHFIC to an approved Registered Housing Agency in the order of $3.4B distributed over 20 years.

ii. The negotiation of a **Social Housing Growth Agreement with State Government of Victoria** that includes[1]:

    a. A review of all State land holdings within the City of Greater Geelong and a commitment to release all sites no longer required, in an orderly manner, for use as residential development with a minimum of 30% of the lots produced designated for social housing and transferred to a registered Housing Agency at cost; and
    b. A commitment to complete urban renewal plans for Corio, Norlane and Whittington including the replacement of 1,500 public housing dwellings over the next 20 years as they reach the end of their economic life; and
    c. A **Social Housing Growth Fund** operating subsidy estimated in the order of $3B spread over 50 years

iii. A **commitment by the City of Greater Geelong** through partnerships with the Commonwealth and Victorian Governments to:

    a. A review of all City land holdings within the City of Greater Geelong and a commitment to release all sites no longer required, in an orderly manner, for use as residential development with a minimum of 30% of the dwelling produced designated for social housing and transferred to a Registered Housing Agency at cost with an option for Council to continue to hold title to the land; and
    b. Where there is a demonstrated uplift in the value of private land, through a rezoning or development approval, the City of Greater Geelong will negotiate the inclusion of affordable housing appropriate to the context and scale of the development (a legitimate target based on the identified demand suggests that 10% social housing is not unreasonable); and

[1] The City of Greater Geelong recognises that neither the Commonwealth nor State Governments are likely to enter long-term commitments and hence will seek to negotiate 5 year Agreements, with intention to renew in 5 year intervals.

c. A commitment to work with the State Government in the implementation of Urban Renewal Plans for Corio, Norlane and Whittington, including the resourcing of a community development strategy in each neighbourhood; and
d. A commitment to invest $1M per annum for 20 years into the Registered Housing Agency commissioned with the task of implementing the Social Housing Growth Strategy.

iv. Negotiation of a **Partnership Agreement with a Registered Housing Agency** to ensure the establishment of the following key components of local infrastructure necessary to support social housing growth including:

a. **Geelong Affordable Housing Trust (GAHT)** – a special purpose investment entity that will hold all assets and contributions provided by Council, State and Commonwealth governments, and private sector (via Sec 173 Affordable Housing Agreements) and social housing assets; and
b. **Geelong Affordable Housing Company (GAHC)** – a special purpose affordable housing development company that is registered as a Housing Association under the Victorian Housing Act and appointed by Council as Trustee of the above rust (refer to **Executive Summary** for more details).

This ambitious expectation by the City is premised on the **following facts which set Geelong apart**:

1. The municipality is the largest by population in Victoria with significant growth expectations driven by State and Commonwealth settlement and regional development plans – Council has every right to expect the support of both levels of government to address the major social infrastructure requirements of the City.
2. The municipality is unique in Victoria in that it has all of the features of a major metropolis including a central business district undergoing rejuvenation through redevelopment including high rise service oriented office towers alongside apartment buildings; an outer fringe which is undergoing rapid growth through greenfield developments; and established suburban communities being reshaped around local retail centres and transport hubs.
3. The municipality has been at the forefront of the restructuring of Australian industry with the closure of many significant manufacturing industries resulting in considerable unemployment and transitional employment options.
4. There is currently a very low proportion of social housing in the municipality, much of which is nearing the end of its economic life, is underutilised, and is not matched to current demand.
5. That level of investment is way beyond the capacity of the City to meet and can only be addressed through a coordinated strategy which has the commitment of both the State and Commonwealth Governments as well as the City of Greater Geelong.

1.3 Strategies

Strategies required to implement the City of Greater Geelong *Social Housing Plan 2020 – 2041* are set out below under the following roles identified for Council:

1. Leadership
2. Investment
3. Partnerships
4. Planning
5. Capacity Building

Each Strategy includes:

1. **Actions** – activities identified as appropriate for each Strategy
2. **Timelines** – an approximate timeline based on Short Term (1-2 years); Medium Term (3-5 years); Long Term (5-10 years) and Ongoing
3. **Budgets** – an estimate of the budget that Council may be required to commit to each activity
4. **Benefits to C the City** – what each action will contribute to the achievement of the overall Plan and related social and economic benefits to Council

Table 1: City of Greater Geelong - Recommended Strategies and Actions

Strategy	Actions	Timelines	Resources	Benefits
A. Leadership Strategies				
1. Establish an Affordable Housing Advisory Committee to Council	Involve key stakeholder groups (including community services, private business, property development industry, and DHHS) in meetings to: consider City of Greater Geelong reports on issues and activities related to social and affordable housing; and provide feedback on issues and opportunities for an increase in the supply of social and affordable housing in Geelong	Short-term	An internal Social Housing Team including research and policy expertise, urban planning expertise and public relations expertise	Key stakeholder support for Council initiatives and policies
2. Develop a better understanding of social housing needs	Publish data on housing need in the City of Greater Geelong which can inform the location, volume and type of required new social housing dwellings Research and document appropriate housing responses to the different groups experiencing housing need	Short-term		Evidence based policies in relation to social housing
3. Raise community awareness of housing need and the benefits of social housing	Promote the social and economic benefits of social housing to the community Promote good practice examples of social housing including the positive impact on low income households	Short-term (dependent upon a dedicated resource to be funded by Council)		Resident and community support for Council policies and for individual social housing projects undergoing planning approval
4. Articulate a clear understanding of the City's role in the supply of social housing	Publish data on social housing supply Monitor Commonwealth and State Government policies which impact on housing supply and promote opportunities that will benefit Geelong Advocate for increased investment in social housing to Commonwealth and State Governments	Short-term		Informed negotiations with other levels of government and better resourced social housing programs
5. Support the inclusion of mandatory planning controls	Advocate to the State Government for the inclusion of mandatory planning controls in the Victorian planning for the provision of affordable housing	Ongoing		

Strategy	Actions	Timelines	Resources	Benefits
B. Investment Strategies				
1. Demonstrate commitment through early investment in showcase projects	Identify one or two suitable Council sites for the inclusion of social housing, employing best practice in social, economic and environmental sustainability Document and promote those developments within the City and externally to State and Commonwealth Governments	1-2 years	Nil budget allocation but impact on balance sheet	Improved public awareness of both the quality and benefits of social housing
2. Invest in a *Social Housing Growth Agreement* for the City	Contribute Council owned land which is surplus to Council requirements for residential developments that include social housing Annual budget contribution of $1M to City of Greater Geelong *Social Housing Growth Strategy*	Medium – Long term (this action needs to be part of an overall approach by the City)	$1M Subject to a successful Business Case	Leverages significant increase in social housing investment from State and Commonwealth Governments

Strategy	Actions	Timelines	Resources	Benefits
C. Planning Strategies				
1. Amend the Greater Geelong Planning Scheme to require the inclusion of social and affordable housing in new developments based on identified need	The State Government has not set a mandatory or minimum affordable housing requirement. There is a broad state based policy supporting the provision of affordable housing. There is a broad strategic planning basis to include affordable housing matters in local policy and in site specific planning controls. The City will include the current and future demand and supply of affordable housing within the municipality in the Planning Policy Framework. Future housing development will include a meaningful contribution to meeting the identified needs for social and affordable housing where there is a demonstrated uplift in land value A site-specific inclusion relevant to the context of the site will be negotiated when: - A rezoning for a residential use is sought - A residential precinct structure plan is prepared - A development concession or incentive is provided as part of a development application[2]. Delivery models will include the gifting, discounted sale or leasing of land or dwellings to a Registered Housing Agency appropriate to the needs of the RHA and the location. Alternative arrangements such as the sale of dwellings to households under an affordable home purchase arrangement such as a shared equity program will also be considered.	Short term	Within existing resources	An amended Planning Scheme which enables the planning process to negotiate development contributions to the provision of social housing supply in accordance with recent amendments to the Planning & Environment Act

[2] It is noted that the State Government has not set a mandatory or minimum affordable housing requirement, however, there is broad state based policy supporting the provision of affordable housing. There is a broad strategic planning basis to include affordable housing matters in local policy and in site specific planning controls.

Strategy	Actions	Timelines	Resources	Benefits
	A Social and Affordable Housing Assessment should be prepared as part of the relevant planning assessment process.			
2. Negotiate Section 173 Agreements with applicants	Voluntary agreements will set out: - the percentage of total dwellings on site to be contributed to social housing; - the type of social housing dwellings to be provided - the location of the social housing dwellings to be provided - the owner and manager of the social housing dwellings to be provided, and - the cost of the dwellings (or land) to be provided for social housing. Prepare guidance materials to assist negotiations including criteria for eligible developments	Ongoing	Housing planner in the Planning and Growth team to negotiate agreements $130,000 per annum subject to a successful Business Case	New social housing included in all eligible - developments or a contribution procured for investment in new social housing
3. Identify principles to guide negotiations with developers on appropriate social and affordable housing outcomes	Principles for negotiation will include: - **Commercial**: the cost to the developer should not exceed the value uplift in the land value generated by the development approval. - **Integration**: the scale, design and finish of the social housing should be compatible with the surrounding streetscape and not distinguishable from other dwellings. The social housing dwellings will have access to the same communal facilities and services as the other dwellings. - **Progressive**: the social housing should be delivered progressively in accordance with an agreed program. - **Certainty**: the party identified as the owner and manager of the social housing must have the financial capacity to complete the acquisition and the operational capacity to manage the dwellings in accordance with recognised good practice. - **Sustainable**: the social housing dwellings provided should be consistent with an	Short term	Cost included in 2 above	Provides developers with confidence that negotiations will not unrealistic and uncommercial

Strategy	Actions	Timelines	Resources	Benefits
	evidenced based model of good practice that demonstrates social, economic and environmental sustainability.			

Strategy	Actions	Timelines	Resources	Benefits
D. Partnership Strategies				
1. Negotiate a Social Housing Agreement with the Commonwealth Government	Including: - Identification of Commonwealth Government owned sites that can be made available for residential development including social housing - Commitment of National Housing & Homelessness Infrastructure Corporation (NHFIC) finance to major new residential zones with a commitment to social housing inclusion - Commitment of National Housing & Homelessness Agreement (NHHA) funding to the renewal of large public housing estates in Geelong - Commitment of National Rental Affordability Scheme (NRAS) incentives to the development of affordable housing in Geelong	Short term-medium term	This action is dependent upon funding provided by Council based on a successful Business Case	Secures Commonwealth investment in social housing in Geelong leveraging Council Investment
2. Negotiate a Social Housing Growth Agreement with the Victorian Government	Including: - Growth targets for new social housing dwellings through the Geelong Affordable Housing Trust - Allocation of State-owned sites for residential development including social housing - Provision of a recurrent subsidy over 30 years under the Social Housing Growth Fund (or similar) to meet the identified gap between revenues and costs (operating and finance) - Business plan which demonstrates the financial viability of the growth strategy over a 30 year period including the full amortisation of all debt	Short term-medium term	This action is dependent upon funding provided by Council based on a successful Business Case	Secures State investment in social housing in Geelong leveraging Council investment
3. The development of a Neighbourhood Revitalisation Partnership between the City of Greater Geelong and the State Government Department of Health and Human	Including: - 10 year Neighbourhood Renewal Strategy. - 5 year Neighbourhood Renewal Plan for Corio, Norlane & Whittington. - A commitment to an approach that integrates improvements to the physical environment and builds the social capital of each community; and enhances the desirability to live in each area while ensuring the traditional public housing residents are not	Medium term-long term	This action is dependent upon a successful Business Case and funding explored between Council and the Victorian State Government.	Long term collaborative strategy backed by appropriate resources to complete the process of urban renewal in areas of concentrated social disadvantage

Strategy	Actions	Timelines	Resources	Benefits
Services (DHHS)	displaced but can enjoy improved living conditions Guiding principles: - Redevelopment of public housing dwellings at the end of their useful life or no longer appropriate to housing needs - Improvement of public housing that is physically sound to meet the needs of existing and future social housing tenants - Place based tenancy and property management of the public housing dwellings - Place based maintenance of the public domain including parks, gardens and community facilities - Coordination of training and employment programs which link local residents to the economy of place-based management - Community development program designed to enhance health and well-being, improve community safety, and increase participation in community and civic activities			

Strategy	Actions	Timelines	Resources	Benefits
E. Capacity Building Strategies				
1. Investigate the creation of an Affordable Housing Trust by the City of Greater Geelong	Legal establishment of a special purpose social housing investment vehicle which is: - The recipient of any land identified as surplus to Council requirements and suitable for social housing - The recipient of the annual Social Housing Budget approved by the City - The beneficiary of any Affordable Housing Development Contribution negotiated by Council through a Section 173 Agreement during a Development Approval process - The investment vehicle in which State and Commonwealth investments can be secured	Short - term	This action is dependent upon a Business Case to be developed and approved by Council. Some resourcing is required.	A special purpose investment vehicle providing security for all investments in social housing from Council, State and Commonwealth Governments and through the planning system
2. Investigate the appropriate Governance model of an affordable Housing Trust.	Incorporation of a special purpose Trustee Company to manage the Affordable Housing Trust with: - Membership based on key stakeholders in the economy such as the City, G21, Committee for Geelong and Give Where You Live - Directors appointed for their skills and experience to develop a social housing property portfolio and manage the assets for the benefit of the community - Employ property professionals with social values and the capacity to implement an approved business plan for the growth of social housing - Secure registration as a Housing Agency under the Victorian Housing Act - Appoint existing Registered Housing Agencies to develop projects and manage properties owned by the Affordable Housing Trust based on their proven capacity to provide excellent service to the designated resident group (role to be dependent on which option is selected for the company)	Short - term	This action is dependent upon a Business Case to be developed. Significant Council resourcing is required.	A competent company at arm's length to the City which can provide focused attention on the development if a social housing investment strategy and oversee its implementation

1.4 Implementation Plan

In order to implement the City of Greater Geelong *Social Housing Plan* it will be appropriate for the City to commit to the following tasks during 2020-21.

Strategy	Tasks	Outcomes	Resources	Responsibility
Leadership	Identify suitable persons and invite them to form the Affordable Housing Advisory Committee	Establishment of key advisory body for the City	Nil	Governance, Strategy & Performance
	Commission a Social Housing Communications Strategy for consideration and sign off by Advisory Committee	Agreed strategy for promoting the benefits of Social Housing and the City's Social Housing Plan	$20,000	Governance, Strategy & Performance
Investment	Identify 2 Council owned sites for Social Housing demonstration projects	Council resolution to develop sites as Social Housing	Value of sites	Planning, Design & Development
	Commission feasibility studies on the development of the sites	Documented good practice development model and identification of finance and subsidies required to develop	$100,000	Customer & Corporate services
Planning	Social and Affordable Housing Assessments	Social and Affordable Housing Assessment is prepared as part of Council initiated rezoning or PSP	Within Project Budget	Planning, Design & Development
	Amendment to Planning Scheme	Planning Scheme articulates the intent of the Social Housing Plan	Existing	Planning, Design & Development
Partnership	Meet with Minister for Housing & Planning to discuss Social Housing Plan and Council's goal for Social Housing Agreement with Victorian government	Ministerial in-principle support for a partnership Agreement on growing social housing (including redevelopment of existing public housing).	Existing	CEO

Strategy	Tasks	Outcomes	Resources	Responsibility
	Meet with the Director of Housing to discuss the scope of a Social Housing Agreement between Council and DOH	In-principle agreement on scope of agreement and process for negotiating details.	Existing	CEO's Office
Capacity Building	Engage lawyers to draft Trust Deed for the formation of Geelong Affordable Housing Trust for Council consideration	Adoption by Council and establishment of the Trust.	$25,000	Governance, Strategy and Performance
	Engage lawyers to incorporate a company limited by guarantee to act as manager of the Geelong Affordable Housing trust	Approval by Council and incorporation of company	$25,000	Governance, Strategy and Performance
	Recruit 5-7 Council residents with the skills and experience to provide an effective Board of the Trust Manager	Appointment by Council of Board of Directors of Trustee	Internal	Governance, Strategy and Performance

Part B: Context for a Social Housing Plan

2. What is social and affordable housing?

2.1 How is social and affordable housing defined?

Affordable Housing

The term 'affordable housing' generally refers to housing available to lower income households which is affordable relative to their incomes.

The *Planning and Environment Act 1987* introduced a definition of affordable housing in June 2018: *Affordable Housing is defined as housing, including social housing that is appropriate for the housing needs of very low, low- and moderate-income households.*

These income levels have been defined by the Victorian Government based on the household income distribution derived from the most recent Census of Population and Housing undertaken by the Australian Bureau of Statistics. Very Low income is defined as less than 50 percent of the median household income, Low is 50-80 percent of the median, and Moderate is 80-120 percent of the median household income.

The income ranges are shown in Table 1 for three types of household. The Victorian Government publishes income bands for Greater Melbourne and the Rest of Victoria. Geelong belongs in the 'Rest of Victoria'.

Table 1: Annual income ranges - households eligible for Affordable Housing, Rest of Victoria

Household Type	Very low income range (annual)	Low income range (annual)	Moderate income range (annual)
Single Adult	Up to $18,380	$18,381 - $29,400	$29,401 - $44,100
Couple, no dependents	Up to $27,560	$27,561 - $44,100	$44,101 - $66,160
Family (one or two parents and dependent children)	Up to $38,590	$38,591 - $61,750	$61,751 - $92,610

Source: Victorian Government Gazette, 29 May 2018.

Housing Stress

Households in the very low, low- and moderate-income ranges which are paying more than 30% of their usual gross weekly income on housing costs (i.e. rent or mortgage payments) are said to be experiencing housing stress. This measure is greater than that used by the National Centre for Social and Economic Modelling, which uses only the very low- and low-income bands (i.e. the lowest 40% of incomes (i.e. 80% of the median). A significant proportion of households experiencing housing stress may be eligible for social housing.

Social Housing

Social housing is affordable housing, which is owned by government and community-based organisations, where rents are set at an affordable level (i.e. proportion of income) for eligible households. The majority of social housing is either Public Housing or Community Housing.

Public Housing

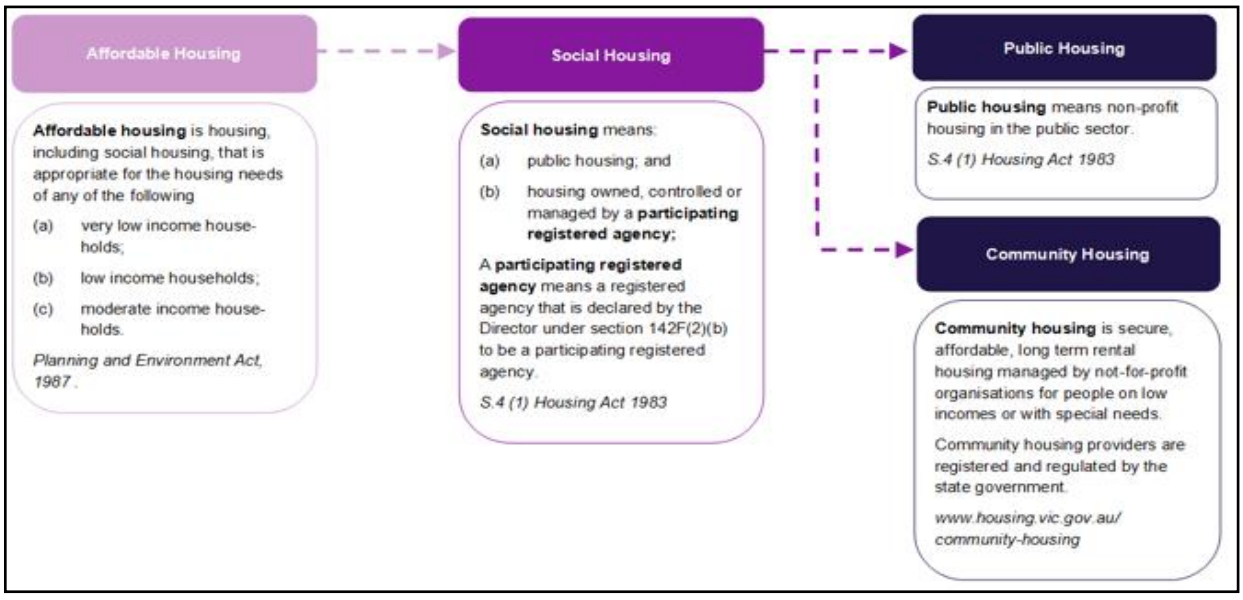
Public housing is housing that is owned and managed by the Government, as per the Housing Act 1983. It refers to rental housing that is provided to very-low and low-income households on an affordable basis (no more than 25 percent of income on rent). Most households in public housing receive Commonwealth income support (e.g. the disability or aged pension). Public Housing is owned and managed by the Victorian Department of Health and Human Services (DHHS). Tenure is not time limited but is subject to tenants meeting rental conditions contained in their tenancy agreement. These agreements are renewed every 3 years.

Community Housing

Community housing is housing that is managed by a Registered Housing Agency. Community housing may be owned by the RHA or leased from DHHS or private landlords. Community housing is targeted to very low-to-moderate income and/or special needs households who meet income and asset tests, in accordance with the Residential Tenancies Act 1997. Rents are commonly capped at between 25 percent and 30 percent of household income with a maximum generally set at 75 percent of market rent. Many providers provide local support services and encourage tenant participation in maintenance and management. Community Housing thus includes:

- Social Housing – long term housing for very low- and low-income households mostly reliant on Commonwealth income support
- Affordable Housing – long term housing for moderate income households mostly reliant on low and casual wages
- Crisis and transitional housing - provide to people experiencing homelessness.

The relationship between affordable, social, public and community housing is shown in Figure 1, below.



Source: Victorian Government DHHS, *Affordable Housing voluntary contributions: Public Housing as an Affordable Housing contribution*, June 2018

Please refer to Table 21, p. 83 for a Glossary of Key Terms

2.2 Why is Social Housing so important?

Social housing is housing for low income households, who are paying a high proportion of their income on rent, and who are struggling to meet the cost of living, due to their family circumstances, and/or as a result of unemployment, disability, poor health or other factors.

Households who rely on government benefits (e.g. pensions, Newstart) as their primary source of income often find it difficult to meet rental payments, even if they receive rent assistance payments as part of their benefits.

Some groups are particularly vulnerable. For example, single parents seeking to provide adequate care for their children may struggle to earn sufficient income, young people on low incomes who leave their parental home; or older pensioners who are renting.

Some people may be unable to pay rents, due to unexpected rent increases, financial difficulties, health issues or unemployment, and as a result find themselves without accommodation. Other people may be forced to leave their home due to conflict and relationship breakdown, including family violence, and find it extremely difficult to access affordable rental properties.

Households which cannot meet rental payments are forced to relocate to less appropriate accommodation, away from family, friends and other support networks. A poor rental history increases the difficulty of finding alternative accommodation in a competitive rental market, and some households experience discrimination in the private rental market.

Some people experience homelessness for a period of time, staying temporarily with friends or relatives, living in substandard accommodation, or living on the streets. With the assistance of homelessness agencies and other support services to find alternative accommodation, the experience of homelessness may be short term. This depends on the availability of suitable accommodation, and for some people, access to support services. Some people who have experienced homelessness may be able to live independently with little additional support. Others may require longer term support.

Whatever the circumstances the provision of social housing in the first instance is considered the most appropriate response to homelessness and the imminent threat of homelessness. The 'Housing First' model is based on the principle that safe and secure housing should be quickly provided prior to, and not conditional upon, addressing other issues. This is now the preferred approach to tackling homelessness in a number of jurisdictions – both nationally and internationally.[3]

[3] Australian Housing and Urban Research Institute (AHURI) 2019 *Social housing as infrastructure: rationale, prioritisation and investment pathway.*

In summary, social housing can provide:

a. Improved access to secure housing and greater security of tenure
b. Greater housing stability, providing a secure basis from which to access employment, education, and community services
c. An enhanced quality of life, including improved health and welfare
d. A reduction in homelessness
e. A reduction in demand for services for people experiencing homelessness
f. Access to support services for social housing tenants, which are designed to help stabilise tenancies.

2.3 What does Social Housing look like?

Social housing may take many forms, in response to the different housing needs of households in the population. Current social housing is indistinguishable from other forms of housing in the community, and is constructed by mainstream builders, to a particular price point.

Social housing may be provided as single dwellings, distributed throughout the community. Social housing may also be provided in multi-dwelling clusters (which could be located in courts), and could be single storey units, or two storey townhouses. Some designs may facilitate interaction between residents, for example for older people or single parent families who can benefit from living in small communities.

Social housing may be included in mixed use apartment developments where there is a mixture of private and social housing, and/or private commercial space on the ground floor, depending on the location and zoning.

A small proportion of social housing may be designed specifically to assist people experiencing housing crises and homelessness, and include crisis and transitional accommodation.

Community consultation and data analysis undertaken for this project identified significant diversity in the types of households at risk, and requiring social housing across Geelong. 'Housing needs' vary in terms of dwelling size, built form, number of bedrooms, location, and disability access.

2.4 What principles should be used in determining appropriate housing for low income households?

Principles to be considered in determining appropriate housing for low income households are shown below. These include parameters in the Victorian Government Ministerial Note (2018).

Table 2: Principles for consideration in developing social housing outcomes

Parameter	Principle	Issues
Location	Housing should be located in reasonable proximity to the range of services the resident requires including retail, education, health, employment and transport.	Most low income households are reliant on public transport and therefore locations close to train stations and bus stops and which are in walking distance to local shops is important.
Design	Housing should be designed to provide adequate space and amenity to minimise anxiety.	Overcrowding is linked to mental health issues and family violence. For single people small homes may be appropriate but if dependent on shared living spaces may be counterproductive to mental health.
Amenity	Housing for low income households should not be too dissimilar in appearance to typical housing in the immediate neighbourhood.	Low income households should not be stigmatised by their housing having a much lower amenity than neighbouring housing as this can lead to social isolation.
Form	Housing should be provided in a form which matches the life stage and amenity required by the household.	High density housing will be suitable for smaller households and those with pre-school age children provided there are recreational areas close by but are unlikely to be appropriate for larger families with school age children.
Integration	Housing should offer the potential to live in a community that is stable, supportive and safe.	Positive relationships with neighbours and sharing common interests with some neighbours can contribute to a sense of belonging and inclusion and enhance community sustainability.
Affordability	Housing should be provided at a cost to the household that does not leave them with insufficient income to meet the other basics of life such as food, clothing, utilities, medical and education costs.	This principle is well defined with the commonly accepted definition being that household costs should not exceed 30% of income for those households in the Very Low, Low and Moderate incomes categories.
Sustainability	Housing should be designed so that the costs associated with living in the dwelling such as utilities and maintenance are minimised.	The cost of construction is often reduced through the use of lower cost materials however these may result in an increase in maintenance costs over time (undermining long term viability for the provider) and/or a reduction in environmental efficiency/ energy (increasing the living costs for the resident).
Support	Housing should be linked to support services which are appropriate to household members and which enable them to maintain a stable tenancy.	Secure and affordable housing will automatically contribute to housing stability however some people such as those with significant physical disabilities and people with acute mental health problems may require ongoing or periodic professional support to assist them maintain their accommodation.

NB: When applying these Principles to certain social groups a range of 'service models' are used, e.g. the Youth Foyer model has a proven track record of not only housing young people at risk of homelessness but linking them with training and employment opportunities.[4].

[4] More examples of how the application of these principles can lead to certain social housing 'service models' are provided in *Background Paper No. 2 - Affordable Housing Models*

2.5 What is the development model for social housing?

There are four main parameters which need to be decided when developing social housing, as shown in Table 3. Key to any growth in social housing is the ability to access the subsidies necessary to make the housing financially viable and sustainable over the long term.

Table 3: Parameters for consideration in developing social housing outcomes

Parameter	Issue	Options
Finance	What is the most appropriate method of financing the development?	The main options are community contributions, government grants, and/or bank debt. Community contributions generally only cover a small proportion of the cost of development. Private equity is an unlikely source due to low returns and lack of control.
Subsidy	What is the scale and form of the subsidy necessary to ensure the long-term sustainability of the agreed response?	There are only two revenue streams for the operation of a social housing model – rental revenue and operating subsidies. The size of the subsidy is strongly related to the cost of finance. Other costs are generally fixed.
Ownership	What legal entity is the most appropriate to own the social housing?	Ownership will depend on who carries the risk of the project, and in particular who owns the debt and is providing security for the debt.
Management	What organisation is the most appropriate to manage the property and the tenancy?	Management should be undertaken by an organisation that best understands the needs of the client, and can collect rent and maintain the property.

3. Why a Social Housing Plan for Geelong?

3.1 What impact does Local Government have on housing affordability?

Local Government can potentially have a significant impact on housing affordability, especially in Geelong where there is significant land supply, and the municipality is not 'locked' by adjacent populated municipalities.

Local Government can increase demand for housing generally by virtue of its planning and development decisions. Through inputs into regional planning, local government contributes to regional growth and development, and the subsequent demand for housing. This includes infrastructure and transport.

Local Government has a major impact on housing affordability through its regulation of supply of land for development. Under-supply of land tends to increase housing prices, due to unmet demand. Local government also influences value through zoning, regulation of lot sizes, and urban design and urban amenity.

3.2 Why has housing affordability become an issue for Local Government?

Across Victoria, housing affordability is at its lowest level in 20 years. Compared to other Australian States, Victoria has the lowest level of social housing (see 'Supply of Social Housing in Geelong' below). This low level of current social housing stock reflects decades of reduced expenditure on social housing. As a result, much current social housing stock is poorly maintained and any available social housing is usually allocated to those households who have the highest, and most complex, needs. These trends have contributed to negative community attitudes to social housing in many areas of Victoria.

This lack of investment by the State Government in social housing means that Local Government will play an increasingly important role in planning for social housing into the future. As the closest level of government to the people, Local Government is aware of community needs and well connected with local organisations that respond to those needs.

Recent changes made by the State Government to the Victorian Planning and Environment Act 1987 also now allow Local Governments to negotiate with developers about including social housing in new developments. These changes also increase the role, and opportunity, for Local Government to facilitate an increase in the supply of social housing.

3.3 What is the City's commitment to Social and Affordable Housing?

Council has made a number of commitments to providing social and affordable housing in Geelong, which are recorded in various documents. The overarching long-term vision is provided by *A Clever and Creative Community*, which states:

"By 2047 Greater Geelong will be internationally recognised as a clever and creative city-region that is forward looking, enterprising and adaptive, and cares for its people and environment."

A Clever and Creative Community identifies the following Community Aspiration:

"an inclusive, diverse, healthy and socially connected community, with success achieved by a variety of affordable options for people to rent or buy a home, and support for the most vulnerable members of the community."

The City of Greater Geelong *Council Plan* 2018 – 2022 states that Council is committed to *"Making sure housing supply, diversity and affordability can meet the needs of our growing community"*. This includes developing *"a housing policy to provide a range of social and affordable housing options"*. A key priority in the Plan is to develop a housing policy to provide a range of social and affordable housing options, with the adoption and commencement of the Social Housing Plan in 2019-2020.

The City of Greater Geelong *Municipal Public Health & Wellbeing Plan 2018-21* acknowledges that life opportunities, good health and wellbeing, are impacted at all stage of life by safe, affordable and accessible housing.

The City of Greater Geelong *Settlement Strategy* (2018) identifies selected strategies for the development of social housing in order to achieve an increase in the level of affordable and social housing in Greater Geelong. Strategies include supporting affordable housing in areas suitable for increased housing diversity and density, especially around Activity Centres and Key Development Areas; investigating voluntary agreements, inclusionary zoning and development of surplus government sites to deliver social housing; and working with State government, community housing and the private sector to deliver more affordable and social housing.

3.4 What is the purpose of the Social Housing Plan?

The purpose of the *Social Housing Plan* is to provide the City with a framework to implement previous commitments and, in particular, to provide a policy that will drive an increase in social and affordable housing options.

The City is committed to ensuring that housing can meet the needs of its constituents. In order to meet the needs of some of the most disadvantaged people in the Geelong community, the City should collaborate with the State and Commonwealth Governments to increase the supply of social housing.

This will mean a more significant role for the City in planning and controlling the development of social housing and ensuring that the type and location of dwellings to be constructed are consistent with the needs of low-income households.

The *Social Housing Plan* will also address the requirement of the Victorian Government to provide an evidence base to enable the negotiation of social housing inclusion with developers.

3.5 What is special about Geelong?

The Geelong region has particular significance within the State of Victoria, due to its size and diversity, and opportunities for growth.

Geelong is the largest municipality in Victoria, encompassing a wide range of suburbs and communities. These include city centre, older urban areas, newly developing broad hectare settlements, coastal towns, post-industrial suburbs, and rural, and semi-rural regions. The distribution of social housing in Geelong is extremely uneven, and some suburbs have a significantly lower socio-economic profile, and experience higher levels of housing stress. There is a need to upgrade social housing which was originally established in the 1950s as accommodation for factory workers.

The Geelong economy has experienced re-structuring, including some major setbacks over the last 20 years, but now has a more complex structure which includes manufacturing, transport, commercial, retail, and services industries. Geelong enjoys a special relationship with the State Government, which has supported a range of initiatives in the past, some of which have been in response to assistance with industrial and economic re-structuring.

Geelong experiences higher levels of uncertainty in relation to housing demand, due to high expected population growth (including through migration). Ongoing migration from Melbourne and Wyndham is likely, facilitated by enhanced transport infrastructure, including rail, road, and a major airport. The region offers a range of attractive lifestyles, with access to employment, recreation, arts and culture, and beaches. People coming to Geelong may live and work in Geelong, retire to coastal communities, or settle in locations where they can commute to Melbourne and other places of employment.

The Geelong Authority

The Geelong Authority was established as a Ministerial Advisory Committee for the Minister for Planning in 2015. The Geelong Authority provides independent advice to the Minister on a range of issues taking into account any social, economic and environmental factors, and the resultant net community benefit to central Geelong, and the broader Geelong region. The Authority oversees the implementation of the *Revitalising Central Geelong Action Plan*, which has been adopted and funded by the State Government.

The Plan aims to encourage more people to live and work in central Geelong, creation of jobs, new development opportunities, and increased demand for retail and other services. The Plan includes several initiatives which potentially relate to social housing including development of housing in the city, support for the delivery of student housing, revitalising the Geelong Station Precinct, and development of community infrastructure to support higher levels of residential development. The Plan included the development of social housing as part of the St Mary's School development.

The development of social housing within central Geelong is clearly within the scope of the Geelong Authority. It will be important for the Authority to oversee housing development projects within Central Geelong, and consider the inclusion of social housing within the context of the Social Housing Plan.

4. How did we develop the City of Greater Geelong Social Housing Plan?

The following tasks were undertaken to develop the *City of Greater Geelong Social Housing Plan 2020 – 2041 – this table also set out where to find more detailed information related to each stage of the project.*

Project Stage	Output
Milestone 1 – Inception Meeting and Project Risk Assessment	*Project Risk Assessment – Internal Document*
Milestone 2 - Policy and Data Analysis	
Policy Analysis: Local State and Federal Policy - guiding principles and opportunities for local government social housing role	*Background Report No. 3: Policy Discussion Paper*
Data Analysis: City of Greater Geelong Social Housing Supply; Population Groups and Social Housing Need; Social Housing Demand by Area	*Background Report No. 4: Social Housing Supply and Demand Assessment*
Land Audit: State and Local Government Owned Land	*Background Report No. 5: Land Audit (Internal Council document)*
Milestone 3 - Community and Stakeholder Engagement	
Development of Project Engagement Plan	*Background Report No. 1: Engagement Report*
Facilitation of Engagement Events: Stakeholder workshops, community consultations and targeted interviews	
Milestone 4 - City of Greater Geelong Social Housing - Strategic Options Paper	
Draft City of Greater Geelong Social Housing Plan – Strategic Options Paper	*Background Report No. 6: Strategic Options Paper*
Client Meeting and Councillor workshop to discuss Strategic Options	
Revised City of Greater Geelong Social Housing Plan – Strategic Options Paper	
Milestone 5 - Planning Project Elements	
Overview of: Affordable housing market overview; Social housing business models; Legal mechanisms for achieving social housing at a local government level; Partnership Opportunities	*Background Report No. 2: Affordable Housing Models*
Overview of recent Planning Scheme Amendment Opportunities; Site Options	*Background Report No. 5 Land Audit*
Draft Local Affordable Housing Policy	
Milestone 6 – Draft Social Housing Plan	
Draft and Final City of Greater Geelong *Social Housing Plan 2020 - 2041*	*Current document*

5. What did the Community tell us?

Consultations with the Geelong community played a very important part in developing the *City of Greater Geelong Social Housing Plan 2020 – 2041*. Full details about all consultations and their results can be found in the *Background Report No. 1 – Engagement Report.* This section provides a summary of the key issues emerging through the consultations that need to be considered in the *Part B: The Social Housing Plan*.

In total, **194 people representing 50 organisations were directly engaged** in the development of the *City of Greater Geelong Social Housing Plan 2020 – 2041*.

Table 4: Community Consultation Events and Attendances

Who (a)	How	How Many
Social and Community Housing Tenants	TWO workshop, kitchen table conversation style	20 attendees in total
Community Service Agencies	TWO stakeholder workshops	27 attendees in total
Housing Providers	TWO stakeholder workshops	
Industry Sector	TWO stakeholder workshops	26 attendees in total
Locations of High Housing Stress	TWO stakeholder workshops	28 attendees
General Community	Community Forum - June 2019 City of Greater Geelong Access and Inclusion Advisory Committee	84 attendees 9 attendees

NB: Please refer to the 'Attachments' for full Definitions of each group consulted and a list of all organisations engaged.

Key issues emerging through these engagements include:

1. Strengths and challenges of current social housing stock
2. Identified groups who need social housing
3. Identified areas of social housing need
4. Current responses that support the supply of social housing
5. Potential responses to increase the supply of social housing
6. Other supports that make social housing successful

These issues are summarised in the following table.

Table 5: What Did the Community Tell Us?

Key Themes Emerging through Community Consultations	Specific Comments Provided by Community
Current Social Housing Stock in Geelong – What Works Well Now?	
- Design - Permanence - Affordability - Accessibility - Safety and Social Benefits	- *It's a beautiful unit - got everything* - *Housing coops provide real opportunities for residents to build their skills and get involved* - *Having staff on site helps make the place feel safe and supportive* - *I am not going to be kicked out. This is the biggest thing* - *I wouldn't move for anything* - *Rent is affordable* - *Like everything, permanent, can be here for ever* - *I love where it is, quiet, affordable and modern* - *I like long term affordable housing* - *Stay where I am forever (Baptcare Norlane)* - *Bigger place, I can do things I want to do like piano keyboard.* - *I am lucky to have a cat and I couldn't in my old place* - *Security of residence* - *I wouldn't move for anything* - *I am close to everything and it is a unit on one level and I don't like steps* *Close amenities – buses and gardens* - *I know local shops – I can drive to those* - *There is a network of people who can support you* - *We can stay even if one of us passes away – secure to stay* *(Social and Community Housing Tenants)* - *Social housing is a very important part of ensuring a mix of housing for those in need* - *Our houses create new beginnings for people …they are able to have stability in their lives, can go back to study, can look for employment* - *Research into the benefits of our housing for our tenants showed improvement in mental health, physical health, academic performance etc* - *Contributing to breaking the intergenerational cycle of poverty* - *Social Housing provides the opportunity for people to re-establish themselves* - *Massive health benefit and social benefits we tend not to count the multiplier effects, the social benefits* *(Community Forum Participants)*

Key Themes Emerging through Community Consultations	Specific Comments Provided by Community
Current Social Housing Stock – Limitations Identified by the Community	
- Need for upgrades - Lack of supporting infrastructure - Inadequate stock maintenance - Poor building condition - Limited ability to move tenants into new properties - Poor community perception based on poor stock condition - Low standards - Declining stock	- *Existing public housing standards are far less now than should be expected* *(City of Greater Geelong Access and Inclusion Advisory Committee)* - *We need updated personal requirements in our current locations, wider halls, bigger bathrooms and wheelchair access* - *A lot of residents having trouble with noise at night* *(Social and Community Housing Tenants)* - *The community perception about social housing is generated by failure to maintain stock* *(Industry Sector Consultation)* - We don't have the ability to insist on downsizing (Housing Provider) - *The State Govt has squandered the opportunity and the Commonwealth's assistance is a drop in the ocean compared to what is need* - *There is a declining social housing stock base in Victoria* *(Community Forum Participants)*
Who Needs Social Housing in Geelong?	
- *This region has the largest level of Aboriginal homelessness in Australia* - *People coming out of prison* - *Elder population, including Aboriginal people* - *Aboriginal women - high level of domestic violence within Aboriginal communities* - *Housing for men – also part of family violence* - *People leaving prisons up the road how do we help them return back to society Young people with justice related issues* - *Women from refugee background, women and children who have experienced immense trauma* (Community Forum Participants) - *Refugee families prior financial support no longer exists* - *Women and children escaping family violence* - *Women at risk, coming to Australia on a 204 visas came with no male family member*	- *Families need support setting up new houses: furniture, linen etc. lots of people do this to help refugee families in Geelong* - *Newly arrived families need large houses* - *High unemployment among Aboriginal households, there is a need for housing that helps them engage with employment agencies, traineeships, employment opportunities, mentoring with someone of culture who they trust* - *People who need extra space, eg. kids under cover* - *Young people languishing in mental health facilities and inappropriate places* - *Young people with a disability – serious lack of safe independent accommodation* - *Those who find unemployment later in life, on limited resources* (Housing Providers) - *18 – 21 year old's living in foster care young people who lose their income support*

Key Themes Emerging through Community Consultations	Specific Comments Provided by Community
- *Older lone people who might be currently in social housing who really need to downsize but there is nowhere for them to go* - *Newly arrived families don't like being split up they have already gone through so much* - *Families underpinned by mental health issues* - *People coming out of prison and not eligible for supported accommodation – often have no rental history* - *Young people – rentals not affordable anywhere young people get missed in these discussions also in census night couch surfing* (Community Service Agencies)	*Aboriginal homelessness rate in Victoria is the highest in Australia and is playing itself out in crime and drug use* - *Families and lone single people and an aging population who are losing their partners and don't need all the space they are currently living in; People coming out of prison and not eligible for supported accommodation* (Housing Providers) - *Housing for single people* - *Single parents with 3 – 4kids* (Social and Community Housing Tenants)

How Much Social Housing Do We Need in Geelong and what Type of Housing Is Needed?

- *Aboriginal housing and homelessness – our estimates across Victoria are for 5000 – 6000 extra social housing units for 2041*
(Housing Providers)

- *We are going to need 636 homes for young Aboriginal families (3 bedroom homes) in this region by 2041 that is approximately $7b investment* (Community Forum participants)

- *Currently 1,600 priority applications on Office of Housing (OoH) waiting list in Barwon Region*
(Community Service Agencies)

- *Accommodation for people with a mental illnesses Young people in aged care homes, need to get them out of aged care and free up aged care for older people*
(City of Greater Geelong Access and Inclusion Advisory Committee)

- *Housing for people with disabilities leaving their parents' home and wanting to live independently in Geelong*
(Housing Providers)

-

Options Identified by the Community to Increase the Supply of Social Housing Stock in Geelong

- Legislative Change
- Dispersed Social Housing
- Redevelopment of Current Stock

- Leadership role of Local Government
- Partnerships with: State Government (for use of surplus land); Community Support Agencies (for identification of housing needs groups and appropriate social housing responses); Deakin University (for ongoing research into housing needs and potential responses); Registered Housing Associations (for development of social housing stock) etc.

- Increased Social Housing Subsidies
- Support Services
- Community Education

Key Themes Emerging through Community Consultations	Specific Comments Provided by Community
Planning for Future Social Housing in Geelong – What Should be Considered	
Individuals and organisations consulted through the current project identified a number of *specific areas* that are preferred locations for future housing. Recurrent themes include: - Armstrong Creek - Central City Areas - Pakington Street area - Hamlyn Heights, Herne Hill, St Albans Park, Moolap - Away from areas which currently have high levels of social housing - A need for supporting infrastructure, particularly public transport	A range of *initiatives related to increasing the supply of social housing* in the Geelong area were also identified. Recurrent themes include: - Short term responses such as a 'relocatable rooms' allowing temporary expansion of current dwellings - Financial contributions from dwelling sales to finance future social housing - Micro villages for ageing populations - Apartments for women and children escaping domestic violence - Programs to support people to move into home ownership - Incentives for developers such as reduced car parking etc. - Development of surplus State Government land i.e. Barwon Water - Establishment of Housing Trusts at other Local Government Areas - Liveable Housing Australia model

The knowledge and insight provided through these community consultations about current and future social housing needs across Geelong have directly informed **Part A: Social Housing Plan**.

6. What is the need for Social Housing in Geelong?

6.1 What are the housing conditions in Geelong?

Housing affordability

Housing affordability is determined by the cost of housing - rental (or mortgage) payments, in relation to the level of income. The Victorian Government Department of Health and Human Services provides reports on housing affordability, by local government area.

Affordability of private rental properties

There has been a significant **decline in affordability of private rental dwellings** over the last 10-15 years. The following Figure 4 shows the proportion of dwellings available for rent that would be affordable as defined by DHHS (Rent Report), for one, 2, 3- and 4-bedroom properties in Geelong, since 2000.

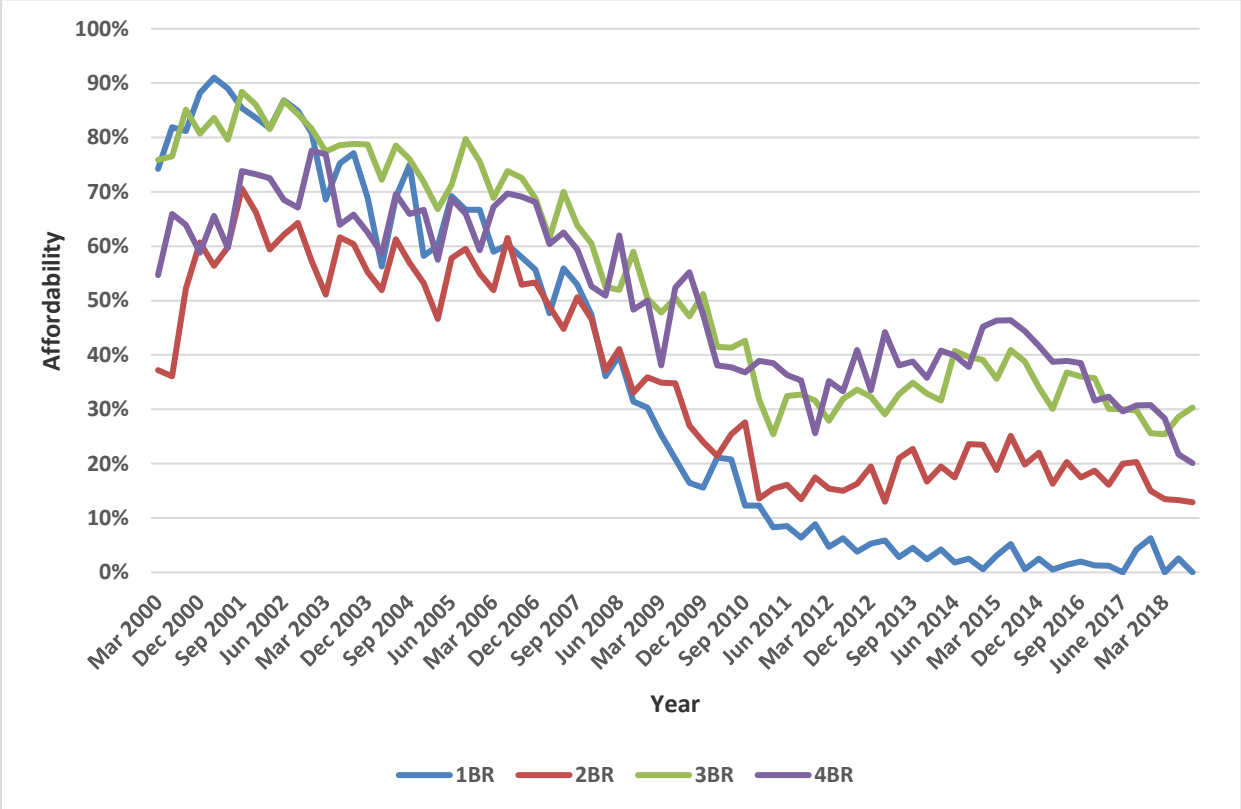


Figure 2: Median Rents – 2011 - 2016

Source: DHHS, Rental Report

The data indicates that despite the substantial growth in housing supply in Geelong in recent years, the **proportion of affordable dwellings has significantly decreased**. Analysis of recent rental costs across the City of Greater Geelong shows:

- Only 15% of recently let 2-bedroom rental properties are affordable
- About 30% of recently let 3-bedroom rental properties are affordable
- The affordability of 4-bedroom rental dwellings has reduced over the last few years to about 20%
- There are currently no affordable 1-bedroom rental properties[5]

Overall the number of **affordable rental properties declined from around 80% in the year 2000 to 20%** in 2018. This is the result of increases in rents, without commensurate increases in incomes, in low income households.

The reduction in affordability of rental properties has been most dramatic for one- and two-bedroom dwellings. Much of the increase in Geelong's housing stock over the past decade has been 3- and 4-bedroom dwellings, with significantly less investment in 1- and 2-bedroom dwellings. For example, newly developing areas such as Armstrong Creek have a relatively high proportion of 3- and 4-bedroom dwellings (99% of dwellings).

Geelong now has a relatively high proportion of separate dwellings (84%) compared to Melbourne (66%), and 70% of the dwellings in Geelong are 3 or more bedrooms, compared to 63% for Melbourne. This indicates an immediate need for a significant increase in affordable one and two-bedroom dwellings (e.g. suitable for lone person households, and single parent families).

Further evidence in the reduction in affordability is provided by comparing median (average) rents with median incomes.

Median rents

In the 5 years from 2011 to 2016 **median rents in Geelong increased on average by 22%.** This was a greater increase than rental costs in Melbourne in the same time (15%) (Figure 3).

Some areas experienced significant increases in rents (e.g. new growth areas), while in other areas rental increases were more modest.

[5] This assessment of affordable supply of rental properties is based on the number of suitably-sized properties that are within 30 per cent of gross income for low-income households.

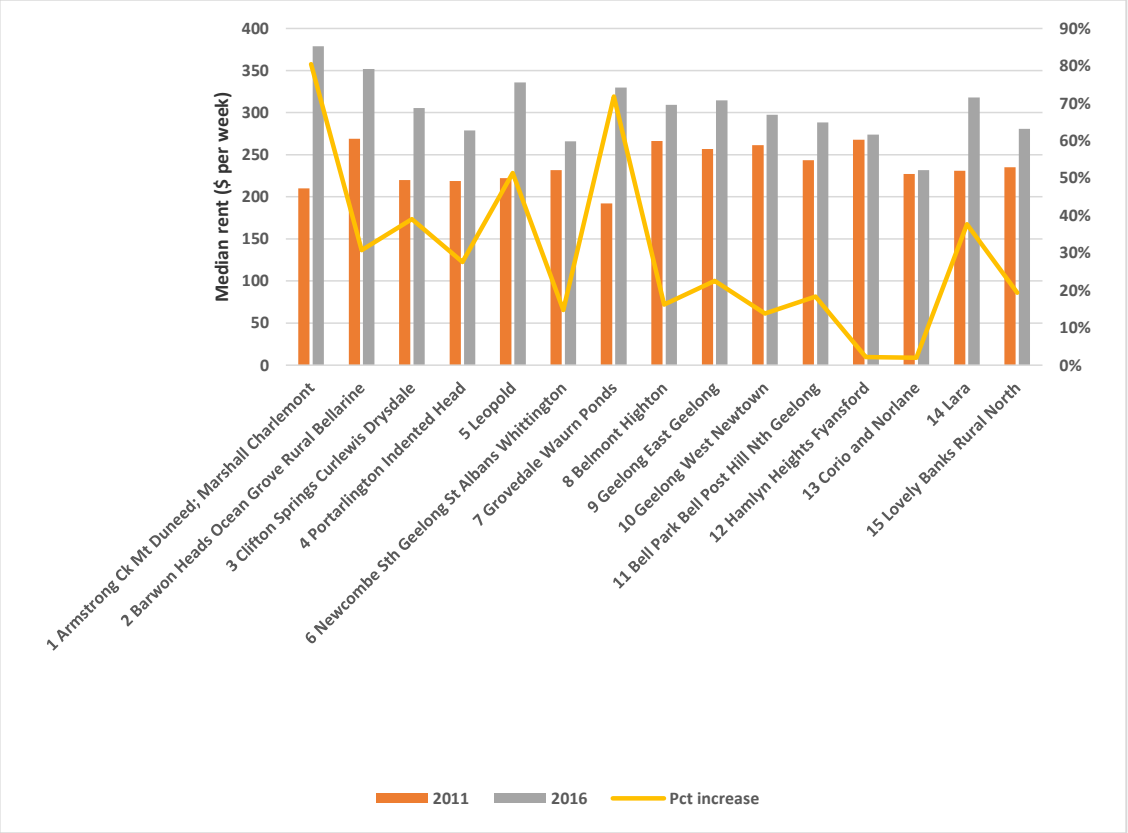


Figure 3: Median Rents – 2011 - 2016

Source: ABS, 2016

Significant increases in median rents were evident in Area 1, Area 5, Area 7, and Area 14. In some suburbs, rental increases were higher than those indicated in Figure 17, for example median rents in Waurn Ponds increased from $220 to $395 per week over the 5 year period.

The following Figure shows the longer term increases in median rents for Geelong, for different sized dwellings.

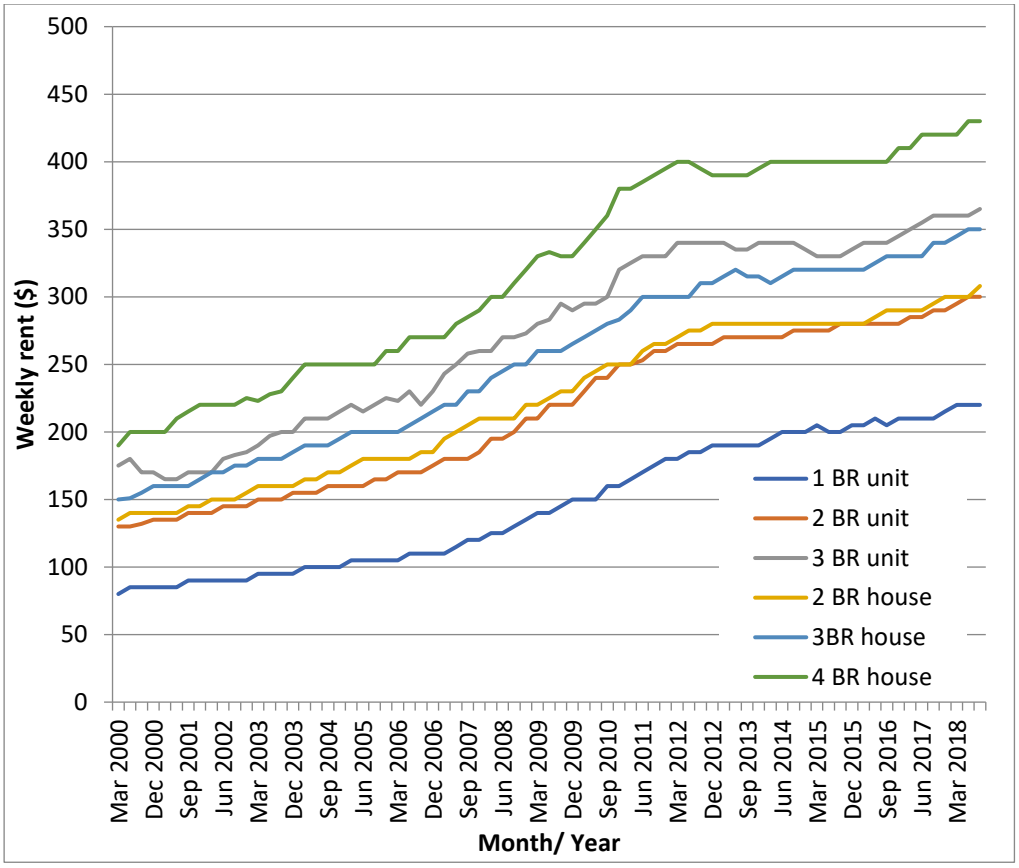


Figure 4: Median Rental Payments 2000 - 2018

Median incomes

In 2016 low income households represented 21% of all Geelong households, compared to Melbourne where low income households were 17% of total households.

Over the 5-year period 2011 to 2016, median incomes increased from $1,048 to $1,242 per week (i.e. by 18.5%). A significant number of low-income households in Geelong are in receipt of government income support, as shown below.

Table 6: Income support recipients – 2018

Recipients of:	No. (2018)
Commonwealth Rent Assistance	15,166
Youth Allowance	4,000
Parenting Payment Single	2,600
Family Tax Benefit B	11,284
Age Pension	29,000
Disability Pension	9,000
Newstart	8,000

Source: www.socialstatistics.com

Cost of houses, apartments and vacant blocks

The reduction in private rental affordability has been underpinned by **significant increases in median prices for houses, apartments, and vacant house blocks** over the last 15 years.

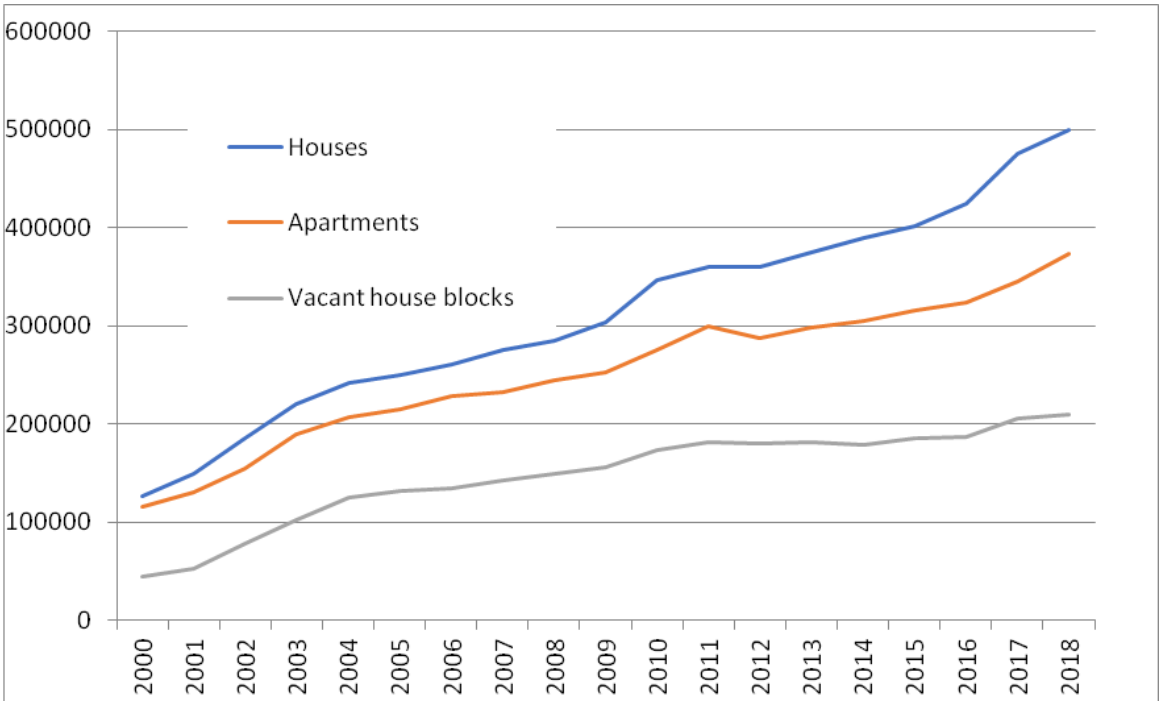


Figure 6: Median Dwelling Purchase Price – 2000 - 2018

Source: Valuer General

6.2 How prevalent is housing stress in Geelong?

Estimated number of households experiencing stress

Housing stress is used as an approximate measure for the number of households that would benefit from living in social housing. Housing stress is defined as occurring where very low, low- and moderate-income households are experiencing housing stress as a result of paying a significant proportion of income in rent or mortgage payments, nominally more than 30%.

Housing stress is thus a function of the level of income, and the cost of housing. The cost of housing is measured as rental or mortgage payments. Income bands are set by the Victorian Government for Greater Melbourne and Regional Victoria. Geelong is classified as belonging to Regional Victoria. Using income bands for Regional Victoria has the effect of underestimating the number of low-income households.

Table 7: Geelong households in housing stress - 2016

Level of Income	Mortgage Stress	Rental Stress	Total Housing Stress
Very low	783	2,138	2,921
Low	955	2,851	3,806
Moderate	1,332	1,822	3,154
Total	***3,070***	***6,811***	***9,881***

Source: ABS, 2016

There are approximately **9,900 households (11% of all households) living in housing stress** in Geelong. There are approximately 6,800 households experiencing rental stress, which is approximately one quarter (26%) of all households renting privately in Geelong.

Households living in housing stress are located in **3 main Areas**:

- Area 13: Corio, Norlane (19% of Area households)
- Area 6: Newcomb, South Geelong, St Albans, and Whittington (16%) and
- Area 8: Belmont and Highton (11%)

The rental and mortgage components of housing stress are below for each of the 15 Areas.

Housing stress associated with rental is more significant than housing stress associated with mortgage repayments in all Areas except Area 1 which includes Armstrong Creek, and Area 15 Lovely Banks and Rural North.

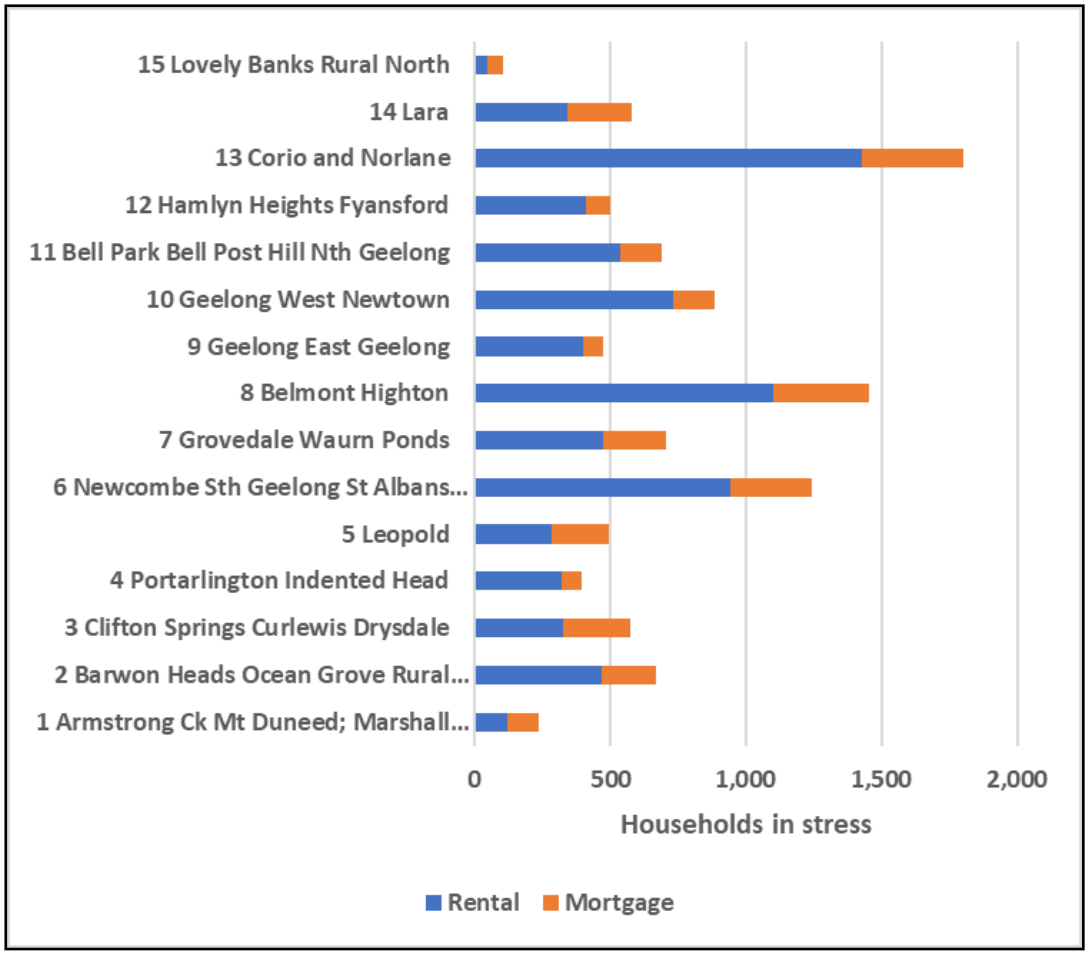


Figure 7: Households in Rental and Mortgage Stress – 2016

Source: ABS, 2016

Rental stress

Households experiencing rental stress are generally considered to be more at risk of homelessness than households experiencing mortgage stress, for the following reasons:

- Households that rent privately are at risk of eviction for non-payment of rent, as well as other issues, and are at risk of rent increases at the discretion of the landlord, as well as adverse actions by landlords.
- Households with a mortgage have greater tenure security, are subject to interest rate movements, and may be able to realise capital from the equity in their property if ever forced to sell. Once in the rental market, they may no longer experience housing stress.

For these reasons, rental stress is used in the calculation of demand for social housing. Social housing is provided to people who are renting, on low incomes, and who are paying a relatively high proportion of their income as rent. Many such households are in receipt of government income support.

Recent trends in housing rental stress

The proportion of households living in rental stress in Geelong has increased overall by 3%, from 30% in 2011 to 33% in 2016. Some areas such as Corio and Norlane have experienced a greater increase (7%), and some have experienced a small reduction. These changes need to be considered in the context of a **20% increase in the number of households renting privately 2011 - 2016**.

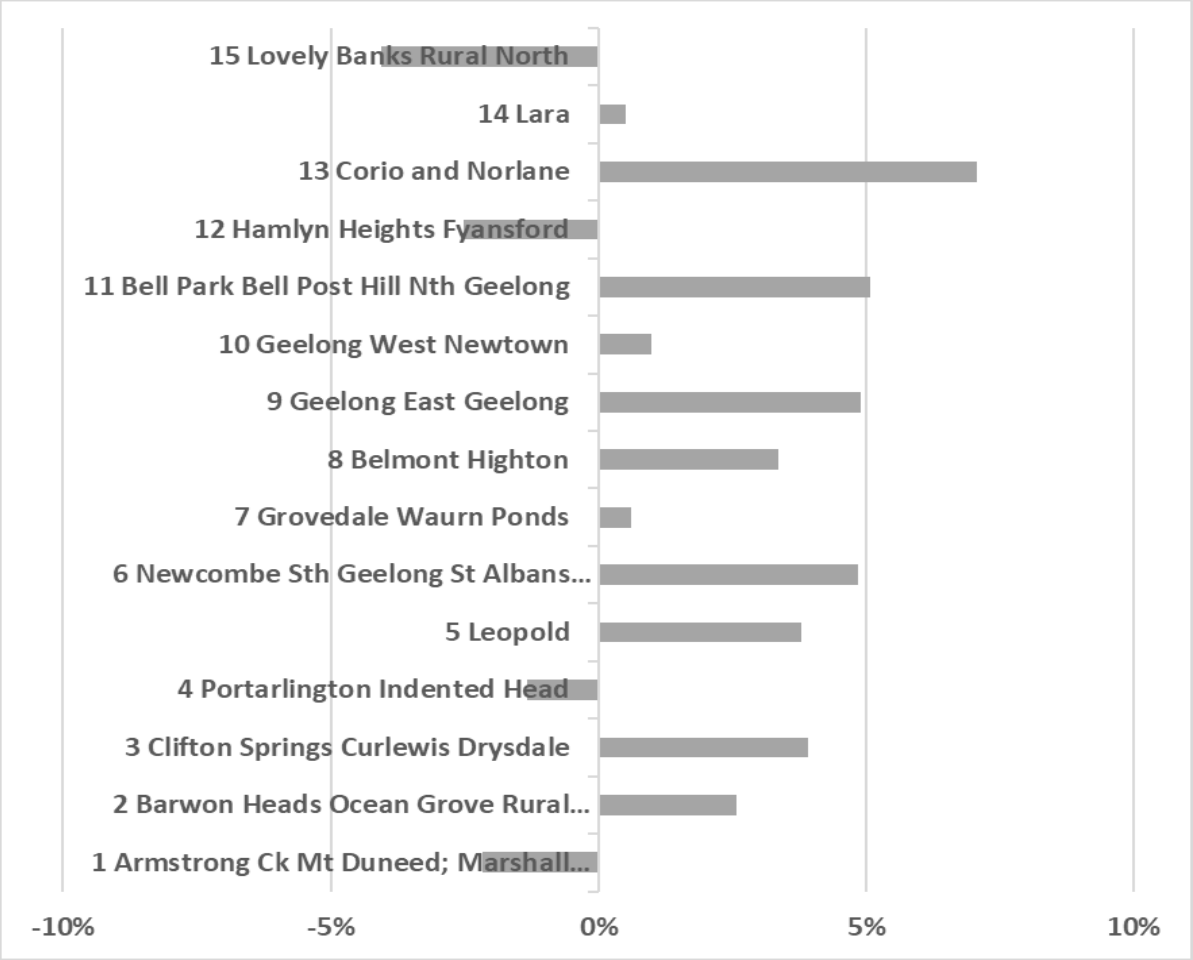


Figure 8: Households Experiencing Rental Stress – Percentage change 2011 - 2016

Source: ABS, 2011 and 2016

How many people are homeless in Geelong?

The total number of homeless people in Geelong was approximately 700 on census night, with a further 431 marginally housed. Table 6 shows the various categories of homelessness. Major reasons for homelessness include housing crisis, financial difficulties, relationship breakdown, and escaping family violence.[6]

Table 8: Homeless Persons by Type of Homelessness – 2016

Homeless circumstances on census night	Number
Living in improvised dwellings, tents, or sleeping out	67
Living in supported accommodation for the homeless	252
Staying temporarily with other households	121
Living in boarding houses	113
Living in other temporary lodgings	0
Living in 'severely' crowded dwellings	157
Total	***712***
Marginally housed on census night	
Living in other crowded dwellings	315
Living in other improvised dwellings	6
Marginally housed in caravan parks	110

Source: ABS Census 2016

The above estimates of people experiencing homelessness are **conservative**, and underestimate the true number of people experiencing homelessness on census night. In particular, the data underestimates the number of women and children escaping family violence who are seeking assistance with housing.

The ABS notes that some women and children escaping family violence may be identified as 'visitors' to another home on Census night. They may not wish to disclose their circumstances out of fear, or stigma, or they may have an expectation that they can return to their home in the future.[7]

Other homelessness data supports the view that the above estimate is conservative. For example, there were approximately 5,000 homeless clients in the Barwon Region in 2017/18.[8]

For the purposes of estimating demand for social housing, we include 1,000 households[9].

[7] See ABS 2049.0 - Census of Population and Housing: Estimating Homelessness, 2016, Item 36.
[8] AIHW, 2017/18

[9] The majority o homeless people are either single adults, or single adult with children. Thus, the number of people approximates the number of households.

6.3 What are related indicators of demand for social housing?

A range of other social indicators evident in the 2016 census highlight the vulnerability of many residents across the City of Greater Geelong to increasing housing costs including:

- 6% of the population needs assistance due to age or a disability compared to 4.9% for Greater Melbourne
- 11.1% are one parent families compared to 10.1% in Greater Melbourne
- 26.3% are lone person households compared to 23.2 % in Greater Melbourne
- 1% of the population are Aboriginal or Torres Strait Islanders (2,407 people) compared to 0.5% in Greater Melbourne
- 6.4% are unemployed compared to 6.8% in Greater Melbourne
- 21.1% of households live on low incomes compared to 16.7% in Greater Melbourne
- 15.8% of households have no internet connection compared to 11.3% in Greater Melbourne
- 16.9% of people from overseas arrived in the area since 2011
- Between 164 - 110 Asylum Seekers arrived per month between 2014 – 2019 ('Irregular Maritime Arrivals')
- On average there have been 1,338 police call outs for 'family Incidents' (related to domestic violence) per year 2013 - 2018
- Geelong is a relatively disadvantaged area with a SEIFA[10] Index of 994. 16 small areas are relatively disadvantaged with significant levels of disadvantage evident in Corio (830), Whittington (821), and Norlane/North Shore (731)

6.4 How many households live in social housing in Geelong?

There are **3,300 households recorded as living in social housing in Geelong** (ABS, 2016). This comprises about two thirds public housing and one third community housing.

The number of households renting social housing has stayed relatively constant since 2001, while population has grown by 24%, and the number of households has grown by about 10% (Figure 9).

This reflects **increasing demand for social housing** without a commensurate increase in social housing stock. As a result, the proportion of households renting social housing has dropped from 4.2% (2011) to 3.6% (2016).

[10] Socio-Economic Index for Areas (SEIFA) measures the relative level of socio-economic disadvantage based on a range of Census characteristics. A higher score on the index means a lower level of disadvantage. A lower score on the index means a higher level of disadvantage.1001.9 Australia 2016

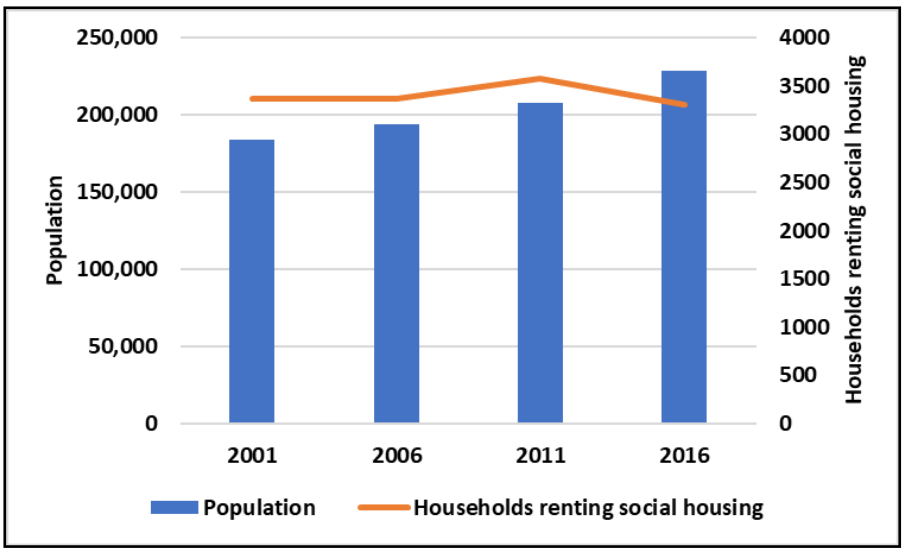


Figure 9: Number of Households Renting Social Housing - 2001 - 2016

Source: ABS, 2016

In the period 2011 – 2016 there were increases in all housing tenures, except for social housing (Figure 13). Importantly, the number of households renting privately increased by 3,500 households (nearly 20%) from 2011 to 2016.

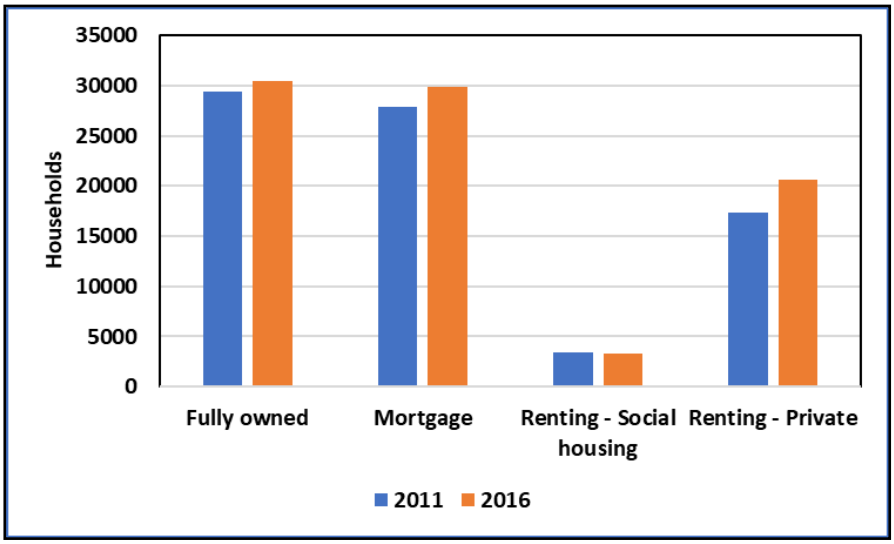


Figure 10: Housing Tenure - 2011 – 2016

Source: ABS 2016

Where do social housing tenants live in Geelong?

The distribution of social housing across Geelong is very uneven. This is a remnant of the post war development of housing, for employees in Geelong's industries, and in particular the investment in public housing by the State Government, to create new suburbs at East Geelong, Norlane and Corio.

Five Areas account for nearly 84% of social housing tenants in Geelong. By contrast there is relatively little social housing on the Bellarine Peninsula, and in the growth area of Armstrong Creek.

Table 9: Areas with relatively high proportion of social housing

Area	Suburbs	Proportion of all social housing tenants	Social housing as a proportion of all housing
13	Corio, Norlane	40%	14%
6	Newcomb, South Geelong, St Albans, and Whittington	20%	8%
7	Grovedale, Waurn Ponds	8%	4%
8	Belmont, Highton	9%	2%
10	Geelong West, Newtown	7%	3%
Other		***16%***	
Total		***100%***	

Source: ABS, 2016

This high concentration of social housing in particular areas has contributed to higher levels of disadvantage in Corio, Norlane and the Whittington area.

What is the expressed unmet demand (social housing waiting lists)?

The number of households on the social housing waiting list provides complementary information about the demand for social housing. Households on the waiting list are likely to be experiencing housing stress, or homelessness.

Table 10: Number of Households on Social Housing Waiting List - 2018

Area (office)	Priority Access	Register of Interest	Total
Barwon (Geelong)	1,610	1,089	2,699

Source: DHHS, Dec 2018

Table 11: Number of Households on the Office of Housing Transition List December - 2018

Area (office)	Priority Access	Register of Interest	Total
Barwon (Geelong)	206	189	395

Source: DHHS, Dec 2018

As indicated the number of households on the waiting list is the 'expressed demand', and does not represent the actual demand for social housing. There are many households in rental stress who do not register, because they are aware of the significant waiting times, or because they wish to avoid the perceived stigma of becoming a public housing tenant.

6.5 What is the estimated total demand for social housing in Geelong?

The estimated demand for social housing is based on the following approach. Demand is based on the sum of three components.

- The number of households currently living in social housing, based on ABS Census 2016 (the total number of households is 3,300 based on the ABS Census, 2016, as indicated above)
- The number of households who are **experiencing 'housing stress' in the private rental market** (who are *not* living in social housing), based on the ABS Census 2016. Housing stress is defined as occurring when households on low incomes paying more than 30% of their income on rent
- The number of people who are homeless in Geelong, based on ABS Census, 2016 (see 6.2, above)

Table 12: Estimated Demand for Social Housing - 2016

Group	No. households	Adjustment factor	Adjusted no. of households
Households renting social housing	3,300	100%	3,300
Very low-income rental households	2,138	90%	1,924
Low income rental households	2,851	85%	2,423
Moderate income rental households	1,822	85%	1,549
Homeless households	1,000	100%	1,000
Total			**10,196**

Source: ABS, forecastid, K2 Planning, based on SGS methodology for the City of Kingston (2019)

The total apparent need for social housing is thus 10,200 households, or approximately 11% of households. This represents a reasonable and conservative point of departure for the purpose of developing the *City of Greater Geelong Social Housing Plan 2020 - 2041*.

The estimate of demand for social housing may be considered conservative because:

- the estimate uses housing stress data based on Regional Victorian income bands
- the estimate excludes households experiencing mortgage stress
- the number of homeless people (Census data) is an underestimate

6.6 Which population groups need social housing?

A high proportion (41%) of households experiencing rental stress are lone person households, and one parent families (30%). Thus 71% of households experiencing rental stress are led by a single person (presumably reliant upon a single income).

Table 13: Type of households experiencing rental stress - 2016

Household type	No.	%
Lone person	2,793	41%
Single parent family	2,023	30%
Couple with children	794	12%
Couple without children	707	10%
Group household	371	5%
Other household	123	2%
Total	***6,811***	***100%***

Source: ABS 2016

There are several groups which may experience housing stress due to life stage, age, health, disability, cultural background, immigrant status and family situation.

Table 14: Groups experiencing rental stress - 2016

Group within the population	Key housing issues
Lone person households (11% of households in Geelong)	Lone person households are the largest group of households experiencing rental stress (41%), and represent 28% of all households experiencing mortgage stress. This is a reflection both of relatively low incomes compared to other households, and the very difficult rental market
Single parent households (11% of households in Geelong)	About 20% of single parent families experience housing stress, due factors such as single incomes, part time work, and child care costs. Larger households (e.g. 3 or more children) generally experience higher levels of stress.
Women and children escaping family violence	Women and children who are forced to leave home may lack income, a rental history, and have limited financial resources due to the abuse and control exercised by the perpetrator
Young people (aged 17-24)	Approximately 900 young person households are experiencing housing stress (or 25% of young person households). Some young people live unstable lives and are disengaged from education and employment. Young people with mental health issues, disabilities, and young people leaving care are particularly at risk.
Older people (aged 65 and over)	There are about 1,000 households (4.5% of older person households) which experience stress. This is mainly because of the relatively higher levels of home ownership among older people.
People who have a disability (people who need assistance)	There are approximately 14,000 people with a disability in the City (6% of the population), who require assistance with daily living activities. There are nearly 9,000 people in the City in receipt of the Disability Support Pension.
Aboriginal and Torres Strait Islander (ATSI) households	There are approximately 2,400 people of ATSI background living in the City , which is the largest regional population of Aboriginal people in Victoria. Aboriginal people experience higher rates of unemployment, family violence and homelessness.
Refugees	Refugees are a relatively minor group in Geelong (2% of Victoria), but with particularly high levels of need due to lack of resources, language difficulties, past trauma, and limited access to services.
People leaving prison	There may be some people leaving prisons who seek accommodation in Geelong. They may have relatively low incomes, lack rental history, and experience discrimination in housing and labour markets.

Source: ABS, 2016; Community consultations; Greater Dandenong Social Statistics

6.7 Where is social housing needed?

While the indicated demand for social housing is 11% overall, there is considerable variation between Areas, as shown in Figure 11 below. This shows the need for social housing in a particular Area, based on the current level of social housing, housing rental stress and homelessness.

Figure 11 shows that Area 13: Corio and Norlane have a significant estimated demand for social housing (26% of total demand), followed by Area 6: Newcomb (18% of demand).

Responding to this need should be in the context of planning a more even distribution of social housing across the Geelong region.

A planned approach may include the redevelopment of existing social housing in 'high need' areas, as well as providing opportunities for some households living in social housing, or experiencing housing rental stress, to re-locate to other adjacent areas.

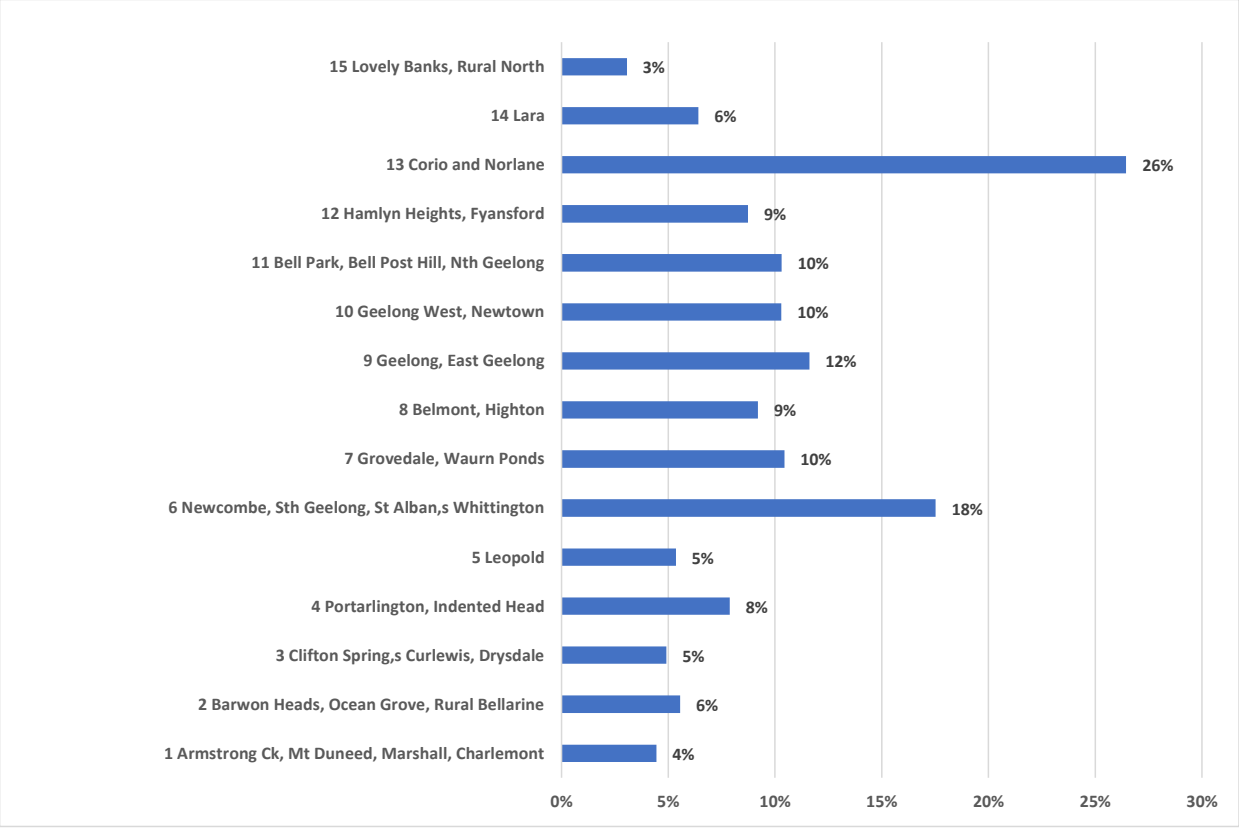


Figure 11:Demand for social housing, by Area (based on 2016 data)

Source: ABS, 2016

6.8 What is the projected demand for social housing in the future?

The demand for social housing is projected to increase in line with population increases over the next 25 years. The projected demand for social housing is estimated by:

- applying the rate of population increase to 2016 estimated demand
- assuming that the proportion of households in housing stress stays the same at 11%

Population forecasts for Geelong were developed by ID Consulting in July 2019 and take into account new growth areas, as identified in the City of Greater Geelong *Settlement Strategy*.

Table 15: Projected population, households and dwellings - 2016 to 2041

	2016	2021	2026	2031	2036	2041
Population	239,531	268,984	298,716	330,428	361,014	393,216
Dwellings	106,568	119,659	133,643	148,103	161,978	176,622
Households	95,840	107,371	119,467	132,332	144,822	158,111
Demand for social housing (households)	***10,196***	***11,423***	***12,710***	***14,078***	***15,407***	***16,821***

Source: forecastid.com, based on information provided by the City of Greater Geelong

Figure 13 on the following page illustrates the projected population growth by Area, over the next 25 years.

Major growth areas in the City of Greater Geelong over the next 25 years include:

- Armstrong Creek, Marshall and Charlemont (Area 1)
- Lovely Banks, Rural North (Area 15)
- Bell Park, Bell Post Hill, North Geelong (Area 11)
- Hamlyn Heights, Fyansford (Area 12)

The established areas around Geelong are expected to grow by 15-20% through infill, and the development of housing around activity centres.

Towns on the Bellarine Peninsula are expected to grow at moderate rates (30-40%) over the next 25 years, mainly through broad hectare development (constrained within town boundaries), and also through higher density developments in existing activity centres.[11]

[11] Refer to City of Greater Geelong *Settlement Strategy* for more details.

In summary:

This section has shown that the estimated total demand for social housing in Geelong is far greater than the current number of households living in social housing. There is also clear evidence that the need for social hosing is greatest amongst certain households including: single parent households; lone person households, and other groups such as newly arrived and refuges families. There is also evidence that the certain areas have higher demand for social housing, particularly, Corio and Norlane (26% of total demand) and Newcomb (18% of demand).

The following section explores the current supply of social housing in Geelong including the location and ownership of social housing and potential areas which might respond to future social housing needs.

7. Supply of Social Housing in Geelong

7.1 How much public housing is in Geelong?

The current supply of social housing on Geelong is approximately 4,300 dwellings, comprising 3,628 public housing dwellings owned by DHHS, and approximately 665 properties owned by community housing providers.[12] This stock level is somewhat higher than the 3,300 households identified as renting social housing in the most recent census (ABS 2016).

7.2 What type of housing stock is social housing?

The type of public housing dwellings currently available in Geelong is shown in Table 16. Nearly half the dwellings are standalone houses (49%). Medium density attached dwellings currently account for 38% of public housing. There is a very limited supply of 'movable units' or 'multiple unit' dwellings.

Table 16: Public Housing in the Barwon Region, and Geelong LGA, 2017/18

Area		Houses	Medium density attached	Medium density detached	Low rise flat	Movable unit	Multiple unit facility	Other	Total
Barwon		2,033	1,533	231	97	65	14	51	**4,024**
Geelong	No	1,794	1,384	231	97	59	14	49	**3,628**
	%	49%	38%	6%	3%	2%	0%	1%	**100%**

Source: DHHS Housing Assistance Additional Service Delivery Data, 2017/18

The majority of social housing dwellings are currently 2- or 3-bedroom dwellings, as shown in Figure 14.

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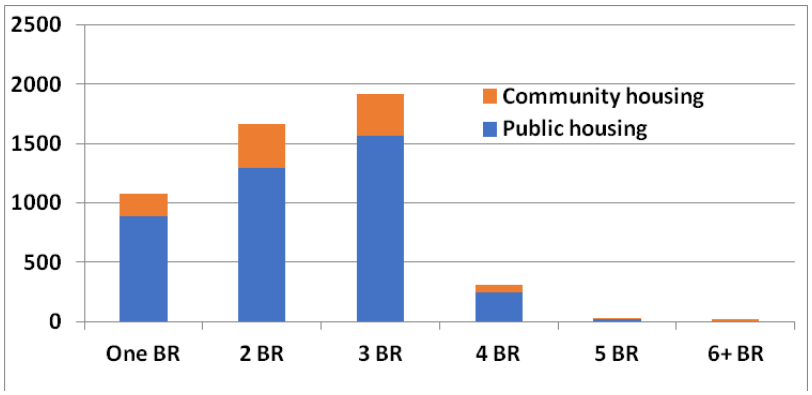


Figure 13: Supply of social housing in Geelong, number of bedrooms, 2017/18

Source: Department of Treasury and Finance 2018, DHHS Housing Assistance Additional Service Delivery Data, 2017/18

[12] Ibid.

7.3 Where is social housing located?

Social housing is **unevenly distributed** across the municipality.

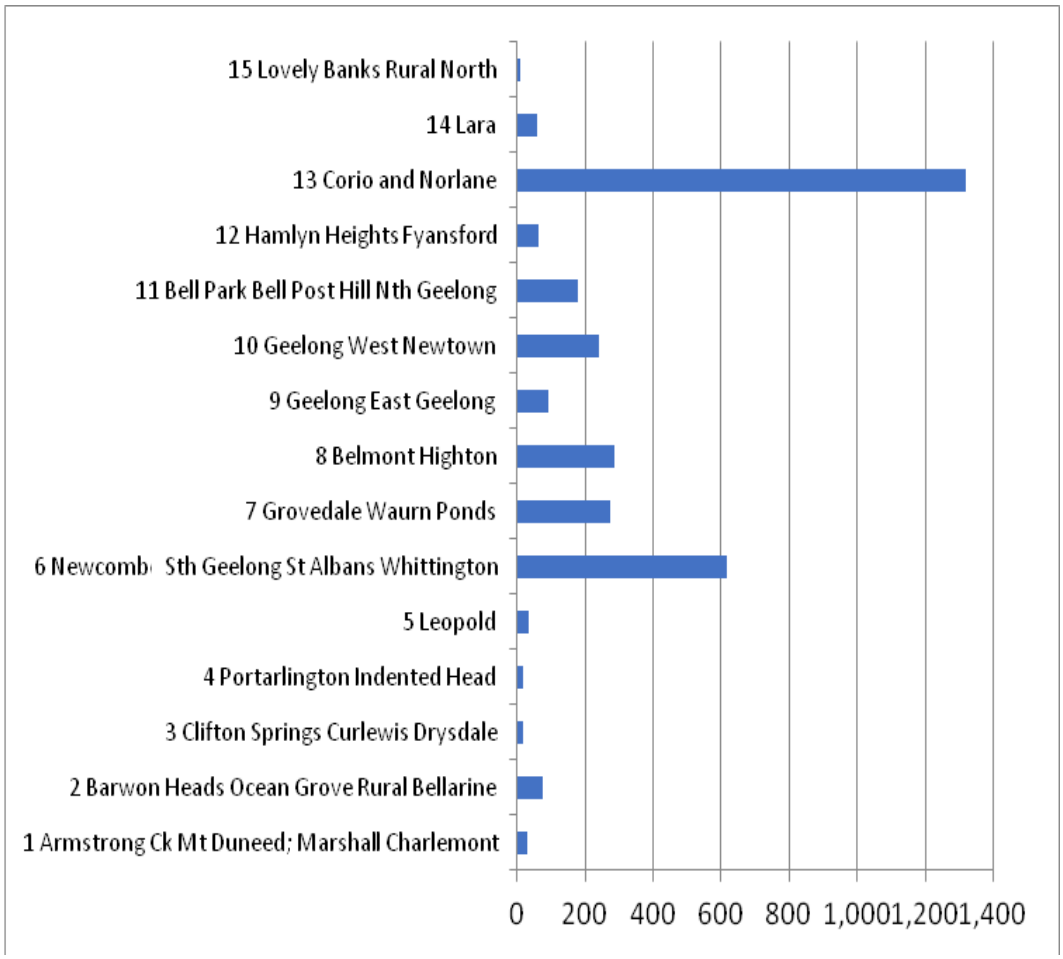


Figure 14: Distribution of social housing, Geelong, 2016

Source: ABS. 2016

In summary:

- There is a significant concentration of social housing in two areas Corio and Norlane; and Newcomb, South Geelong, St Albans Park and Whittington.
- There are relatively few social housing properties in Area 1 (which includes the Armstrong Creek growth area)
- There are relatively few properties in Areas 12 (Hamlyn Heights), 14 (Lara), and 15 (Lovely Banks)
- There are relatively few properties (6%) on the Bellarine Peninsula (Areas 2, 3, 4, and 5).

7.4 Who manages the social housing in Geelong?

The Department of Health and Human Services manages approximately **3,322 public housing properties**. Registered Housing Agencies currently manage **971 properties** (including 306 DHHS owned), which altogether accommodate 1,148 households.[13] These are shown below.

Table 17: Registered Housing Agencies Currently Operating in Geelong

Housing Associations	No. Properties	Housing Providers	No. Properties
Aboriginal Housing Victoria	85	Baptcare	52
Common Equity Housing Limited	297	BAYSA	49
Housing Choices Australia	42	Salvation Army Victoria	102
Loddon Mallee Housing Limited	153	Northern Geelong Rental Housing Coop	58
Unison Housing Limited	20	Active Community Housing Ltd	3
Wintringham Housing Limited	70	Community Housing (Vic) Ltd	31
		Melbourne Affordable Housing	20
		Uniting Housing Australia Limited	3
		VincentCare Community Housing	3
		YWCA Housing	6

Source: Department of Treasury and Finance, 2018

The majority of community housing is provided as single dwellings for families, however some Agencies provide social housing for particular target groups:

- **Common Equity Housing Limited** is the largest agency operating in Geelong with 297 properties (30% of community housing properties). These are all long term, and are provided in most Areas. Common Equity Housing Limited is the predominant provider on the Bellarine Peninsula
- The other major agency is **Loddon Mallee Housing Services** with 153 properties (15.4%). All properties are long term, and most are in Areas 6 and 9
- The **Salvation Army** has 102 social housing properties and provides transitional housing (66 properties), crisis accommodation (20 properties), a rooming house, and 15 long term stand-alone properties
- **Aboriginal Housing Victoria** provides 85 long term properties, with about half of these in Corio Norlane
- **Wintringham** has 70 properties in three Areas – Area 7 (46 properties), 8 (10 properties), and 9 (14 properties). Wintringham focuses on aged care for people at risk of homelessness
- **Baptcare** has developed 52 affordable properties in Corio Norlane, adjacent to a 90 bed concessional residential aged care facility

[13] *Source*: Department of Treasury and Finance; Refer to Section2 'Definitions' for a definition of Community Housing properties

- **BAYSA Limited** provides 49 transitional properties for young people, across several Areas, with the majority in Corio and Norlane
- **Housing Choices** has 42 properties accommodating 52 tenancies in Whittington, Corio Norlane, Newtown and Marshall
- Four agencies have very few properties - **Active Community Housing, Uniting Housing Australia, VincentCare Community Housing, and YWCA Housing**
- The majority of community housing properties (86%) are for **long term accommodation**
- There are **155 transitional housing properties**, provided by The Salvation Army (66 properties) and BAYSA (49 properties)
- All **crisis accommodation** is provided by the Salvation Army and the Salvation Army provides one rooming house (14 beds)[14].

In summary:

Key issues related to the current supply of social hosing in Geelong include:

1. Social housing is unevenly distributed across the municipality
2. Approximately 25% of current social housing stock is not being utilised
3. Most social housing properties are standalone dwellings and there is very limited supply of 'movable units' or 'multiple unit' dwellings
4. Registered Housing Agencies currently manage 994 community housing properties in Geelong, which accommodate 1,148 households[15]

[14] Further information about the operations of the Department of Health and Human Services and the Registered Housing Agencies is provided in Section 9.

[15] Refer to Section 8.2 for a definition of Registered Housing Associations

8. Who are the organisations delivering social housing in Geelong?

This Section explores the current organisations that own and manage social housing in Geelong. The Section helps to answer the question 'what opportunities do these organisations offer to the City of Greater Geelong to help increase the supply of social housing in Geelong'?

As shown in Section 6, 'Supply of Social Housing in Geelong', the Department of Health and Human Services (DHHS) is the largest provider of social housing in Geelong. In addition, there are several Registered Housing Agencies which own and manage community housing. The future development of social housing will require that the City work closely with both DHHS and Registered Housing Agencies.

Both Commonwealth and State Governments have designating Registered Housing Agencies as the preferred providers of social housing and therefore the recipients of supply side subsidies. Importantly, in Victoria, Housing Associations are the registered agencies that will have access to the greatest share of supply subsidies and will be able to implement growth strategies rather than individual projects.

8.1 What are the opportunities for the State Government to work with Council?

The role of DHHS specifically, and the State Government in social housing policy generally, is crucial to the future supply of social housing in Geelong.

The State Government *Homes for Victorians* program sets the highest priority for public housing as the redevelopment of aging public housing estates and the renewal of public housing communities which are affected by high concentrations of disadvantage and related social problems.

The *Public Housing Renewal Program* aims to redevelop approximately 2,500 public housing dwellings across Victoria with a minimum of 10% increase in the total number of social housing dwellings.[16] Geelong does not appear to be under consideration for the Public Housing Renewal Program despite the fact that more than 50% of Geelong's public housing is concentrated in three suburbs (Corio, Norlane and Whittington) and more than 50% of these dwellings are either beyond or close to the end of their economic life.

While previous neighbourhood renewal programs have brought improvements to Corio, Norlane and Whittington, market forces have been insufficient to complete the process of renewal.[17] The State Government has unfinished business in these areas.

In 2016 a proposal was presented to DHHS by a Registered Housing Association (RHA) to continue the process of community renewal in Norlane based around the following four key strategies:

[16] https://www.dhhs.vic.gov.au/public-housing-renewal-program

[17] The recommendations of the *Corio Norlane Structure Plan* and the *Whittington Land Use Concept Strategy*, still remain to be fully implemented.

- Providing assistance to those in greatest need from the Norlane community (particularly the elderly)
- Delivering a tenant focused place-based management service to help ensure best housing outcomes for each household
- Improving both neighbourhood amenity and the quality of public housing by building new social and private housing on public housing sites and implementing an improvement program for existing public housing
- Financial investment targeted to the above three strategies to achieve the overall goal of strengthening the community and ensuring long term sustainability.

This approach was based on internationally recognised good practice, and presented a commercially viable option for DHHS. DHHS was required to:

- Transfer vacant lots (where public housing had been demolished) to the RHA for redevelopment as private and new social housing with a number of the social housing dwellings returned to DHHS in payment for the land; and
- Enter a 10 year management agreement on all of the other public housing in Norlane (approximately 400 dwellings) under which the RHA would assume responsibility for all costs and commit to an improvements program to be implemented over 3 years.

Homes for Victorians might provide an opportunity to renew this initiative, potentially based on a three-way partnership involving DHHS, Council and a Registered Housing Association, facilitated by the new emphasis on encouraging participation by local government, and developing strategic partnerships to grow the supply of social housing.

Without the City's leadership, it is unlikely the renewal of Geelong suburbs, with high concentrations of social housing, will occur.

8.2 What are the opportunities for Council to work with Registered Housing Agencies?

What are Registered Housing Agencies?

Registered Housing Agencies are not-for-profit organisations that provide and/or manage affordable rental housing for low income households. They are registered under the Housing Act 1983 as either Housing Associations or Housing Providers and are regulated by the Victorian Registrar of Housing Agencies.

Registered Housing Agencies seek to balance affordability for tenants and financial viability for the agency in a fair and transparent way. The rent paid by tenants enables Registered Housing Agencies to largely pay for the costs of maintaining and managing the agency's rental housing.

Registered Housing Associations

Registered Housing Associations are larger, more complex businesses with the skills, expertise and resources to manage, maintain and grow a viable social housing portfolio. They develop new housing through construction, purchase or acquisition, using a mix of government funds and private sector investment.

RHA's also manage housing properties owned by them or leased from other parties, such as the Director of Housing. Victorian Policy is that 75 percent of their social housing tenants must come from the Priority list of the Victorian Housing Register. There are currently 10 Registered Housing Associations (RHA's) in Victoria which own and manage affordable rental housing for lower income households. Six RHAs currently operate in the City of Greater Geelong (refer to Section 6.4 for more details).

Business Model of Housing Associations

The business model of Housing Associations is different to most charitable organisations, and is based on three principles:

- Each and every project must be financially viable. The cost of development or acquisition must be fully funded by a combination of equity, capital grants and debt.
- Each and every project must be financially sustainable. The costs of managing a dwelling over its lifetime (including lifecycle maintenance) and the costs of finance (if debt is part of the capital funding) must be fully funded by operating revenue. This implies that any shortfall between rental revenue and total operating costs must be met by an operating subsidy.
- A Housing Association must build sufficient risk margins into its project feasibilities and annual budgets, to cover all risks and maintain sufficient liquidity to take up development opportunities as they arise.

Housing Associations therefore have some similarities to private developers, except that they reinvest all surplus funds in future social housing and retain their properties in the social housing sector in perpetuity.

Registered Housing Providers

Registered Housing Providers primarily manage rental housing portfolios for other parties, such as the Director of Housing (DoH). Some housing providers own properties, however their growth is small scale compared with housing associations. Housing providers often specialise in particular client groups which may include disability housing, aged tenants and youth housing.[18] There are currently 29 Registered Housing Providers operating in Victoria.

What is required of Registered Housing Associations in Geelong?

Increasing the number of social housing properties in the City of Greater Geelong necessarily requires that a Registered Housing Association develops and/or acquires properties for use by social housing tenants. Registered Housing Associations will need to:

- Obtain land at less than market price, with subsequent development by the RHA, and/or
- Purchase completed dwellings at less than market price, for example from a developer.

RHAs may purchase properties from a developer as part of negotiated arrangements for including social housing, involving Council. To ensure that the planned number of dwellings are used for social housing, and to provide developers with greater certainty, a Registered Housing Association will need to agree price, terms and conditions, for example as part of a Section 173 Agreement. This may be challenging for some housing agencies in the absence of an ongoing reliable funding program.

For Council to effectively negotiate with developers, it will require an appropriate working relationship with one or more Registered Housing Associations, which understand local needs and context.
The challenge for the City of Greater Geelong will be to exercise greater control over the planned development of social housing, in a way which ensures that developments are implemented as planned. This will require the City of Greater Geelong obtaining commitments from developers and RHAs which are secured by appropriate contractual and organisational arrangements.

What are the potential benefits of attracting a Registered Housing Association to Geelong?

One option is to establish a new Housing Association which is mainly Geelong focused, and which has its head office in Geelong. There are a number of potential benefits of a Geelong based Housing Association, including:

- A more planned approach to social housing including funding programs (which include multiple sites)
- Greater understanding of local need for social housing, in terms of location, dwelling size etc.
- Greater certainty that funding for social housing would be kept in the Geelong Region

[18] Victorian Housing Registrar, http://www.housingregistrar.vic.gov.au/Who-we-regulate/Housing-providers (accessed 10 Dec 2018)

- A greater focus on the Geelong region leading to the identification of more sites suitable for social housing
- A visible presence and influence, engendering greater community support
- An enhanced working relationship with local property developers, and local government
- An enhanced working relationship with DHHS
- Enhanced collaboration with a range of support services for tenants

The involvement of a Geelong based RHA is more likely to result in a more even distribution of social housing across the whole region, rather than in the outer suburbs of the City of Greater Geelong where land is cheapest.

8.3 What are the opportunities for Council to work with private developers?

Private developers potentially have a significant role to play in the future supply of social and affordable housing in Geelong over the next 25 years. As noted above, recent amendments to the Planning and Environment Act 1987 authorise Local Government to negotiate with developers for the supply of social and affordable housing.

The development industry will deliver the 70,000 new dwellings projected for Geelong over the next 25 years, and that negotiations with developers will represent a major opportunity for provision of social housing. This will necessarily require the involvement and commitment of a Registered Housing Agency to acquire dwellings from the developer.

Negotiations between developers and the City are voluntary. It is important that the City understands and acknowledges the business model of developers and the potential impact of negotiations on expected commercial returns and business risks.

Several developers have indicated that they are willing to provide good quality social housing, provided it does not erode profitability to the extent that developments are rendered non-viable. Developers require as much certainty as possible, clarity about what is negotiable, assurances that all developers will be treated equally (level playing field), and that the City will seek to expedite the planning process.

Within this context the City may develop principles for the provision of social housing by developers, for example:

1. **Commercial viability** - the cost to the developer should not exceed the value uplift in the land value generated by the development approval. That is the aim is to capture a proportion of the value uplift as a contribution to the cost of providing new social housing and not render the project non-viable.
2. **Design and location** - the scale, design and finish of the social housing should be compatible with the surrounding streetscape and not detract from the general amenity of the neighbourhood. The location of social housing will take into consideration the needs of social housing tenants in terms of social infrastructure, transport, retail, education and employment opportunities. Social housing dwellings provided should be consistent with an evidence-based model of good practice that demonstrates social, economic and environmental sustainability.

3. **Timing of delivery -** social housing should be delivered progressively in accordance with an agreed program in multi stage developments. Social housing should be available when there is adequate social infrastructure available for social housing tenants.
4. **Certainty of transfer**- the party identified as the owner and manager of the social housing (e.g. Registered Housing Agency) will guarantee the acquisition of the housing, and the operational capacity to manage the dwellings in accordance with recognised good practice.
5. **Guidelines and information** – The City will provide guidelines and information for developers to assist in negotiations in the context of the voluntary nature of the planning controls.

8.4 Implications for the City of Greater Geelong Social Housing Plan

The City of Greater Geelong has acknowledged the need to increase the supply of social housing in the region for several years, and has attempted to establish social housing within newly developing areas, as well as within existing urban areas, including through neighbourhood renewal. These attempts have met with limited success.

The City now has the opportunity through changes to the Planning and Environment Act to exercise more influence in decisions relating to the development of social and affordable housing.

Importantly, the expected growth in housing overall in the City of Greater Geelong 2018 – 2041 provides significant opportunity for negotiations with developers to increase the supply of land for social housing that can then be managed by a registered Housing Agency.

In summary:

In order to facilitate an increase in the supply of social housing in Geelong the City of Greater Geelong will need to:

1. **Establish a collaborative partnership with DHHS**, with an Agreement which leads to a more planned approach to addressing existing stock, as well as possible future developments
2. **Ensures that a Registered Housing Association commits to growing social housing in Geelong**, and maintains a substantial presence in Geelong. If an existing RHA cannot make a significant commitment, then a new Housing Association will need to be established
3. **Exercise greater control over Agreements between RHAs and developers**
4. The enhanced involvement of local government may be expected to **provide a more planned, orderly and coordinated approach to the development of social housing** in the future within a particular region

A planned approach could see a more even distribution of social housing across the whole region, rather than in the outer suburbs of the City of Greater Geelong where land is cheapest. A Geelong based Housing Association would provide a suitable vehicle for contributions of land and cash from Council, increasing borrowing capacity, enhancing confidence in long term planning.

9. Where will future social housing supply come from?

This section considers possible locations and land availability that could support an increase in the supply of social housing in Geelong particularly:

1. City of Greater Geelong (the City) owned land
2. State Government owned land
3. Private land
4. Key challenges to future social housing supply

9.1 What is the potential of Council owned land?

The City of Greater Geelong owns a number of properties across the municipality. From time to time the City identifies land that is surplus to requirements for municipal purposes all over the municipality. This includes small single dwelling lots to large redevelopment sites.

A preliminary assessment has identified:

- 49 Council owned sites that could potentially be used to supply some form of social housing.
- These sites comprise 172,429.73 m^2 of land.
- The most readily available sites are located in areas of existing high levels of social housing.
- A significant number of readily available sites are also located in Belmont/Highton/Wandana Heights and Geelong West/Newtown/Manifold Heights.

Assuming that housing development on these sites was to occur at 400m^2 per dwelling it could be argued that this available City owned land could potentially contribute an estimated 400 social housing dwellings[19].

9.2 What is the potential of other government owned land?

The State Government also owns a number of properties within the Geelong area. For the purpose of this project a Land Audit was also conducted of State Government owned land that is located within Residential Zones across Geelong. The Land Audit identified a total of 28 State Government owned properties.

Assuming that housing development on these sites was to occur at 400m2 per dwelling it could be argued that this available State Government owned land could potentially contribute an estimated 900 social housing dwellings.

This is a high level assumption and the final number of possible social housing units will depend upon actual lot and dwelling sizes.

[19] This dwelling estimate is based on high level assumptions including all of the land being used for social housing, lot sizes, and dwelling sizes.

9.3 What is the potential of private land?

The City of Greater Geelong *Settlement Strategy* (2018) provides a high-level strategy for managing Geelong's future residential growth. The major land supply stocks available across Geelong identified in the Settlement Strategy are shown below.

Table 18: Major land supply stocks as of January 2017

Region	Broad hectare	Major infill	Major redevelopment	Unzoned	Total
Bellarine	8,972	39	0	3,481	12,492
Urban Geelong	3,886	785	5,543	411	10,625
Lara	5,297			715	6,012
Armstrong Creek	18,211			1,450	19,661
Western Growth Area				18,000	18,000
Northern Growth Area				16,000	16,000
Total	*36,366*	*824*	*5,543*	*40,057*	*82,790*

Source: City of Greater Geelong *Settlement Strategy*

The majority of land supply for future housing in Geelong will come from broad hectare development of greenfield sites.

In these circumstances the City of Greater Geelong has limited capacity to influence the development of social and affordable housing through framework plans, precinct structure plans and negotiations with developers. These plans and negotiations can include a focus on the future provision of social and affordable housing.

The *Settlement Strategy* identifies the following broad hectare developments in specific Areas:

- Completion of development of areas of remnant broad-hectare land within the Geelong Ring Road, including Highton and Fyansford
- Progressive development of zoned broad-hectare land in Lara
- Continuing development of the zoned Armstrong Creek growth area, as per the framework plan
- The longer-term development of the Northern Geelong (Lovely Banks) Growth Area
- The longer-term development of the Western Geelong (Batesford) Growth Area
- Continuing development of identified broad-hectare land on the Bellarine Peninsula, within Ocean Grove, Portarlington, St Leonards, Drysdale/Clifton Springs and Leopold.

Additional supply will come from areas which are already established - referred to as urban consolidation. Urban consolidation is essentially infill development and redevelopment in established suburbs. Such developments generally result in higher density dwellings in appropriate locations, close to activity centres (e.g. town centres, railway stations and shopping centres).

The *Settlement Strategy* includes an urban consolidation strategy comprising three main types:

- Key Development Areas (Central Geelong, Waurn Ponds, and West Fyans)
- Increased Housing Diversity Areas (located close to activity centres and selected railway stations)
- Incremental Change Areas – modest infill as opportunities arise.

The State Government amendment to the Planning and Environment Act in June 2018 encourages Local Governments, through their planning role, to negotiate with developers to include social housing (and affordable housing) in all new developments. The Amendment now allows Section 173 agreements to be used to secure voluntary commitments to affordable housing as part of a development.

In order to meet the existing estimated shortfall of 6,196 social housing dwellings, and the projected increases in demand for social housing, an average of **approximately 18% of all new housing supply would be required as social housing. This is an average of 706 dwellings per year.**

Table 19: Estimated social housing supply gap and supply requirements 2016 - 2041

Year	Estimated social housing need	Social housing supply gap (includes 2% attrition)	Supply required per annum to address (from 2020)	Estimated total % of new dwellings required to be social housing
Base year 2016	10,196	6,196	706	**11%**
2021	11,423	7,823	706	**18%**
2026	12,710	9,510	706	**18%**
2031	14,078	11,278	706	**18%**
2036	15,407	13,007	706	**18%**
2041	16,821	14,821	706	**18%**

9.4 What are the key challenges related to current and future social housing?

There are several key issues associated with the current supply of social housing in Geelong that present specific challenges for the future provision of social housing, these are summarised below:

Key Challenge	Implications for the City of Greater Geelong Social Housing Plan
Location of social housing stock	The current concentration of social housing (particularly in two areas) creates large areas of disadvantage, with uneven access to services and opportunities for residents. The challenge, over time, is to achieve **a more even distribution of social housing** across the City of Greater Geelong. The concentration is not limited to particular former public housing estates, rather, it is spread across whole suburbs which then experience disadvantage.
Utilisation of social housing properties	There is significant **underutilisation of social housing** in Geelong. This includes: - underutilising the land on which social housing is constructed - old social housing stock is built on blocks which could potentially accommodate 2 or 3 dwellings - underutilising the number of bedrooms in each social housing dwelling (e.g. where one person lives alone in a 3-bedroom house) - vacant stock, indicated by the difference in the stock numbers provided by DHHS, and the number of households renting social housing, recorded in the ABS Census The challenge is to **redevelop existing social housing to better utilise the available land, and to better match tenants with housing types.**
Neighbourhood Revitalisation	In addition to redeveloping social housing, and changing the distribution, it is important to address the needs of particular neighbourhoods with high concentrations of social housing, in order to improve the quality of life. The challenge is to implement **an effective neighbourhood renewal strategy**, which not only includes redevelopment of social housing, but also the development of community facilities and amenities. Some broad hectare developments (such as Lovely Banks) are located adjacent to areas with high current levels of social housing. This may provide opportunities for re-locating social housing from older areas to newer areas over time.
Refurbishment, and renewal	Existing stock will always require maintenance, however the age of some social housing stock is such that it will be more economic to demolish and rebuild. It is likely that **half the existing public housing stock will need to be replaced within the 25 year planning framework**.
Size of dwellings (bedrooms)	Current stock is weighted to larger dwellings, in the context of the high demand for one- and two-bedroom dwellings for lone person and single parent households.

Key Challenge	Implications for the City of Greater Geelong Social Housing Plan
	In the future, it will be necessary **to provide more one- and 2-bedroom dwellings and less 3- and 4-bedroom dwellings. One- and 2-bedroom dwellings are likely to be part of medium density developments**. The Settlement Plan includes a focus on increasing housing density, and diversity, which is consistent with a higher proportion of one- and two-bedroom dwellings, suitable for single parents and lone person households.
Clear strategy for developers	Geelong has plenty of land which has been identified as suitable for settlement over the next 25 years, providing significant opportunities for local government to negotiate with developers, for the inclusion of social housing. However, Council needs a clear strategy covering rezoning, Precinct Structure Plans and the terms on which Section 173 Agreements can be negotiated.
Infrastructure for social housing	Where social housing is planned Council needs to take into consideration the **infrastructure required by social housing tenants**, especially in in newly developed areas. For example, the development of medium density social housing within 500 metres of an Activity Centre or Railway Station may facilitate access to required services.

In summary

This section has identified that **approximately 18% of all new housing supply** would be required as social housing, on average **675 dwellings per year**, to fully meet the projected demand for social housing in Geelong.

Potential sites that provide opportunities for increasing the supply of social housing in Geelong include:

1. land currently owned by the City of Greater Geelong which has the potential to provide 400 social housing dwellings
2. land currently owned by the State Government which has the potential to provide 900 social housing dwellings
3. up to 70,000 new dwellings will be built on privately owned land across the City of Greater Geelong providing wide scope for negotiating with private developers about the inclusion of social housing within this new housing supply

Key challenges facing the future provision of social housing in Geelong include:

1. the need to ensure a more even distribution of social housing
2. a need to provide more one- and 2-bedroom dwellings and fewer 3- and 4-bedroom dwellings
3. ensuring suitable infrastructure is provided to support social housing tenants
4. redevelopment of existing social housing to better utilise available land, and to better match tenants with housing types
5. development of a clear strategy covering rezoning, Precinct Structure Plans and the terms on which Section 173 Agreements can be negotiated

10. Where will the finance for Social Housing come from?

10.1 What is the scale of investment in social housing required?

The data presented above has estimated that 13,500 new social housing dwellings will be required in Geelong to respond to the estimated need for social housing by 2041. This figure includes the replacement of 1,500 existing public housing dwellings that will come to the end of their economic life within that period.

This demand for social housing equates to an average of approximately 675 dwellings per annum at a total development cost of about $275M (assuming an average development cost of $350,000 per dwellings)

Responding to this demand is far beyond the capacity of any Local Government to finance. Council must therefore look to the other tiers of government to participate in a partnership that can address the desperate need for more social housing.

The City of Greater Geelong *Social Housing Plan 2020 – 2041* is developed within a broader Commonwealth, State and Regional policy context (see table 20 for Summary).[20] Key policies that guide the planning and provision of social housing are summarised below. This Section considers key policies and programs that have the potential to provide funding to enable the City of Greater Geelong *Social Housing Plan* to achieve its objectives.

10.2 What can the Commonwealth Government contribute?

While the Commonwealth Government exercises the greatest influence on the housing market through its influence on monetary policy, fiscal policy, immigration policy and industry policy, it does not have constitutional responsibility for Housing Assistance.

However, as a legacy of the desperate need for a national approach to overcome housing shortages at the end of the Second World War, the Commonwealth struck a deal with the States under a Commonwealth State Housing Agreement to fund home ownership and public housing (which at that time was an open rental housing tenure). That agreement evolved over time and is the forerunner to the current National Housing & Homelessness Agreement.

[20] Full details of this policy context can be found in the City of Greater Geelong Social Housing Plan - *Background Report No. 3: Policy Discussion Paper.*

Table 20: Policy Context

Commonwealth Government of Australia	State Government of Victoria	Regional Level Initiatives	City of Greater Geelong
i. *National Housing and Homelessness Agreement (NHHA)* ii. *National Housing Finance & Infrastructure Corporation (NHFIC)* iii. *National Housing Infrastructure Facility (NHIF)* iv. *Affordable Housing Bond Aggregator (AHBA)* v. *National Rental Affordability Scheme (NRAS)* vi. *Commonwealth Rent Assistance (CRA)* vii. *National Regulatory System for Community Housing*	i. *Housing Act 1983* ii. *Homes for Victorians* iii. *Plan Melbourne 2017-2050* iv. *Victorian Infrastructure Plan* v. *Planning and Environment Act 1987* vi. *State Planning Policy Framework (SPPF)* vii. *Ending Family Violence: Victoria's Plan for Change*	i. *Geelong Region Plan* ii. *G21 Regional Growth Plan (2013)* iii. *Strategic Housing Incentives Action Plan* iv. *Addressing Disadvantage through Affordable Social Housing*	i. *A Clever and Creative Future – The Community's Vision* ii. *Council Plan 2018 – 2022 Putting Our Community First* iii. *Municipal Public Health and Wellbeing Plan 2018 – 2022* iv. *Settlement Strategy* v. *Housing Diversity Strategy* vi. *Access and Inclusion Plan 2018 – 2022* vii. *Preventing and Addressing Violence Against Women and Children: Strategic Plan 2016 – 2020*

National Housing & Homelessness Agreement

Under this Agreement the Commonwealth provides funds to the State for social housing and homelessness programs. While recent Agreements have provided some boost for homelessness funding there has been no increase in social housing funding for 20 years. This means that, in real terms, the current value of the Commonwealth investment in social housing is less than a third of what it was at the turn of the century. The key implications of this agreement are:

- The Commonwealth does not fund the expansion of the social housing sector with current funding (approximately $1B per annum) being considered an operating subsidy to State Housing authorities for public housing in lieu of the fact that public housing tenants are not eligible for Commonwealth Rent Assistance and therefore public housing rents are insufficient to meet all operating costs

- The Agreement sets a target for of 35% of all social housing in each jurisdiction to be community housing and the only way for State Housing Authorities to reach this target is through the transfer of public housing to community housing - Victoria has still not reached this target and hence there is ongoing expectations that public housing transfers will continue in Victoria

Commonwealth Rent Assistance (CRA) - The biggest Commonwealth expenditure on housing is through the social security budget – Commonwealth Rent Assistance – at about $4.8M per annum and growing. As noted above CRA is not available to public housing tenants however community housing tenants are eligible for this financial support.

National Rental Affordability Scheme (NRAS) - The National Rental Affordability Scheme was introduced as a 10 year operating subsidy to approved landlords for every dwelling that they provided to eligible tenants at 80% of market rent or less. Approximately 35,000 incentives were allocated before the scheme was discontinued under the Coalition government. However, the bureaucratic structure continues to exist as the incentives allocated still have between 2 and 6 years to run.

The Commonwealth Government, having expressed no interest in renewing the scheme, may find it an attractive mechanism if the decline in residential construction continues and they want to provide a supply stimulus. A key feature of NRAS is that community housing providers are eligible to receive the subsidy for their social housing properties whereas State Housing Authorities cannot access it for new public housing.

National Housing Finance Investment Corporation (NHFIC) - The most recent intervention of the Commonwealth government has been the establishment of the National Housing Finance Investment Corporation. This entity has the capacity to raise bond finance at Commonwealth rates and on lend to support affordable housing via two funds.

National Housing Infrastructure Facility (NHIF) - Under NHIF low cost loans can be made available to local government authorities to borrow funds for vital land infrastructure provided the reduced cost of finance leads directly to the inclusion of affordable housing (including social housing) in the residential development serviced by that infrastructure.

Affordable Housing Bond Aggregator (AHBA) - Under AHBA low cost loans can be made available directly to Registered Housing Associations to invest in affordable housing (including social housing). In the first 12 months of operation NHFIC has negotiated loans to RHA's in excess of $350M at approximately 1.75%.

10.3 What can the State Government contribute?

The State Government has the constitutional responsibility to plan for and provide housing assistance, including social housing. The Victorian government has assigned this responsibility to the Department of Health & Human Services with the statutory responsibility for social housing being allocated to the Director of Housing. In 2018 the government released a major housing policy platform *Home for Victorians* which outlined a range of strategies to increase housing supply, improve housing affordability and particularly increase the supply of social housing.

Key State Government Policy and Legislation that impacts on the provision of social housing and the related implications for the City of Greater Geelong *Social Housing Plan* are summarised below:

Relevant Policy/Legislation	Key Issue for Increasing the Supply of Social Housing	Implications for City of Greater Geelong *Social Housing Plan*
Planning & Environment Act 1987 - Amendments 2008	Amendments to the Planning & Environment Act which have been outlined above have opened the door for planning authorities to negotiate the inclusion social housing in new private developments	While such negotiations remain voluntary it has been estimated that this might result in up to 10% of dwellings in a new development being provided for social housing at approximately 25-30% discount to market value.
Inclusionary Housing	The State Government has committed to the identification of underutilised and surplus government owned land which can then be fast tracked through the governmental processes for release into the market with a requirement that they include a component of social and affordable housing – usually about 30%.	The development of a site in East Geelong by Barwon Water provides an example of how this policy may be enacted - this will require the strong support of Council through the planning process and access to social housing investment finance
Public Housing Renewal Program	The Strategy commits $341M to renew and expand public housing with a target of approximately 3,500 new dwellings to replace about 2,500 existing dwellings. This program is primarily focused on ageing public housing estates which have not previously been the subject of Neighbourhood Renewal Schemes such as Corio, Norlane and Whittington.	In order to have Geelong's suburbs with high concentrations of public housing included in this program (and for the funds necessary to complete the urban renewal that been subject to a number of stop-start initiatives) it will be necessary for Council to advocate strongly and offer support in both planning and resourcing renewal strategies
Public Housing Stock Transfer	The Strategy also commits to the transfer of 4,000 public housing dwellings to Registered Housing Associations under management transfers.	There may be substantial financial and social benefits if public housing in Corio, Norlane and Whittington were included in this transfer, particularly if this transfer was incorporated into a 'public housing renewal' program. However, for this to be negotiated with DHHS it will take concerted effort by the City to communicate the benefits to both the DOH and to the tenants involved.
Social Housing Growth Fund (SHGF)	One of the central planks of *Homes for Victorians* is the SHGF – a $1B fund established to provide an ongoing revenue stream to fund new social housing through Registered Housing Agencies. While it has been presented as a flexible funding program it is primarily intended that the fund will make long term (up to 30 years) operating subsidies available to Registered Housing Associations to support debt servicing.	If social housing projects in Geelong are to access this subsidy stream then it will be necessary for a Registered Housing Association to present a program of developments demonstrating value to government (i.e. community land or planning contributions) and this will require the leadership and commitment of the City.
Low Cost Loans	In order to get the greatest value from the SHGF the Victorian government has also committed to making available $1.1B in low cost loans (similar to NHFIC) to Registered Housing Associations. Half of this will come as direct Treasury Loans while the other half	As above - if social housing projects in Geelong are to access this low-cost finance then it will be necessary for a Registered Housing Association to present a program of developments demonstrating value to government (i.e.

Relevant Policy/Legislation	Key Issue for Increasing the Supply of Social Housing	Implications for City of Greater Geelong *Social Housing Plan*
	will be via private finance with a state guarantee.	community land or planning contributions) and appropriate security arrangements and this will require the leadership and commitment of Council.
Community Housing Regulatory System	While pre-dating Homes for Victorian the Victorian government now has a robust regulatory regime for community housing providers. As discussed above the Housing Registrar (established under the Victorian Housing Act) registers and then regulates community housing providers assessing them against 7 performance criteria. In order to access any form of housing assistance from the Victorian government (and increasingly the Commonwealth government) an organisation must be registered. If that agency is to access programmatic funding (i.e. for a program of social housing projects over an extended [period) then that organisation will have to be registered as a Housing association not a Housing Provider.	This implies that the success of any Social Housing Plan that aims to achieve substantial increase in the supply of social housing it will be imperative for a Housing Association to make Geelong a priority, work collaboratively with the City , have an established local presence and become an active participant in the local property market.
Victorian Housing Register	Victoria's social housing system is geared towards supporting those who are most disadvantaged and unable to maintain suitable and stable housing within the private market. This has led to the establishment of a Victorian Housing Register which serves as a common waiting list for social housing from which all public housing and community housing allocations are made. The list has two categories – high priority and wait turn. High priority applicants are generally the clients of the DHHS and have other presenting issues such as family violence, mental health issues, disability. Both public housing and community housing providers are required to tale 75% of their tenants from the priority category.	For the City, this means that any Registered Housing Association that it engages with in terms of delivering on the objectives of a *Social Housing Plan* must be a highly competent manager of housing for tenants with a range of special needs.

10.4 What can a Local Government contribute?

Across Victoria, other Local Government Areas (LGAs) are at various stages in the development of affordable and social housing policies and actions. All LGAs express concern about the reduction in housing affordability, and the lack of accommodation options. Some LGAs, particularly the inner metropolitan Melbourne LGAs, have been seeking to address the provision of affordable and social housing in their municipality for many years.

In the inner city this has been exacerbated by gentrification, and a lack of investment in social housing generally. The focus of these LGAs is on infill development, and the use of LGA land (and air space).

Outer LGAs in growth areas such as Cardinia Shire Council and Whittlesea City Council are planning for considerable population growth over the next 20 years, associated with new broad hectare development. As a result, there are different emphases revealed in planning documents.
Outer LGAs may have greater opportunities to include consideration of social and affordable housing when re-zoning occurs. In addition, homelessness and risk of homelessness is more likely to be 'hidden', and experienced as rental and mortgage stress, possibly compounded by lack of transport and social infrastructure. As a result Outer LGAs are particularly concerned with planning the provision of adequate infrastructure, as well as housing diversity, and the creation of new communities which are healthy, inclusive, and which have access to employment.

Generally, however, all LGA plans indicate the following potential roles for LGAs in the provision of affordable and social housing:

1. Advocacy and leadership
2. Investment
3. Land use planning
4. Social planning and action
5. Community development[21]

In terms of investment in social housing the principle mechanisms are:

1. Small Council owned land (including air rights above car parks and community facilities) transferred to a Registered Housing Agency for development as social housing
2. Larger Council owned sites put to the market for development with a required outcome for a certain yield of social housing – this will generally require a proponent to be a joint venture between a private developer and a Registered Housing agency
3. Site specific planning controls to guide negotiations for voluntary contributions from private developers to social housing either by way of land assignment to a registered Housing agency or cash contributions to a social housing fund

[21] Further details about other Local Government initiatives related to Social housing refer to the City of Greater Geelong Social Housing Plan - *Background Report No. 3: Policy Discussion Paper.*

4. In a limited number of cases LGAs may make an annual budget commitment to a locally based social housing fund to enable a Registered Housing Agency to leverage State Government contributions to locally based social housing projects

10.5 Benefits of working with a Registered Housing Association – lessons from other LGA's

In order to access the State and Commonwealth finance and subsidies required to implement *a Social Housing Growth Strategy* that aims to achieve the levels of social housing needed in Geelong, it is clear that Council will have to engage with the Registered Housing Agency sector.

In Victoria **Registered Housing Associations have significant financial advantages:**

1. As Tax Concession Charities with public benevolent Institution status they have access to tax deductible donations (including philanthropic funds).
2. Their charitable status also provides a range of other tax exemptions including Income Tax, Stamp Duty, Land Tax, Payroll Tax, and Fringe Benefits Tax.
3. Subject to charging rents that are less than 75% of market rent they qualify as a GST free supply are eligible for a GST Rebate on all inputs – this reduces the cost of development by about 9.1%.
4. They are eligible for project grant funding from programs such as the Victorian Property Fund and any other State government capital funding programs.
5. They are eligible for public housing stock transfer which can generate additional revenue which can underpin reinvestment in the public housing stock as well community development activities which address community capacity.
6. They are eligible for program recurrent funding for the development of a social housing program (i.e. SHGF).
7. They are eligible for low cost loans such as those offered by NHFIC at the Commonwealth level or the Victorian Treasury at the State level.

In addition, **Registered Housing Associations may have significant social advantages** including:

1. A commitment to a community development approach which engages with local communities and seeks to empower them through local decision making and participation processes designed to build local capacity.
2. A commitment to place based service delivery which includes a local office and seeks to implement local procurement policies.
3. A 'client focused' approach which aims to address the needs of their tenants by linking with other agencies to ensure tenants receive all of the services they are entitled to and which they may need to ensure a safe and sustainable tenancy.
4. A particular expertise in designing housing and managing tenancies for individuals and families with complex needs.

Options for developing a relationship with an RHA are demonstrated by the approaches of two Victorian municipalities who have recently decided to create an Affordable Housing Trust as part of their affordable housing strategy and appoint a Registered Housing Agency as the manager of that trust.

These case studies provide an insight into the relationship between local government and affordable housing.

1. **The City of Hobsons Bay** has recently established the Hobsons Bay Affordable Housing Trust to receive all Council investment in social and affordable housing including the benefits of planning contributions and has subsequently sought expressions of interest from Registered Housing Associations to act as manager of the Trust

2. **The City of Moreland** has established a Moreland Affordable Housing Trust which will also receive all Council investment in social and affordable housing including the benefits of planning contributions but has also taken the step of establishing a new Moreland Affordable Housing Company to act as Trustee and to obtain Registered Housing Association status so that it can obtain access to State and Commonwealth Housing Assistance to drive the implementation of Council's social housing objectives

Before assessing the merits of the two approaches it is instructive to consider two previous Victorian initiatives.

City of Melbourne

In 2005 the City of Melbourne established the Inner-City Social Housing Trust and Inner-City Social Housing Fund, invested $1M into the Fund, identified some inner-city sites for development as social housing and established a Trustee Company to manage the two vehicles. The company soon merged with Ecumenical Housing to form Melbourne Affordable Housing which subsequently merged with Supported Housing Ltd to form Housing Choices Australia – a company with a national agenda to grow social housing particularly in capital cities.

Housing Choices has gone on to become one of the largest and most successful RHA's nationally however its footprint in the City of Melbourne is limited and the partnership with the City of Melbourne did not grow beyond the first projects within the Inner-City Social Housing Trust.

Council's 2018 Annual Report does not mention the Trust, nor is it mentioned on the City of Melbourne web site. Interestingly in its current Housing strategy the following commitment is made:

As part of the comprehensive redevelopment by the City of Melbourne of land it owns, we will consider including up to 15 per cent of dwellings constructed being made available as affordable housing to a registered Affordable Housing Provider.

It is reasonable to conclude that the national focus of Housing Choices Australia, the manager of the Inner-City Social Housing Trust, has not led to a concentrated focus on the social housing needs of the residents of the City of Melbourne as was originally intended when the Trust was first established. The City now adopts a tendering approach on a site by site basis.

City of Port Phillip

The City of Port Phillip is perhaps the best-known municipality for supporting social housing in Australia. The first phase of Council's Housing Program covered two decades beginning in 1984 and resulted in Council developing 14 Council owned sites yielding 311 units through a series of joint ventures with the Director of Housing. While Council owned these dwellings it appointed a Council created entity, Port Phillip Housing Association, (PPHA) to manage them. During this phase Council contributed the 14 sites with a land value of $13.4M and leveraged $19.4M in State and Commonwealth funding – Council's contribution being 41%.

In 2004 Council undertook a review of the sustainability of the Housing Program in the context of increased demand for affordable housing from Port Phillip constituents and changes in government housing policy (particularly at the State level) which increased the opportunity for not for profit charitable organisations to access housing subsidies subject to obtaining registration under new regulatory controls in the Housing Act.

Following the Review, Council adopted a plan to ensure the long term sustainability of the Program; maximise the growth of affordable housing through accessing the tax benefits of charitable status, raising debt finance and securing Victorian government funding and reposition the Program to emphasise the primary responsibility of the Victorian government for the supply of affordable housing and reduce the exposure of Council to the risks inherent in the program.

This involved Council transferring the role of social housing developer to PPHA, creating a Port Phillip Housing Trust (PPHT) and transferring the 311 dwellings into the Trust, and appointing PPHA as the Trustee. Council then entered a 5-year agreement with PPHT to transfer additional sites and contribute $500,000 per annum in cash to grow the PPHT portfolio. Council also supported PPHA's application for registration as a Housing Association under the new legislation and the submission for funding under the "Affordable Housing Growth Strategy" of the State government.

During the second phase (2005-2015) Council contributed one additional site valued at $2.3M and a total of $4M in cash to the PPHT which generated 3 additional projects yielding 72 dwellings in PPHT – approximately $16M in State funding was leveraged.

However, the creation of PPHA as an independent entity and its registration as a Housing Association enabled the company to secure private finance and attract additional funding for investment in social and affordable housing within the City of Port Phillip. A further 4 projects yielding 193 dwellings were completed in the municipality during this phase with PPHA contributing $16.7M of debt and equity and securing $48.6M in State funding.

Thus, PPHA was able to deliver 7 projects during that period yielding 265 additional social housing dwellings with Council only contributing directly to 72. Council's contribution of $6.3M during this phase represented only 7.2% of the total of $87.6M invested. Clearly the creation of the PPHT and the establishment of PPHA as an independent RHA paid handsome dividends for the City.

Brisbane Housing Company

One other example from another state is also instructive. In 2002 the City of Brisbane and the Queensland State government collaborated on the establishment of the Brisbane Housing Company as a special purpose affordable housing development and management company. The company was initially capitalised by both parties (total of approximately $30M) and then operated on an independent basis accessing Council sites and government subsidies to build a portfolio which today is in excess of 1,700 dwellings with an asset value exceeding $400M. It is a Tier 1 Registered Housing Agency under the national regulatory System for Community Housing.

Given the geographical size of the municipality the parties did not see it as necessary to create a Trust to hold the assets but limited the scope of activity to the City via clauses within the constitution of the company.

In summary:

1. Registered Housing Associations have significant financial benefits and may have substantial social benefits for implementing a Social Housing Growth Strategy
2. Registered Housing Associations also have preferential access to State and Commonwealth housing assistance programs without which the implementation of a significant social housing growth strategy would be impossible
3. A number of Victorian municipalities are currently adopting aggressive social housing growth strategies and are including the establishment of an Affordable Housing Trust as an investment and security vehicle for Council and other investments under the management of an appointed Registered Housing Association
4. History suggests that the most effective relationships between a Local Government authority and a Registered Housing Association is one where the Council takes the initiative to establish a Housing Association which is then appointed manager of the Council created 'Housing Trust' and retains continuing 'ownership' of the company.

The City of Greater Geelong *Social Housing Plan 2020 – 2041* builds upon the key issues emerging through Part B: Context for a Social Housing Plan.

11. Attachments

Table 21: Key Terms

Key Term	Definition Applied to Current Project
Affordable housing	A dwelling available through a housing assistance program that provides for a specified level of below market rent price (e.g. public housing, community housing, National Rental Affordability Scheme, shared equity scheme for home ownership).
Community housing	Community housing is secure, affordable, long term rental housing managed by not-for-profit organisations for people on low incomes or with special needs.
Community housing provider	A not-for-profit organisation that delivers and/or manages community housing.
Commonwealth Rent Assistance (CRA)	A non-taxable Commonwealth Government supplementary payment added on to the benefit or family payment of people who rent in the private rental market above applicable rent thresholds.
Crisis accommodation	Crisis and emergency accommodation includes a range of specialist services for people who are homeless, at risk of homelessness, escaping family violence, or in other emergencies. These services are available 24-hours a day, however they are temporary and designed to immediately assist people in crisis to stabilise and move on to something more permanent.
Department of Health and Human Services	The Department of Health and Human Services (DHHS) is an agency of the Victorian State Government. DHHS delivers policies, programs and services for children and families, women, gender and equality, sport and recreation health and wellbeing, ambulance services, public health, ageing, disability, mental health, alcohol and other drugs and housing and homelessness.
Director of Housing (DoH)	The Director of Housing is the body corporate established under section 9(2) of the Housing Act 1983. The Director of Housing, sits within DHHS and is the landlord of Victoria's public housing. The Director has powers to purchase, develop, lease and sell property.
Homelessness	The Australian Bureau of Statistics definition states that when a person does not have suitable accommodation alternatives they are considered homeless if their current living arrangement: is in a dwelling that is inadequate has no tenure, or if their initial tenure is short and not extendable does not allow them to have control of, and access to space for social relations.
Household	One or more persons, at least one of whom is at least 15 years of age, usually resident in the same private dwelling. The people in a household may or may not be related. They must live wholly within one dwelling.
Housing need	A household is in housing need if its housing falls below at least one of the adequacy, affordability or suitability, standards and it would have to spend 30 per cent or more of its total before-tax income to pay the median rent of alternative local housing that is acceptable. Adequate is reported by residents as not requiring any major repairs. Affordable housing costs less than 30 per cent of total before-tax household income. Suitable housing has enough bedrooms for the size and make-up of resident households, according to National Occupancy Standard (NOS) requirements.
Low-income household	A household with income in the bottom 20 per cent of all household income distribution
Moderate income household	A household with income in the second income quintile (21–40%) of all household income distribution
National Affordable Housing Agreement (NAHA)	From 1 January 2009, government response to homelessness is administered under the NAHA and the National Partnership Agreement on Homelessness (NPAH).

Key Term	Definition Applied to Current Project
National Partnership Agreement on Homelessness (NPAH)	The National Partnership Agreement on Homelessness (NPAH) commenced in January 2009. Under the current agreement the Australian and state and territory governments have committed to provide $1.1 billion in funding. It contributes to the National Affordable Housing Agreement outcome, to help people who are homeless or at risk of homelessness achieve sustainable housing and social inclusion.
National Rental Affordability Scheme (NRAS)	A Commonwealth Government scheme that commenced on 1 July 2008, providing annual incentives (tax credits—if paying tax, grants—if not paying tax) to investors for 10 years to create 50 000 new affordable rental properties rented to low-income and moderate-income households at 20 per cent below local area market rents. The scheme was stopped for new property incentives in 2014, and as a result 37142 dwellings will be built
Not-for-profit sector	Community organisations providing a broad range of social services, including in relation to homelessness, housing, education, health, conservation and recreation.
Public housing	A form of long-term rental housing managed by the State Government and targeted at people on low incomes or with special needs
Quintile	A proportion of a set of data that has been ranked and divided into five groups, each of which contains an equal number of data items. For example, Housing Affordability Stress is assessed for households in the bottom two quintiles (i.e. the bottom 40%) of the income distribution. Q1 households are those earning in the bottom quintile (0–20%) of Australia's income distribution. Q2 households are those earning in the second quintile (21–40%) of Australia's income distribution.
Renewal	The process whereby existing, ageing public housing estates or buildings are redeveloped to improve both housing outcomes for public housing tenants and the neighbourhood's amenity
Social housing	An umbrella term that refers to public housing, delivered by the State Government, and community housing, delivered by community housing providers.
Shared equity	An umbrella term that refers to a range of initiatives which 'enable the division of the value of a dwelling between more than one legal entity' (Whitehead and Yates 2007 p16)
Social inclusion	In the Australian policy context, social inclusion is conceptualised as the opportunity to participate in society through employment and access to services, connect with family, friends and the local community, deal with personal crises and be heard.
Social mix	Defined as a 'combination of diverse shares of social groups in a neighbourhood'. A social group has one or more factors in common, such as having similar economic resources (i.e. having low- or high-income), the same ethnic background or nativity (i.e. born in the same country), the same household structure (e.g. families with children or households of young singles) or the same tenure (i.e. being tenants or home owners/buyers).
Supply side assistance	Forms of housing assistance given to providers, not consumers, of housing to help increase the quantity or quality of housing (e.g. National Rental Affordability Scheme).
Supported Housing	Supported Housing is a type of Community Housing targeted to households in high need, including people who are often homeless or at-risk. It is coupled with other support services, and owned and managed by the government and/or a non-government housing provider.

Key Term	Definition Applied to Current Project
Tenancy support services	Services provided to assist those at risk of homelessness with existing tenancies in the public and private rental sectors. These are early intervention services that aim to stop homelessness from occurring.
Tenure	The nature of a person's or household's legal right to occupy a dwelling. These legal rights range across rights of use, control and disposal. Tenure types include home owners (outright owners, **purchaser owners**, **shared equity**), renters (private, public, community, social), rent free.
Transitional Housing	Transitional Housing is a supported short-term accommodation program. It acts as a stepping stone to more permanent housing in public housing, community housing or the private rental market. People moving into transitional housing have often been victims of a change in circumstance. For example, a lost job has meant the rent can't be paid, a marriage break-up leaves one partner with no money or support, or a person may lose the support of – or can no longer live with – other family members. A key element of transitional housing is that it's a temporary option, and tenants must be actively working with their support provider to apply for long-term housing.
Victorian Housing Register	The Victorian Housing Register manages applications for long-term social housing in Victoria. The waitlist now combines public and community housing applications for housing so that people only need to apply once and can be considered for both types of housing. Priority Access is given to those people who are homeless and receiving support, are escaping or have escaped family violence, living with a disability or have significant support needs and with special housing needs.

Source: Adapted from https://www.ahuri.edu.au/policy/glossary

Table 22: Who Did We Consult? Stakeholder Definitions

Who	Stakeholder Definition
Social and Community Housing Tenants	**Current and future social housing tenants** including people currently living in social housing in the Geelong region and people currently on the Office of Housing (OoH) waiting list; Stakeholder include those organisations who can provide contact details for this group
Community Service Agencies	**Community service providers'** who provide a range of support services to people at risk and/or in need, in order to maintain their accommodation i.e. support services including specialist homeless services through to in-home carers, disability, aged and/or family support services
Housing Providers	Including (i) **housing providers** who are Registered Housing Association's (RHA's[22]) or Department of Health and Human Services (DHHS) (ii) those **organisations with an interest in the development of affordable housing** as a part of a strategy to support economic growth or enhance community sustainability and wellbeing, including relevant State Government departments and City of Greater Geelong influencers.
Industry Sector	Including developer and builder organisation who invest in housing and may experience affordable housing as a 'risk' or 'opportunity' including (i) **large scale developers/builders** holding rights over large land parcels seeking or obtaining master plan approval (ii) **smaller developer / builders** who may purchase lots within larger developments or be interested in the renewal opportunities in Norlane and Whittington areas (iii) **real estate agents**
Locations of High Housing Stress[23]	Key stakeholders interested in the development and delivery of affordable housing options in the areas of City of Greater Geelong that are experiencing particularly high levels of housing stress, particularly **the smaller settlements on the northern Bellarine**. Due to their small size and relative isolation, these areas may not be identified through the social housing demand analysis.
General Community	**Current and future residents, workers and visitors** in the City of Greater Geelong who have an interest in **managing the impact of future growth including opportunities and challenges for sustainable local areas** City of Greater Geelong **Access and Inclusion Advisory Committee**

[22] Refer to the following link for a list of Registered Housing Associations: http://www.housingregistrar.vic.gov.au/Who-we-regulate

[23] For the current project 'Housing Stress' refers to very low, and low-income households that are paying more than 30% of household income on rent.

Table 23: Stakeholder Organisations Engaged in Project

Housing Sector	Organisations Engaged
State Government	Department of Health and Human Services (DHHS) Office of Housing (OoH) Barwon Water Barwon Health Department of Justice
Housing Providers	Baptcare Barwon Homelessness Network Central City CERC Common Equity Housing Limited Haven Home Safe Homes-for-Homes Housing Choices Australia Kids Under Cover Lazarus House Geelong North Geelong Rental Housing Co-operative (NGRHC) Samaritan House Geelong Sirovilla Wathaurong Aboriginal Co-operative Wintringham Women's Property Initiative Yangzhou Tonglee Container
Health and Community Services	Barwon Child Youth and Family Barwon Health Bellarine Community Health Bethany Community Support Diversitat Gateway Support Services H.C.A. MacKillop Family Services Red Cross Salvation Army Victorian Association for the Care and Resettlement of Offenders (VACRO) Wathaurong Aboriginal Co-operative
Development Industry	Hamlan Homes Ramsay Property Group APD Projects MESH Planning UDIA Geelong members Nestd Deakin University Home Research Hub Tract Consultants Lovely Banks Development Western Growth Area development Maddocks Lawyers Dalton Consulting Engineers Ratio Consulting WT Partnership Mesh Planning
General Community	Portarlington Community Association City of Greater Geelong Access and Inclusion Advisory Committee Community Members at Community Forum (84)

Table 24: Policy Context - Key Issues

Key Themes	Commonwealth Government of Australia	State Government of Victoria	Regional Level Initiatives	City of Greater Geelong
Obligations	1. The Commonwealth Government controls the vast majority of levers that impact on the demand and supply of housing, and hence the affordability of housing in the general market 2. However, as the level of government which has greatest sway over housing markets the Commonwealth Government has the least direct influence on housing programs	1. State Government has the constitutional responsibility to plan for and provide housing assistance, including social housing 2. The provision of social housing is considered a core service delivery area for the State Government under the National Housing and Homelessness Agreement NHHA 3. Victoria's social housing system is geared towards supporting those who are most disadvantaged and unable to maintain suitable and stable housing within the private market	*G21 Addressing Disadvantage through Affordable Social Housing* made a number of important recommendations related to social housing, including: 1. That the role of Local Government is more accurately acknowledged in future planning, and agreements in the provision of social housing 2. That all levels of government recognise the importance of access to support services as well as housing in order to maintain tenancies 3. That the Victorian State Government be encouraged to develop further projects such as New Norlane	Key 'Directions' in the City's *Settlement Strategy* include: 1. Support affordable housing in areas suitable for urban consolidation 2. Investigate model voluntary agreements, inclusionary zoning and development of surplus government sites to deliver social housing 3. Work with the State Government, community housing and the private sector to deliver more affordable and social housing options The *Housing Diversity Strategy* 2007 aims to: 1. Provide for the development of a range of housing types and densities in the City of Greater Geelong, to meet the City's existing and future housing needs
Funding	Commonwealth Government programs which can directly impact the increased supply of social and affordable housing at the local level include: 1. National Housing and Homelessness Agreement (NHHA) 2017-18 2. National Housing Finance & Infrastructure Corporation (NHFIC) 3. Affordable Housing Bond Aggregator (AHBA)	**1. Homes for Victorians** - $2.1 billion of the $2.7 billion committed to financial instruments to grow community housing in partnership with other stakeholders through the Social Housing Growth Fund, monies are provided as operating subsidy for up to 30 years to support the servicing of private debt raised by Registered Housing Agencies	*G21 Addressing Disadvantage through Affordable Social Housing* recommended: Identifying, developing and funding a reliable 'pipeline of co-investment funding' to enable new social housing projects be considered an urgent priority	The City of Greater Geelong will need to be proactive in negotiating partnerships with both the Commonwealth and State Governments that commit to a long-term strategic growth and revitalisation of social housing. These partnerships should address State and Commonwealth land holdings, funding programs and subsidy programs.

Key Themes	Commonwealth Government of Australia	State Government of Victoria	Regional Level Initiatives	City of Greater Geelong
	4. National Rental Affordability Scheme (NRAS) 5. Commonwealth Rent Assistance (CRA)	**2. Loan Guarantees** Victorian Government has committed to providing up to $550M in loan guarantees to debt provided by the banking sector to Registered Housing Associations 3. **Homes for Victorians commits $341M to renew and expand public housing** with a target of approximately 3,500 new dwellings to replace about 2,500 existing dwellings.		
Partnerships	A National Regulatory System for Community Housing recognises the following two types of R**egistered Housing Agencies** in Victoria: **1. Housing Associations** larger, more complex businesses that manage, maintain and grow a viable social housing portfolio **2. Housing Provider**s primarily manage rental housing portfolios for other parties, such as the Director of Housing (DoH); often specialise in particular client groups which may include disability housing, aged, youth; growth is small scale compared with housing associations	The following State Government Strategies and Plans respond to the requirements of the National Housing and Homelessness Agreement 1. Homes for Victorians 2. Plan Melbourne 2017-2050 3. Victorian Infrastructure Plan 4. Ending Family Violence: Victoria's Plan for Change	1. One of the aims of the G21 Affordable Housing Taskforce was to: investigate the establishment of a Housing Association 2. The 2007 G21 initiative to appoint a preferred provider for the G21 Region did *not* result in any increase in investment in social housing	The City's approach must be built around partnership with both the Commonwealth and State Government and collaboration with the private and not-for-profit sectors to get the best outcome for those most disadvantaged and at risk in the Geelong housing market
Planning	State and Local Government responsibility	1. Homes for Victorians commits to **amend planning approvals process** to allow local government authorities to negotiate affordable housing outcomes as part of a rezoning of land or permit applications for major developments	1. *G21 Regional Growth Plan Background Report* (2012) affirms the City of Greater Geelong *Housing Diversity Strategy* goal to include higher density development in: i. Key Development Areas (Central	Future precinct structure plans (PSPs) particularly in the Northern and Western Growth Areas provide an opportunity for consideration of the potential contribution of these development to the identified need for social housing

Key Themes	Commonwealth Government of Australia	State Government of Victoria	Regional Level Initiatives	City of Greater Geelong
		2. Homes for Victorians commits to the **identification of underutilised and surplus government owned land** which can then be fast tracked through the governmental processes for the disposal of land and release them into the market with a requirement that they include a component of social and affordable housing	Geelong, West Fyans – Fyans Street Precinct, and a Waurn Pond site) ii. Increased Housing Diversity Areas including within about 400 m of railway stations and activity/ neighbourhood centres iii. Incremental Change Areas (where the majority of new development will be consistent with traditional suburban character	
Implications for Geelong Social Housing Plan	The Commonwealth Government has a preference to use Registered Housing Agencies (RHA's) as the channel for any public investment. Currently in COGG there are 13 Registered Housing Agencies providing some social housing – but none of these RHA's have their head office in Geelong The State Government **Homes for Victorians** commitment to renew and expand public housing Included an initial pilot of 52 vacant public housing lots packaged up for redevelopment by the private or community housing sector (including sties in northern Geelong). These will now be developed by a private development company after a Registered Housing Agency assessed the risk as too great.	1. **Voluntary Affordable Housing Agreements** negotiated as part of a rezoning process and PSP approval could trigger a significant supply of new social housing provided investment models are available to deliver on the opportunities negotiated 2. **Planning scheme amendments** are of particular relevance in Geelong given the forecast growth for the municipality, particularly applicable through areas such: the Northern Geelong PSP, Infrastructure Contributions Plan or Development Contributions Plan; and the Western Geelong PSP and ICP or DCP, both of which are scheduled to be completed by December 2022	1. The work of G21 has highlighted a significant issue for the implementation of any Social Housing Plan at a Local Government level: the necessity of a funding model that provides certainty to a pipeline of social housing projects and enables Local Government to negotiate social housing outcomes through the planning approvals process with confidence 2. G21 aims to support local government to facilitate the development of social housing on underutilised land	The City will need to focus on the positive steps that can be taken to increase housing supply in established areas of Geelong. This includes appropriate zonings, clear design guidelines linked to an accelerated planning approval process for complying developments and investment in 'place making' in the locations where Council is especially keen to encourage infill and higher density development Even with efficient financing provided by the National Housing Finance and Investment Corporation (NHFIC), there remains a considerable funding gap.

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