



COMMUNITY HOUSING  
Industry Association Victoria

# Reshaping the **future** of community housing

A 10-year roadmap for growth

---

## About CHIA Vic

The Community Housing Industry Association Victoria (CHIA Vic) is the peak body that represents the not-for-profit community housing sector in Victoria. CHIA Vic advocates for and supports the community housing sector to grow and thrive as part of a housing system where all Victorians have the dignity of an appropriate, secure and affordable home.

Our member organisations provide more than 24,000 homes to Victorians poorly served by, or excluded from, the private rental and ownership market.

CHIA Vic is committed to supporting the expansion of the sector through policy representation, promoting leading practice, training, and raising the profile of community housing as a solution to housing stress and homelessness.

## Copyright

© Community Housing Industry Association Victoria 2024

This work is licensed under Creative Commons Attribution-NonCommercial 4.0 International. To view a copy of this license, visit <https://creativecommons.org/licenses/by-nc/4.0/>

## Acknowledgment

CHIA Vic acknowledges the First Peoples of Victoria and their ongoing strength in practising the world's oldest living culture. We acknowledge the Traditional Owners of the lands and waters on which we live and work and pay our respects to their Elders past and present.

We understand that because of the ongoing impacts of colonisation, a disproportionate number of First Peoples in Victoria do not have a safe, secure, affordable and appropriate place to call home, and we strive to support the community housing sector to provide First Peoples in Victoria with the homes they need.



---

# Table of Contents

<b>Glossary</b>	<b>i</b>
<b>Executive summary</b>	<b>1</b>
<b>Introduction</b>	<b>6</b>
Role of community housing	6
Why a roadmap?	7
Developing a 10-year roadmap	8
<b>The housing market is broken</b>	<b>10</b>
The ‘financialisation’ of housing is the root cause of the housing crisis	10
Fewer owners, more renters, less security	12
Renting in the private market is inherently insecure	15
Housing’s safety net is shrinking	16
Inadequate housing for First Nations people	17
<b>Building a better rental market is better for everyone</b>	<b>20</b>
How much social housing do we need?	21
<b>Community housing can reimagine the rental system</b>	<b>25</b>
Community Housing is inherently connected to community	25
<b>Building more homes, faster</b>	<b>28</b>
Making the Housing Australia Future Fund a heavy hitter	29

Putting the Growth into Social Housing Growth Fund	30
An Affordable Housing Contribution Scheme – so that as Victoria grows, community housing grows with it	31
A supply of land to build new homes	32
Low-cost financing	34
More homes for First Nations renters	35
<b>Make every dollar – and every day – count</b>	<b>38</b>
New procurement models to deliver more homes	38
Streamline application requirements to reduce time and costs	40
Minimise financing handbrakes	40
Align funding program and financing offers	41
Removing red tape through better regulation	41
<b>A better renter experience</b>	<b>45</b>
Involve renters in their housing service	45
Provide digital services to give renters more of the information they want and need	46
Provide culturally safe housing options for First Nations renters	47
Create an affordable housing system	49
Making homes climate resilient and future-ready for renters	50
Support for renters who need it	51
Ensure welfare support payments can secure decent housing	53
Grow a skilled workforce that puts renters first	53
<b>Conclusion</b>	<b>56</b>



---

# Glossary

**Affordable Housing:** Subsidised housing which targets households in the very low, low and moderate-income bands as defined in the Planning and Environment Act. Multiple programs meet this broad definition.

**Commonwealth Rent Assistance (CRA):** A non-taxable income supplement payable to people in receipt of income support payments or Family Tax Benefit Part A who rent in the private rental market or community housing.

**Community Housing:** Subsidised rental housing managed and sometimes owned by not-for-profit community housing organisations. Most of Victoria's community housing is managed under the community housing regulatory system established by the Housing Act. All community housing is managed in line with the Residential Tenancies Act and its associated regulations.

**Social Housing:** Long-term subsidised rental housing provided to households that meet the eligibility criteria set by the Victorian government. Rents are set at a percentage of household income, typically 25-30%. Social housing can be managed by either the state government as public housing, or by community housing organisations as community housing.

**Victorian Housing Register (VHR):** The register for people who have applied for public or community housing. There are two main categories of applications: Priority Access and Register of Interest. All public and community housing renters in Victoria are drawn from the Victorian Housing Register.

**Victorian Housing Registrar (the Registrar):** The independent regulator of Victoria's community housing sector. The Registrar monitors the performance of all registered community housing organisations and provides oversight to ensure they are sustainable and meeting the needs of renters. The Registrar publishes performance data for all registered community housing organisations as well as overall sector performance. It enforces compliance with the Housing Act.

---

# Executive summary

Australia's housing problems are well documented. House prices have risen faster than incomes, leading to a collapse in home ownership amongst young people. With ownership declining there are more people renting, and rents have been steadily growing, with dramatic increases since the COVID-19 pandemic taking them to record highs.

There are over 50,000 households waiting for social housing,<sup>1</sup> but 146,100 low-income Victorian households who are in need — living in rental stress, in overcrowded homes or experiencing homelessness.<sup>2</sup>

In 2023 only 2.8 per cent of Victoria's homes were social housing, down from 3.6 per cent in 2011.<sup>3</sup> This is the lowest in Australia, below the OECD average of 7.1 per cent, and significantly below the United Kingdom's 16.4 per cent.<sup>4</sup>

Nowhere are these problems felt more acutely than amongst First Nations people.

The solutions are similarly well documented: build more homes, modify negative gearing, limit rent increases, build more social housing. None of these solutions have been taken up at the scale needed to turn the housing crisis around.

Like building a house, we need to start from the ground up, by repairing our social housing system and creating a large-scale, not-for-profit housing sector that can deliver more rental homes.

---

<sup>1</sup> Homes Victoria (2024), 'Applications on the Victorian Housing Register (VHR)', <https://www.homes.vic.gov.au/applications-victorian-housing-register-vhr>.

<sup>2</sup> van den Nouwelant, R., Laurence, T., and Soundararaj, B. (2022), 'Quantifying Australia's unmet housing need', <https://cityfutures.ada.unsw.edu.au/documents/699/CHIA-housing-need-national-snapshot-v1.0.pdf>.

<sup>3</sup> AIHW (2024), 'Housing assistance in Australia 2024', <https://www.aihw.gov.au/reports/housing-assistance/housing-assistance-in-australia/contents/households-and-waiting-lists>.

<sup>4</sup> OECD, 'OECD Affordable Housing Database', <https://www.oecd.org/en/data/datasets/oecd-affordable-housing-database.html>.



The not-for-profit community housing sector provides affordable housing to people priced out of — or otherwise excluded from — the rental market. In doing this, they create long-term homes for families and individuals, and support thriving communities.

Growing the community housing sector would reduce the swelling social housing waitlist, ease demand pressures on the private rental market that are leading to skyrocketing rents, and give people housing security to put down roots.

By creating a stable rental system, there would be room to make policy changes that can correct the financialisation of the housing system. Government and the community housing sector could ensure that anybody at risk of homelessness had somewhere safe to live in social housing. And the homebuying system could be recalibrated away from an investment class back to the Australian dream of owning your own home for more people, without rocking the foundations of the housing and financial systems.

To do this we need to return to the clear, predictable and long-term funding arrangements that allowed the social housing system to grow in Australia in decades past. The good news is that we already have funding structures that can enable this growth.

This roadmap outlines the funding and policy infrastructure required to ensure that, in time, all renters have the dignity of an appropriate, secure and affordable home.

## A regular pipeline of funding and a shared responsibility

Between 1945 and 2009, the Commonwealth and the states shared responsibility for funding social housing. Since 2009 funding has been intermittent and ad hoc, contributing to the decline of the social housing system. However, both Commonwealth and state governments now have programs in place that could be used to boost funding and rebuild a sustainable housing system - if some key changes are made. These are:

- Increasing the Housing Australia Future Fund to \$50 billion to create an annual funding pipeline requiring state government co-contributions.
- Boosting the Social Housing Growth Fund by \$6 billion to build 20,000 homes over 10 years.
- Introducing an Affordable Housing Contribution Scheme, to make sure that as the Victorian population grows, the number of social and affordable homes grows with it.
- Giving community housing organisations first right of refusal on the sale of government land.
- Creating a 'Homes Multiplier' program to redevelop underutilised sites and double the number of social housing properties on them.
- Ensure continued access to low-cost finance through risk-based lending and an increase to the liability caps.
- Create dedicated pathways to deliver more homes for First Nations Victorians.



## Make every dollar – and every day – count

The scale of the social housing shortage is so huge that we can't afford to waste a single dollar, and so urgent that we can't afford to lose any time when building more homes. Unfortunately, current competitive procurement approaches result in not-for-profit organisations spending their limited resources and money developing funding bids for homes that may never be built.

A survey of CHIA Vic members after the first Rapid Round of the Victorian Government's Big Housing Build found that community housing organisations had spent approximately \$6 million developing bids for funding. Of these projects, only half were successful. This means that in a single funding round, approximately \$3 million dollars was lost without delivering a single home.

There are other ways for governments to secure value for money, while speeding up the delivery of new homes and reducing waste:

- Use program-based procurement models to contract a pipeline of homes rather than individual projects.
- Streamline applications processes through prequalification for funding and finance.
- Remove financing handbrakes so that community housing organisations can invest in more homes.
- Enhance the regulatory system so that funders and investors can rely on regulation to protect their investments and renters' interests.

## Homes and services that meet the needs of renters

Building up the community housing sector is about building more homes for renters. Homes that are affordable and secure and give renters the opportunity to put down roots and plan for the years ahead — whether that's saving to buy a home, joining their local footy club or community group, or finding the right school for their children and being able to keep them there.

To make sure these homes can meet the needs of renters, whatever their circumstances, organisations need to be equipped to put renters first. This should include:

- Mechanisms to involve renters in their housing service, through formal committees and flexible feedback loops.
- Use of digital services to give real-time information, while being mindful not to widen the digital divide.
- Provision of culturally safe housing options for First Nations people.
- A clear definition of affordable housing so that renters know what's available to them and how to find it.
- Support services at the beginning of their tenancy, and during it if needed. For people who have had long periods of homelessness, a Housing First model is required.



- Increases to income support, in particular JobSeeker and Youth Allowance, to make sure renters can make ends meet after paying the rent, and that the rent covers the costs of delivering the home.
- Creating homes that are comfortable and climate-resilient.
- A workforce attraction, retention and training strategy to make sure community housing organisations are equipped with the staff to create great places to live.

It is possible to reshape the housing system in Victoria, and Australia, to restore the dream of home ownership. Paradoxically, restoring that dream starts with providing secure rental housing.

These changes will not be quick. However, new investment — delivered in programs designed to build the not-for-profit sector in the most efficient way possible — is within reach and will set us on the road to a better housing system for everyone.





*New Aboriginal Housing Victoria homes in Dandenong.  
Image: Clarke Hopkins Clarke Architects.*

---

# Introduction

On every measure our housing system is in crisis.

From aspiring homeowners to those experiencing homelessness, growing numbers of people are struggling to find a home. There are affordability and availability pressures at all points of the housing spectrum – homeownership rates are declining, private rents are soaring, and social housing levels continue to shrink.

To begin repairing our broken system, we cannot rely on the market structures that got us here to solve the problem.

We need to reshape the rental market to become a genuine option that gives housing security to those frozen out of ownership and those facing housing insecurity and homelessness. This means investing in significant and sustained growth of social housing to reestablish a housing safety net for those most in need. It means expanding the remit of community housing organisations to deliver secure rental homes to more households.

## Role of community housing

Community housing has always been focused on local communities. Since their emergence in the 1970s and '80s these organisations have worked with their communities to find solutions to local housing problems.

The not-for-profit community housing sector provides affordable housing to people priced out of, or otherwise excluded from, the rental market. In



**[The] opposite of homelessness isn't housing, it's belonging.**

**- community housing organisation**



doing this, they create long-term homes for families and individuals and support thriving communities.

Community housing organisations are:

- Community based, able to build and grow local partnerships in response to local need. They can act as a connector, bringing together developers, local government and community groups.
- Charities, with access to charitable benefits such as GST exemptions, dedicated funding such as Commonwealth Rent Assistance (CRA) and the Housing Australia Future Fund (HAFF), and in some cases are able to bring charitable landholdings into the housing system.
- Skilled housing developers and managers, able to act with agility and responsiveness.

Because of this, the community housing sector is well placed to play a critical role in the response to Victoria's housing crisis.

## Why a roadmap?

Victoria is in the midst of a housing crisis, with growing numbers of people experiencing homelessness, persistent and unaffordable rent increases, and dwindling levels of homeownership.

Community housing can play a role in fixing this, but only if the system settings are right to allow the sector to build and grow. The injection of new funding through the Victorian Government's Big Housing Build (BHB) and Social Housing Growth Fund (SHGF), and the Commonwealth's Housing Australia Future Fund (HAFF), is providing a welcome boost to the number of community housing homes. Those investments need to be a springboard to design a system that grows the number of homes in a sustainable way to turn the housing crisis around.

### Record investments in social housing

In 2018 the Victorian Government created the Social Housing Growth Fund – a \$1 billion fund that uses interest earnings to fund new social and affordable housing projects. Projects are procured through the community housing sector, with funds distributed either as capital grants or availability payments.

The Big Housing Build was a historic and record \$5.3 billion investment by the Victorian government into social and affordable housing, announced in November 2020. It will fund the construction of more than 12,000 new homes over a four-year period: 9,300 social homes and 2,900 affordable homes. It included an additional \$1.38 billion being injected into the Social Housing Growth Fund.

The Commonwealth Government set up the Housing Australia Future Fund with \$10 billion of seed funding in 2023. Operating similarly to the Social Housing Growth Fund, interest earnings from the fund are being used to build 20,000 social and 10,000 affordable homes across Australia over five years.

The National Housing Accord is a further Commonwealth commitment to build 10,000 affordable homes over five years, with the Housing Australia Future Fund as the delivery mechanism.



This roadmap outlines the funding and policy infrastructure required to ensure that, in time, all renters have the dignity of an appropriate, secure and affordable home.

This roadmap doesn't just provide a framework for the sector to work together towards growth. By setting out a vision for the ongoing growth of the community housing sector and demonstrating how that can contribute to a fairer and more functional housing system, it is also a substantive contribution to a larger policy debate about how to redesign our housing system to meet future need.

## Developing a 10-year roadmap

CHIA Vic worked closely with the Victorian community housing sector over 18 months to develop this roadmap. The process started with consultations to identify how it wanted to grow and evolve over the next decade. These conversations informed the design of eight discrete projects to provide additional information and evidence on issues that the community housing sector had identified as areas for development.

These projects were synthesised into a consultation draft of the roadmap. All CHIA Vic members were provided with a copy of the consultation draft and invited to provide feedback. Key initiatives from this paper were tested in one-on-one conversations with 29 member organisations, and seven external stakeholders in government and the community services sector. These conversations were used to prioritise which initiatives and recommendations were included in the final roadmap.

This 10-year roadmap sets out the critical pieces of system architecture that are required for the community housing sector to deliver social and affordable housing at scale, to achieve maximum impact for government and, most importantly, renters.





---

# The housing market is broken

The housing system in Victoria is increasingly failing more people. The number of people struggling to find a home is growing, and this is true regardless of whether people are looking to buy a home or rent one. Homeownership rates are shrinking, private rents are soaring and there simply isn't enough social housing to keep up with demand.

## The 'financialisation' of housing is the root cause of the housing crisis

The majority of households in Australia own their own home, but this is changing as house prices outpace income growth. In 2000 the national median house price was around three to four times average earnings. It's now over seven times.<sup>5</sup> In 1996, 72 per cent of Victorian households owned their home – by 2021 this had fallen to 68 per cent.<sup>6</sup>

These figures understate the rapidly declining ownership rate for young people over time. Figure 1 shows that 58 per cent of people born between 1947-61 owned a home by the ages of 25-29. For people born between 1992-96, this rate has almost halved to 37 per cent. It is becoming increasingly difficult for people to crack the housing market until they are much older, if ever.

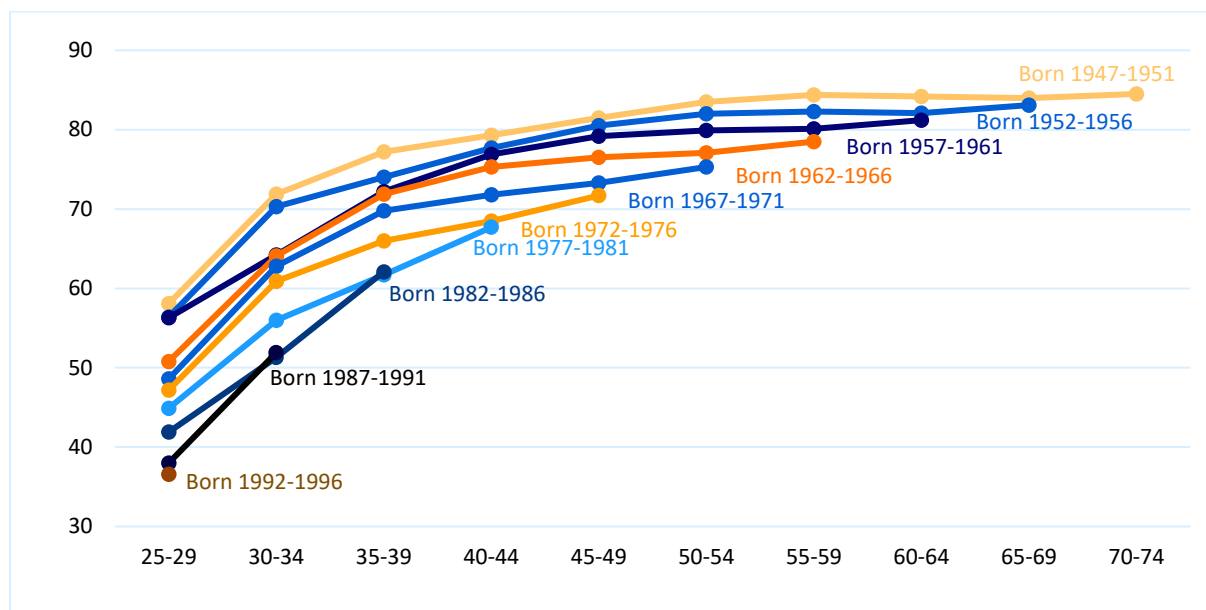
---

<sup>5</sup> Kohler, A. (2023), 'The Great Divide: Australia's housing mess and how to fix it', Quarterly Essay, (92), 77.

<sup>6</sup> ABS (2021), 'Snapshot of Australia', data from Table 20, <https://www.abs.gov.au/statistics/people/people-and-communities/snapshot-australia/2021/Snapshot%20of%20Australia%20data%20summary.xlsx>.



**Figure 1 – Homeownership rate (%) by birth cohort and age group, Victoria**

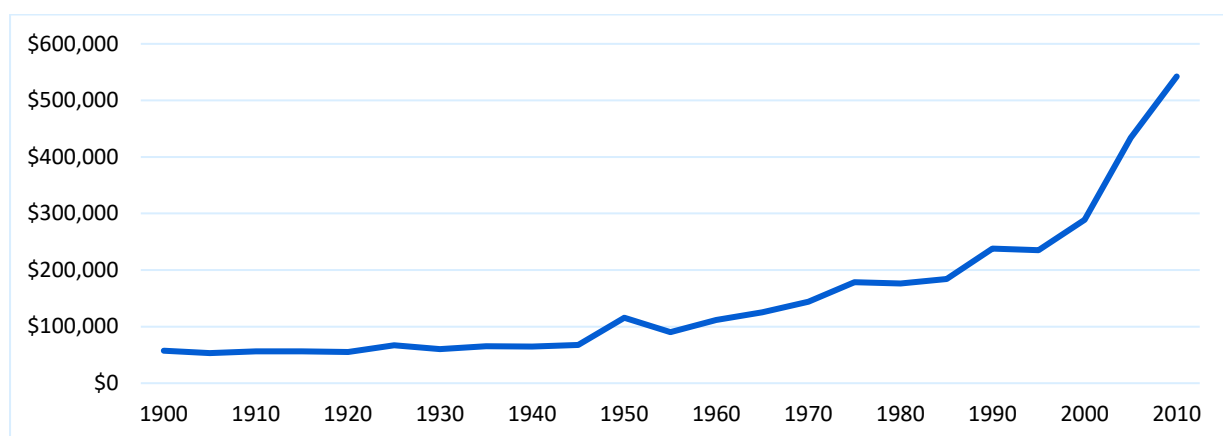


Source: data from AIHW (2024), 'Homeownership & housing tenure', <https://www.aihw.gov.au/reports/australias-welfare/home-ownership-and-housing-tenure>

This shift has come about as the favourable tax treatment of housing through capital gains tax discounts and negative gearing (which allows rental losses to be written off against all income, not just rental income) has seen more households purchase investment properties. When capital gains tax was halved in 2000-01, 1.2 million individuals owned investment properties. By 2020-21, this had grown to almost 2.25 million (15 per cent of all taxpayers).<sup>7</sup>

The impact this has had on house prices can be seen in Figure 2, which shows a rapid increase starting in 2000.

**Figure 2 – Australian Real Housing Price Index 1900 – 2010 (2013 dollars)**



Source: data from Prosper Australia (2013), 'Data Hub', <https://www.prosper.org.au/2013/05/data-hub/>

<sup>7</sup> Analysis of Australian Taxation Office data, <https://data.gov.au/data/dataset/taxation-statistics-2020-21/resource/7f5d4873-e8b2-4a3e-b586-d16623c41731>.

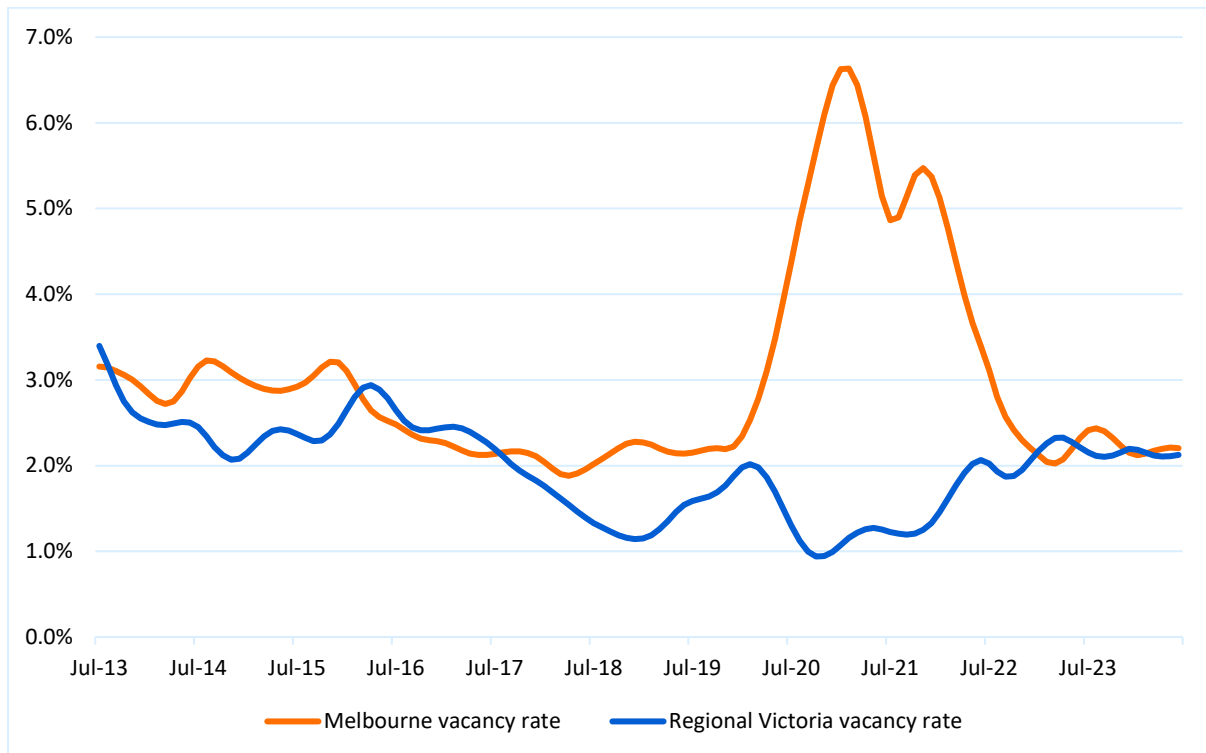


## Fewer owners, more renters, less security

Between 1996 and 2021, the number of Victorian households renting almost doubled from 362,497 to 681,419, an increase from 23 to 29 per cent of all households.<sup>8</sup>

At the same time, we have also seen a drop in availability. Aside from the COVID-19-affected years of 2020 to 2022, vacancy rates for Melbourne have been consistently below 3 per cent since the beginning of 2016. For regional Victoria, they have been consistently at or below 2.3 per cent since mid-2017.

**Figure 3 – Rental vacancy rates (trends)**



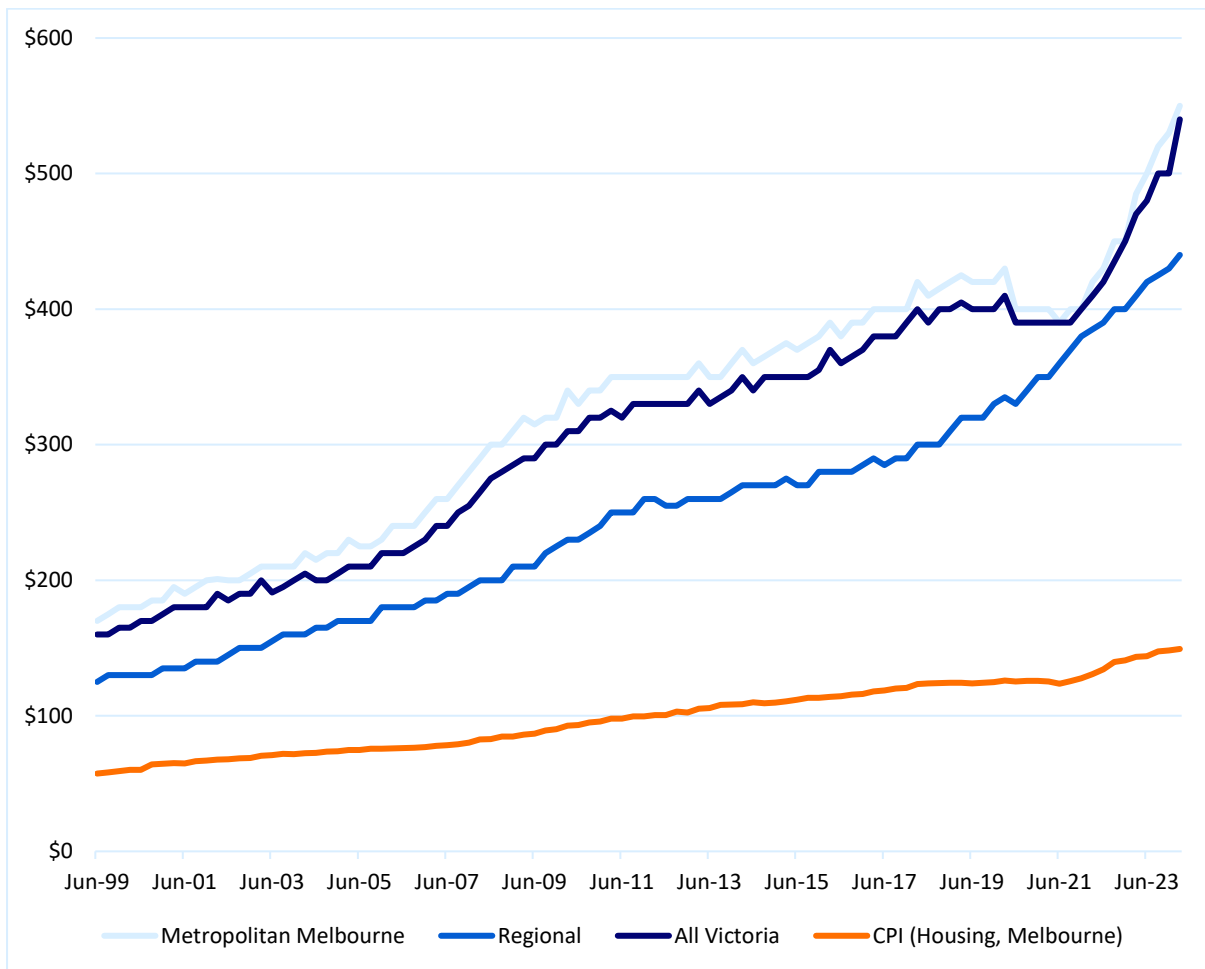
Source: Homes Victoria Rental Report, Tables from rental report – June quarter 2024, <https://www.dffh.vic.gov.au/tables-rental-report-june-quarter-2024>

The increase in the number of renters has had an impact on rents as well. Between 1999 and 2023 rents rose steadily, with dramatic increases since the COVID-19 pandemic bringing them to record highs.

<sup>8</sup> ABS (2021), 'Snapshot of Australia', data from Table 20, <https://www.abs.gov.au/statistics/people/people-and-communities/snapshot-australia/2021/Snapshot%20of%20Australia%20data%20summary.xlsx>.



**Figure 4 – Quarterly Victorian median weekly rents, June 1999 to March 2024, relative to CPI (2011-12 = 100)**



Source: Homes Victoria’s Rental Report time series data, <https://www.dffh.vic.gov.au/quarterly-median-rent-local-government-area-march-quarter-2024-excel>

With demand far higher than availability, landlords and their real estate agents can prioritise higher income renters or those perceived to be more desirable tenants, such as dual-income households or families without children.<sup>9</sup> This prioritisation based on ability to pay can disguise discrimination based on other factors such as gender, race, disability, and household composition.

The impact of high rents, limited rental availability and discrimination in the private rental market is being seen in several ways:

<sup>9</sup> Maalsen, S., et al. (2021), ‘Understanding discrimination effects in private rental housing’, AHURI Final Report No. 363, <https://www.ahuri.edu.au/research/final-reports/363>.

See also Short, P., et al. (2008), ‘Risk assessment practices in the private rental sector implications for low income renters’, AHURI Final Report No. 117, <https://www.ahuri.edu.au/research/final-reports/117>.



## 1. Rising rates of homelessness, including for people with jobs

In 2006 Victoria's rate of people experiencing homelessness was 35 per 10,000 of the population, and this increased to 47 by 2021.<sup>10</sup> This was the largest increase across all states and territories in that time, and it has left Victoria with the second-highest rate of homelessness in the country.

Rising housing costs have also seen a change in the types of people seeking help from homelessness services. In 2012-13, 5,885 people (8 per cent) over the age of 15 experiencing homelessness had some form of employment.<sup>11</sup> Over the next 10 years this number more than doubled to 12,770 people (16 per cent) in 2022-23.

The breakdown of Victoria's housing system means more people than ever are unable to find a home at all, and being employed no longer guarantees you access to safe and affordable housing.

## 2. Growing numbers of households in housing stress

In 2021 there were 146,100 Victorian households in housing stress or whose housing needs were not being met. This figure includes those in the bottom 40 per cent of the income distribution who were:

- Experiencing homelessness
- In overcrowded homes, or
- Spending more than 30 per cent of their income on rent.

Without meaningful action, this is projected to increase to 223,200 by 2041.<sup>12</sup>

## 3. Inner city essential workers having to live much further away from their jobs

Thirty-seven per cent of essential workers are employed in Melbourne's three inner subregions, however well under half of them live close to their jobs.<sup>13</sup> Between 2016 and 2021 the proportion of essential workers both working and living in the same area declined by 11 per cent in the Inner East, and 9 per cent in Inner Melbourne.<sup>14</sup>

Overall, Melbourne is undergoing a process of segregation where desirable areas – ones close to jobs, public transport and amenities – are only home to high-income earners,

---

<sup>10</sup> ABS (2023), 'Estimating Homelessness: Census', <https://www.abs.gov.au/statistics/people/housing/estimating-homelessness-census/latest-release#state-and-territories>.

<sup>11</sup> CHIA Vic analysis from AIHW (2024), 'Specialist Homelessness Services Collection data cubes 2011-12 to 2022-23', <https://www.aihw.gov.au/reports/homelessness-services/shsc-data-cubes/contents/data-cubes>.

<sup>12</sup> van den Nouwelant, R., Laurence, T., and Soundararaj, B. (2022), 'Quantifying Australia's unmet housing need', accessed from <https://cityfutures.adu.unsw.edu.au/documents/699/CHIA-housing-need-national-snapshot-v1.0.pdf> in November 2024.

<sup>13</sup> Gilbert, C., Nasreen, Z., and Curran, N. (2023), 'Tracking the housing situation, commuting patterns and affordability challenges of essential workers: a report prepared for HOPE Housing', <https://urbanism.sydney.edu.au/wp-content/uploads/2023/03/Gilbert-Nasreen-and-Curran-w-HOPE-Housing-FINAL-March-2023.pdf> 42.

<sup>14</sup> Ibid, 45.



with moderate or low-income earners forced to live further away.<sup>15</sup> Many moderate and low-income earners work in these inner areas, requiring them to spend more time and money on their daily commute.<sup>16</sup>

If this trend continues, employers won't be able to find the workers they need because the cost and effort of commuting won't be worth the wages offered. This trend is already being seen in regional Victoria, particularly in holiday hotspots such as Apollo Bay, because of the distance between these towns and affordable and available housing options.<sup>17</sup>

## Renting in the private market is inherently insecure

For the majority of landlords, owning rental housing is not their main occupation or source of income. Almost three quarters of all landlords in Australia (72 per cent) own just one investment property and a further 19 per cent own two.<sup>18</sup>

The combination of negative gearing and the 50 per cent capital gains tax discount encourages losses on rent with the hope of a future capital gain. Money is made in housing not through rental income but from the sale of assets.

While many landlords are responsive to renters' needs, they are not investing in the business of providing a housing service and they do not necessarily invest in housing with renters' needs in mind.

Despite some welcome rental reforms in Victoria designed to extend leases and give renters greater rights in their homes, 12-month leases and regular rent increases are still the norm.

While legislative change can improve renters' rights, the underlying financial structures of the private rental market preference capital gains over providing suitable homes for renters.

---

<sup>15</sup> Sarkar, S., et al., 'Spatial segregation and neighbourhood change', AHURI Report No. 414, <https://www.ahuri.edu.au/research/final-reports/414>, 2.

<sup>16</sup> Ibid, 2-3.

<sup>17</sup> See for example: Parliament of Victoria (2023), 'Regional Victoria feeling housing shortage pressure', <https://www.parliament.vic.gov.au/news/economy/regional-housing/>.

Gordon, Z. (2024), 'Victorian restaurant adds 10 per cent "peak season" dining surcharge to cover staff costs', ABC News report, <https://www.abc.net.au/news/2024-01-04/geelong-restaurant-adds-10-per-cent-peak-season-surcharge/103274900>, and

Truu, M. (2024), 'Are short-term rentals like Airbnb fueling the rental crisis? It depends on where you live', ABC News report, accessed from <https://www.abc.net.au/news/2024-02-06/short-term-rentals-airbnb-housing-crisis/103400820>.

<sup>18</sup> CHIA Vic analysis of Australian Taxation Office data, <https://data.gov.au/data/dataset/taxation-statistics-2020-21/resource/7f5d4873-e8b2-4a3e-b586-d16623c41731>.



## Housing's safety net is shrinking

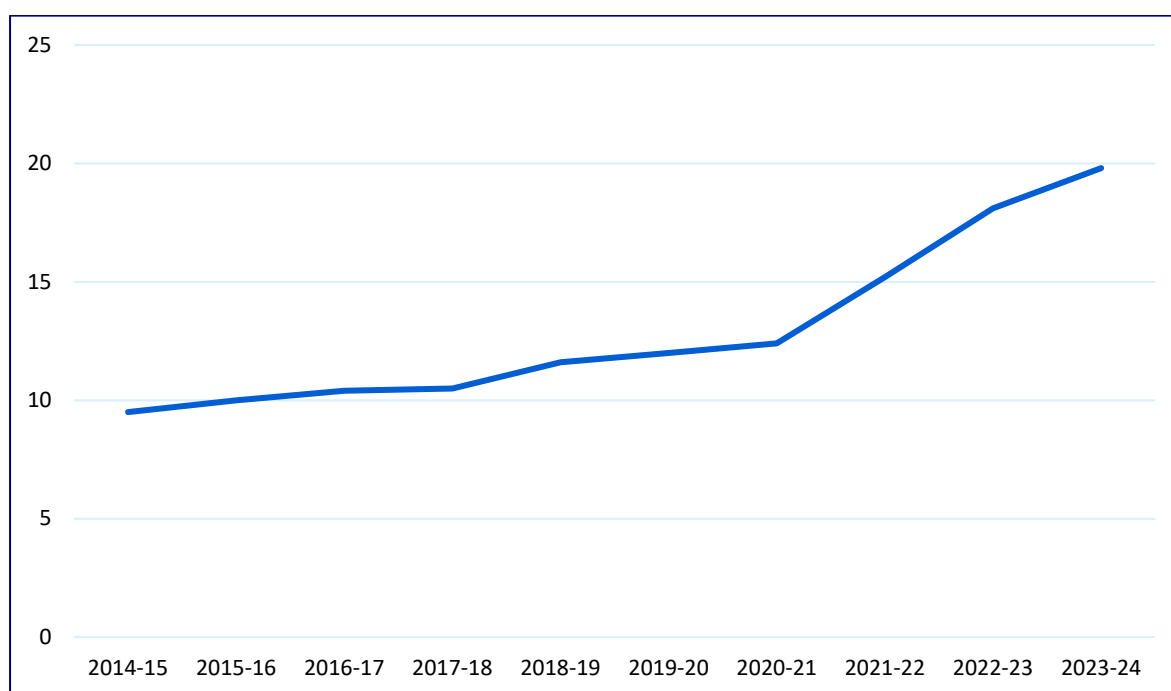
Social housing is the safety net for the housing system. It offers subsidised rental housing to low-income households who cannot afford to rent in the private market.

In doing so, social housing acts both as homelessness prevention and as a way to alleviate poverty due to high housing costs.

In 2023 only 2.8 per cent of Victoria's homes were social housing, down from 3.6 per cent in 2011.<sup>19</sup> This is the lowest in Australia, below the OECD average of 7.1 per cent, and significantly below the United Kingdom's 16.4 per cent.<sup>20</sup>

This has led to average wait times for 'priority' social housing applicants doubling to almost 20 months.<sup>21</sup> This is for people currently experiencing homelessness, living in unsafe housing or housing that does not meet their needs due to overcrowding or disability. It also includes older people struggling in the private rental market.

**Figure 5 – Average wait time for public housing for Priority Access or Priority Transfer applicants, months**



Source: data from DHHS and DFFH Annual Reports from 2014-15 to 2023-24

<sup>19</sup> AIHW (2024), 'Housing assistance in Australia 2024', <https://www.aihw.gov.au/reports/housing-assistance/housing-assistance-in-australia/contents/households-and-waiting-lists>.

<sup>20</sup> OECD, 'OECD Affordable Housing Database', <https://www.oecd.org/en/data/datasets/oecd-affordable-housing-database.html>.

<sup>21</sup> 10.5 months in 2011-12, from DHHS (2012), 'Annual Report 2011-12', <https://discover.data.vic.gov.au/dataset/department-of-human-services-annual-report-2011-12-report-of-operations-dataset>, and 19.8 months in 2023-23, from DFFH (2024), 'Annual Report 2023-24', <https://www.dffh.vic.gov.au/publications/annual-report>.



Waiting 20 months for housing when you are homeless or have other urgent housing needs will almost always exacerbate the issues contributing to that need. The lack of social housing is making other social issues worse.

### Impact of insecure housing

A lack of adequate housing contributes to many other societal problems and costs.

Over half of people exiting prison anticipate being homeless upon release, and this makes them twice as likely to return to prison within nine months. It costs around \$118,000 to incarcerate a person every year. The lack of social housing options for those leaving the justice system doesn't just hurt their own chances of getting their life on track, but costs government more in the long run.<sup>22</sup>

In 2014, people with a prior experience of homelessness were almost twice as likely to assess themselves as having poor health than those without (26 per cent compared to 14 per cent). This number likely understates the impact of homelessness on health as this data came from people who now had a home. For people still experiencing homeless, their likelihood of reporting poor health is far higher.<sup>23</sup>

Over 10 per cent of Australians presenting to Emergency Departments are people experiencing homelessness, and return visits are three times as likely for those experiencing homelessness compared to those with stable housing.<sup>24</sup>

In total, it's estimated that the cost of Victoria's affordable housing shortage is \$141.2 million per year and this will rise to \$263.7 million by 2036 if the current under-investment continues.<sup>25</sup>

## Inadequate housing for First Nations people

Aboriginal Victorians are disproportionately affected by the housing crisis. Census data from 2021 shows that only 45 per cent of Victoria's First Nations people owned a home outright or with a mortgage, compared to the overall Victorian percentage of 68 per cent.<sup>26</sup> This means fewer First Nations people have the security that home ownership provides and the opportunity to build intergenerational wealth. Despite being only 0.8 per cent of the population, First Nations people made up 12 per cent of all Victorians

---

<sup>22</sup> <https://justiceconnect.org.au/campaigns/closing-the-revolving-door-between-prisons-the-justice-system-and-homelessness/>

<sup>23</sup> <https://www.aihw.gov.au/reports/australias-health/health-of-people-experiencing-homelessness>

<sup>24</sup> <https://psychology.org.au/for-members/publications/inpsych/archive/health-services-homeless-need-for-flexible-service>

<sup>25</sup> <https://www.communityhousing.com.au/wp-content/uploads/2022/05/CHIA-Everyones-Home-Wider-Benefits-Analysis-31.3.2022.pdf?x70290#:~:text=This%20literature%20finds%20that%20a,a%20number%20of%20societal%20areas>

<sup>26</sup> ABS, 'Victoria: 2021 Census Aboriginal and/or Torres Strait Islander people QuickStats', <https://www.abs.gov.au/census/find-census-data/quickstats/2021/IQS2>.



without a home in 2022.<sup>27</sup> A further 31 per cent of the Aboriginal community rent in the private rental market, where they face significant discrimination.<sup>28</sup>

As a result, more Aboriginal Victorians rely on social housing. Ten per cent of all applications for social housing as of June 2023 included at least one First Nations person.<sup>29</sup>

Secure housing for First Nations people requires a steady investment in social housing, and the creation of new housing opportunities in the affordable rental and homeownership markets.

---

<sup>27</sup> Council to Homeless Persons (2022), 'Victorian Aboriginal and Torres Strait Islander Homelessness', <https://chp.org.au/wp-content/uploads/2022/04/Victorian-Aboriginal-and-Torres-Strait-Islander-Homelessness-Factsheet.pdf>.

<sup>28</sup> Aboriginal Housing Victoria (2020), 'Mana-na woorn-tyeen maar-takoort: Every Aboriginal Person Has A Home: The Victorian Aboriginal Housing and Homelessness Framework', [https://vahhf.org.au/wp-content/uploads/2023/09/victorian-aboriginal-housing-and-homelessness-framework\\_complete\\_26\\_02\\_20-2.pdf](https://vahhf.org.au/wp-content/uploads/2023/09/victorian-aboriginal-housing-and-homelessness-framework_complete_26_02_20-2.pdf), 56.

<sup>29</sup> Homes Victoria, 'Applications on the Victorian Housing Register (VHR)', <https://www.homes.vic.gov.au/applications-victorian-housing-register-vhr>.



*A resident at Haven Frankston.  
Image: Mind Australia and The Haven Foundation.*



---

# Building a better rental market is better for everyone

The current housing crisis should not come as a surprise. It is the result of markets working in the way they are supposed to. Individuals make use of tax settings that allow them to reduce their taxable income and realise discounted capital gains. Builders and developers don't build homes when they can't make a sufficient profit. And real estate agents recommend households with higher incomes as they deem them to be less at risk of falling behind in the rent.

To begin repairing our broken system, we cannot rely on the structures that got us here to solve the problem. We need to reshape the rental market to become a genuine option that provides housing security for those frozen out of home ownership and for those facing homelessness. This means investing in the significant and sustained growth of social housing to reestablish a housing safety net for those most in need. It means growing the community housing sector to deliver more rental homes – social, affordable and market rentals – to give more renters the benefits and security of a not-for-profit landlord.

This would reduce the swelling social housing waitlist, ease the demand pressures in the private rental market that are leading to skyrocketing rents, and give people housing security to put down roots.

By creating a stable rental system, there would be room to make policy changes that can correct the financialisation of the housing system. Government and the community housing sector could ensure that anybody at risk of homelessness had somewhere safe to live. The homebuying system could be recalibrated away from an investment class back



to the Australian dream of owning your own home for more people, without rocking the foundations of the housing and financial systems.

There are also society-wide benefits that come from investing directly in social housing. It makes good economic sense to do so. Research conducted in 2022 found that the cost of Victoria's affordable housing shortage was \$141.2 million per year, and this will grow to \$236.7 million per year by 2036 if things don't change.<sup>30</sup>

## How much social housing do we need?

There is no 'perfect' proportion of social housing that brings housing markets into balance; however, it is clearly higher than 2.8 per cent.

Victoria is projected to have a population of 10.3 million by 2051 – and we'll need 5,386,000 homes, an increase of 2,461,200 over the next 27 years.<sup>31</sup> Infrastructure Victoria has called for investment to bring Victoria's proportion of social housing up to 4.5 per cent of the housing market.<sup>32</sup> Others have argued that an appropriate level of social housing is closer to 15 per cent of the housing market.<sup>33</sup>

Achieving a 4.5 per cent target for social housing by 2051 would require 154,181 new units of social housing. Getting to 15 per cent would require a staggering 719,711. And, as demonstrated in the table below, just to keep the current proportion of social housing stable Victoria must build at least 2,300 units a year for the next 27 years.



*Wintringham Housing resident Tanya loves her unit in regional Victoria. Image: Wintringham.*

<sup>30</sup> Nygaard, A. (2022), 'Cost of inaction: social and economic losses due to the social and affordable housing shortage', <https://www.communityhousing.com.au/wp-content/uploads/2022/05/CHIA-Everyones-Home-Wider-Benefits-Analysis-31.3.2022.pdf?x55554>, 6.

<sup>31</sup> DTP (2023), 'Victoria in Future 2023', [https://www.planning.vic.gov.au/\\_data/assets/pdf\\_file/0022/703453/DTP0552-Victori-in-Future-2023-report.PDF](https://www.planning.vic.gov.au/_data/assets/pdf_file/0022/703453/DTP0552-Victori-in-Future-2023-report.PDF), 9, and Engage Victoria, 'Help us shape the future for Victoria', <https://engage.vic.gov.au/project/shape-our-victoria/page/housing-targets-2051>.

<sup>32</sup> Infrastructure Victoria (2021), 'Victoria's Infrastructure strategy 2021-2051', <https://www.infrastructurevictoria.com.au/infrastructure-strategy>.

<sup>33</sup> SGS (2023), 'National Housing Assistance Policy: Trends and Prospects', [https://sgsep.com.au/assets/main/SGS-Economics-and-Planning\\_Commonwealth-housing-policy\\_occasional-paper.pdf](https://sgsep.com.au/assets/main/SGS-Economics-and-Planning_Commonwealth-housing-policy_occasional-paper.pdf).

**Table 1. Projected social housing targets at various proportions of the housing market**

Housing type	Current supply	Projected demand at 2051	New supply required	Annual target (over 27 years)
Total stock	2,922,100	5,386,000	2,461,200	91,156
Social housing	88,189	At 2.8% of all stock: 150,808	62,619	2,319
		4.5%: 242,370	154,181	5,710
		10%: 538,600	450,411	16,681
		15%: 807,900	719,711	26,656

Sources: Total dwelling stock & projections taken from Plan for Victoria targets; Social housing current dwellings taken from VAGO [https://www.audit.vic.gov.au/report/planning\\_social\\_housing](https://www.audit.vic.gov.au/report/planning_social_housing)

These numbers reflect a net growth in social housing stock. They don't take into account the need to replace ageing, poor quality or inaccessible homes. The 2017 Victorian Auditor-General's Report into the public housing portfolio found that 60 per cent of the stock was over 30 years old, with an overall average age of 35 years.<sup>34</sup> As the public housing portfolio provided many of the initial community housing properties, this statistic is likely to be true for any community housing acquired before 2009.

This points to an ageing portfolio that is coming to the end of its useful life. Much of it was built before minimum energy efficiency or accessibility standards, and before current understanding of the impacts of climate change.

CHIA Vic has estimated that by 2051 Victoria will need to build an additional 332,100 social homes for very low and low-income households, and 72,900 affordable homes for moderate-income households.<sup>35</sup> This amounts to around 13.5 per cent and 3 per cent respectively of the Victorian Government's draft overall housing targets to be built by 2051. It would take the proportion of social housing stock to around 8 per cent of all housing. These targets should be embedded in the Plan for Victoria, alongside growth targets for overall housing supply. This would ensure that there was a way of measuring the progress of investment in reversing Victoria's housing crisis.

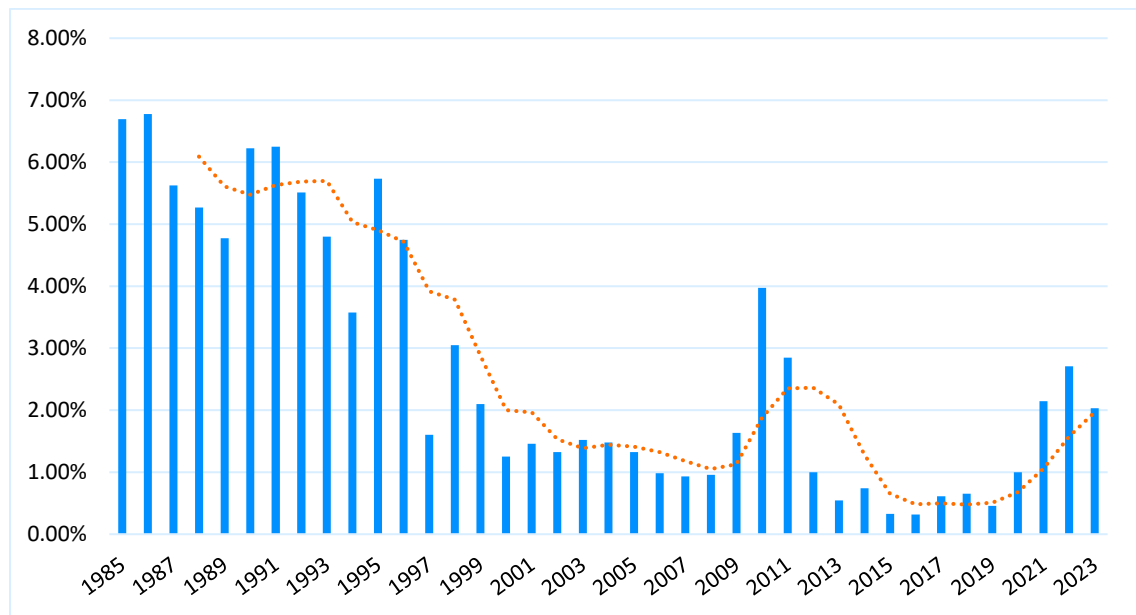
<sup>34</sup> Victorian Auditor General's Report (2017), 'Managing Victoria's Public Housing', <https://www.audit.vic.gov.au/sites/default/files/20170621-Public-Housing.pdf>, ix.

<sup>35</sup> Figures extrapolated by CHIA Vic from UNSW unmet demand by 2041 and spread equally over 28 years (2024 – 2051). For further details on how we have estimated these figures, see CHIA Vic (2024), 'A new plan for Victoria', submission to the Plan for Victoria engagement process, [https://chiavic.com.au/wp-content/uploads/2024/09/A-new-plan-for-Victoria\\_CHIA-Vic-FINAL-submission.pdf](https://chiavic.com.au/wp-content/uploads/2024/09/A-new-plan-for-Victoria_CHIA-Vic-FINAL-submission.pdf), 9-12.



Building at this scale is something Victoria has done before and can do again, but it will require large and sustained investment partnership between the Commonwealth and the states. In 1985, public sector home building (reflecting public housing construction) was around 7 per cent of total commencements. Lack of ongoing investment saw this drop to below 1 per cent in 2007, and the Victorian Government’s record BHB investment in 2020 has only managed to bring this rate up to around 2 per cent of dwelling commencements.

**Figure 6 – Public sector dwelling commencements as a proportion of total commencements, with rolling four-year average**



Source: CHIA Vic analysis of ABS data, <https://www.abs.gov.au/statistics/industry/building-and-construction/building-activity-australia/latest-release>, Table 34



*Housing Choices resident Tadros.*



---

# Community housing can reimagine the rental system

To fix the crisis that renters face today we need to build a better social housing system. And the best way for governments to grow and improve the social housing system is by investing in and building up community housing.

## Community housing is inherently connected to community

Community housing – as it says in the name – is about community. It was born out of grassroots movements to confront local housing problems with local solutions, led by and delivered for communities. Those origins have carried through to the current day.

The community housing sector provides homes for over 24,000 households with 42 distinct not-for-profit organisations managing these tenancies. Each has a different geographical focus, target cohorts and specific housing mission. But all have a commitment to delivering secure, fair and affordable rentals to low-income households who have been failed by the private rental and homeownership markets. Each community housing organisation brings a specific attention and connection to the communities they serve.



## Giving renters a voice and hearing what they have to say

No one knows more about what makes a good housing service, and what renters need, than renters themselves. Because of the connection with their communities, community housing organisations can give renters a say in how their homes are delivered and run, and many have renter consultative committees or other forums to do just this.

They seek renter input on policy reviews, on the design of new homes, and other decisions that affect renters' homes and lives. Doing so not only provides an immediate better service to renters, but also helps community housing organisations improve their overall operations and make better strategic decisions.

The involvement of renters in their housing services is why customer satisfaction for community housing renters under the National Social Housing Survey is consistently higher than for public housing renters. In 2023, 72.5 per cent of community housing renters surveyed were either satisfied or very satisfied with their rental provider, compared to just 62.3 per cent of public housing renters.<sup>36</sup> The percentage of those who were very satisfied in community housing was 32.3, while in public housing it was 24.1.

## Efficient delivery means more homes for more renters

Lastly, but crucially, community housing can build homes more cost effectively than traditional public housing delivery, meaning more homes can be built for the same public investment.

As registered charities, community housing organisations have GST and other tax concessions available to them that lowers the cost of delivering new homes.

Community housing organisations can also contribute their own land, capital and finance towards housing projects, meaning that the same value of government investment builds more homes than it could itself deliver as public housing. Any revenues that community housing organisations generate through their housing delivery gets invested directly back into maintaining, improving or growing social housing.

Community housing is best placed to grow and develop the social housing system to a level where it can solve the rental housing crisis. Over the next 10 years we need to set up the community housing sector to build more homes faster, more efficiently, and in a way that continues to put renters first, so that it can do this.



**If social housing is going to experiment and push boundaries, then that is going to be through community housing.**

*- housing researcher*

---

<sup>36</sup> Productivity Commission (2024), 'Report on Government Services', <https://www.pc.gov.au/ongoing/report-on-government-services/2024/housing-and-homelessness/housing>.





*Housing Choices' Shiel Street, North Melbourne residential project, developed in partnership with Homes Victoria.*



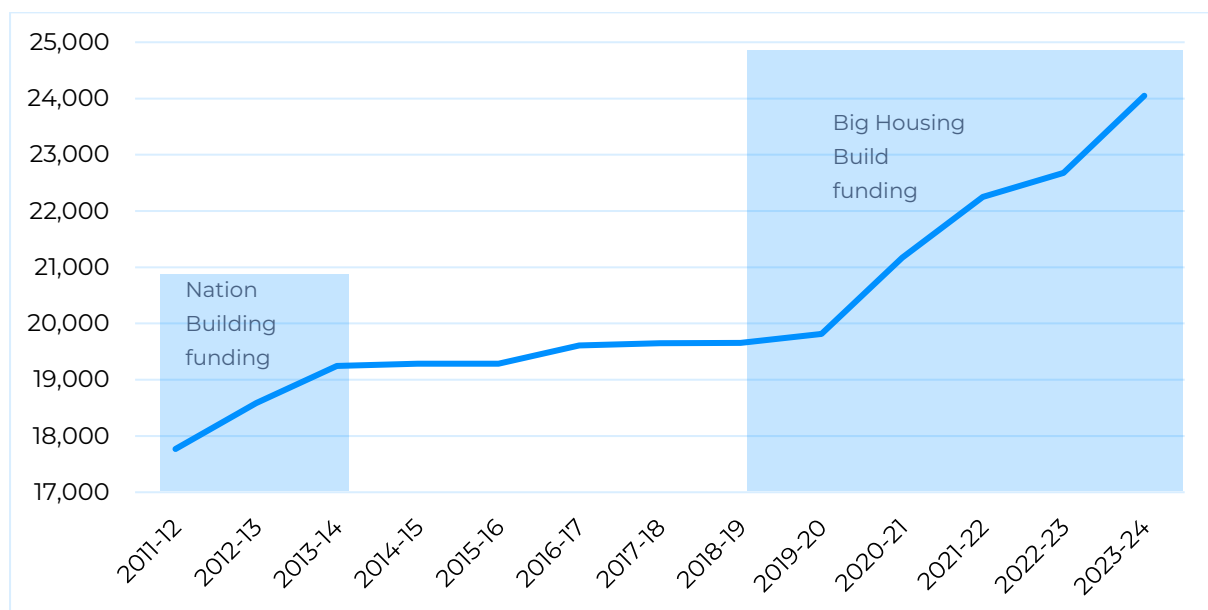
---

# Building more homes, faster

Building more community homes faster would mean more renters can get an affordable and stable home where they can put down roots and plan for the long term.

In recent decades social housing funding has been in a boom-and-bust cycle, with major investments in response to economic crises (such as the Global Financial Crisis in 2008 and COVID-19 in 2020), and little to no investment in between.

**Figure 7 – Number of community housing units, Victoria, 2011 – 2024**



Source: CHIA Vic analysis of Housing Registrar data on number of properties owned and managed by the community housing sector, 2011 - 2024



Historically (from 1945 to 2009), the states and Commonwealth have shared responsibility for the funding of social housing under the Commonwealth State Housing Agreement, with delivery the responsibility of the states. Following increased expenditure on CRA payments from 1989-90 onwards, Commonwealth capital funding for social housing began to decline in real terms.<sup>37</sup> Combined with ageing stock and increased targeting of the most vulnerable, social housing systems across the country declined – both as a proportion of housing stock and in dwelling quality.

Building the stock of social housing we have today took decades of dedicated funding and shared responsibility between the Commonwealth and the states. In the 10 years following World War Two, State Housing Authorities built over 96,000 homes across Australia, around 14 per cent of all new housing in that time, and Victoria built almost 31,000 of these.<sup>38</sup>

We need to return to the clear, predictable and long-term funding arrangements that allowed the social housing system to grow in Australia. The good news is that we currently have funding structures that can enable this growth. This section outlines the minor changes and major investments needed so that the community housing sector can, over time, transform the housing landscape for low and moderate-income renters.

## Making the Housing Australia Future Fund a heavy hitter

The Housing Australia Future Fund (HAFF) is the first direct contribution from the Commonwealth to the provision of new social housing since the Nation Building Economic Stimulus Package in 2009. The HAFF has a seed investment of \$10 billion, with interest on this investment used to fund new social and affordable housing. It does this by making annual payments (known as availability payments) to community housing organisations to provide social housing over a 25-year period. The Commonwealth Government estimates this will deliver 30,000 homes nationally over five years.

There is currently no co-contribution requirement from the states and funding rounds are open to community housing organisations, state and local governments as well as Aboriginal Community Controlled Organisations (ACCOs) and veterans organisations.

To drive structural change, future rounds of the HAFF should require a state government co-contribution of at least one third, mirroring historical funding arrangements under the Commonwealth State Housing Agreement. In order not to dilute the impact of the HAFF in growing the community housing sector, funding should be limited to community housing organisations, ACCOs and veterans organisations.

---

<sup>37</sup> Productivity Commission (1998), 'Report on Government Services', Housing Preface, <https://www.pc.gov.au/ongoing/report-on-government-services/1998/1998/housingpreface.pdf>, 885.

<sup>38</sup> Troy, P. (2012), 'Accommodating Australians: Commonwealth government involvement in housing', Federation Press, 117.



Finally, the HAFF should be substantially increased to at least \$50 billion and extended to fund new homes for a decade. This is the same size as the new defence strategy and equivalent to \$50 billion in savings identified in the 2022-23 and 2023-24 budgets from poorly targeted spending programs. It is not a figure out of the grasp of the Commonwealth Government.



**[Funding] comes in such peaks and troughs that it's hard to be ready (Board, staff, pipeline) when it arrives.**

**- community housing organisation**

Clear annual funding rounds are needed to improve coordination with state governments, plan and efficiently deliver projects and enable partnerships between the community housing sector and the residential construction industry.

Following the annual allocation of funding from the HAFF in the Budget, Housing Australia should immediately open a funding round in June every year. This will mean that organisations can prepare bids in advance, speed up application times and give certainty to development partners about when successful projects will commence. Clear, annual funding rounds will allow the community housing sector to build homes more efficiently and cost-effectively.

The HAFF must be integrated into Australian political and civic life, to substantially shift the decline in social housing and rebuild the foundations of a functioning housing system.

## Putting the Growth into Social Housing Growth Fund

The Victorian Government established the SHGF in 2018 to fund social housing projects using the interest from an initial \$1 billion investment of seed funding using availability payment funding models. It was subsequently bolstered with a further \$1.38 billion through the BHB, and offered capital grants to build 4,000 homes. In 2024, an affordable housing program of 1,500 homes was added to the targets. With the majority of these funds now contracted, there is an opportunity to reshape the SHGF to deliver longer-term funding certainty.

The SHGF should now be boosted with an additional \$6 billion investment that uses both the interest and the principal to build social housing. If payments were made as capital grants, this investment would be able to fund the construction of around 20,000 homes over the next 10 years. A sizeable upfront investment achieves more homes than annual funding allocations by the State Government, as it allows time for interest to accrue which adds to the initial seed funding. The additional interest would support an estimated 7,500 extra homes over 10 years compared with an annual funding allocation of \$600 million per year over the same time. This funding could also be used to match Commonwealth Government investments, boosting the number of homes delivered.



Committing this money upfront, and setting a long-term goal and funding schedule, will give the community housing sector confidence to plan a pipeline of new homes.

## An Affordable Housing Contribution Scheme – so that as Victoria grows, community housing grows with it

As demonstrated earlier, Victoria needs to build over 2,300 social housing dwellings a year just to keep up with population growth. Introducing an affordable housing requirement on all development types, including commercial and industrial, would create an additional supply of social housing matched to the growth of our cities.

It is standard practice for developers to contribute to the delivery of essential infrastructure like roads, open space and community facilities. Social and affordable housing is essential infrastructure that makes communities affordable to lower and moderate-incomes, and should attract similar contributions.

Affordable housing contribution mechanisms (also known as inclusionary zoning) are supported by housing economists, think tanks and local governments.<sup>39</sup> Recent research by the Australian Housing and Urban Research Institute found that even developers have begun to recognise the need for a mandatory scheme.<sup>40</sup>

An Affordable Housing Contribution Scheme would require developers to contribute to the delivery of social housing through the direct building of new homes, the provision of land, or with a cash contribution. This contribution should be:

- **5.5 per cent of the market value of total floorspace for all new developments on private land.** This is a third of the estimated 16.5 per cent of all new housing that needs to be social and affordable housing by 2051. This recognises that the development process has a part to play in meeting this need alongside state and federal governments.
- **Made either in direct supply of new homes, or land or cash of equivalent value.** Cash contributions should be made to the SHGF, increasing the size of the fund and what it can deliver.
- **Phased in over time** to ensure that contribution requirements can be included in development feasibility. This could be through phasing in the scheme after a two-to-three-year period, or applying contributions only to land transacted after the introduction of the scheme. It could be introduced at a lower rate and phased up to a final contribution over a longer lead time. The length and design of the introductory

---

<sup>39</sup> The Constellation Project, (2023), 'Mandatory Inclusionary Zoning: National Framework', [https://theconstellationproject.com.au/wp-content/uploads/2023/11/FREAMEWORK\\_MIZ-national-framework\\_2023.pptx-1.pdf](https://theconstellationproject.com.au/wp-content/uploads/2023/11/FREAMEWORK_MIZ-national-framework_2023.pptx-1.pdf).

<sup>40</sup> Benedict, R., et al. (2022), 'Private sector involvement in social and affordable housing', AHURI Final Report No. 388, <https://www.ahuri.edu.au/research/final-reports/388>.



phase should be subject to consultation with industry, but it should be no longer than three years.

- **Applied flexibly in regional Victoria.** Development and market contexts in different areas are very different to that of metropolitan Melbourne, and the contribution scheme should be flexible to adapt to this.

An Affordable Housing Contribution Scheme would recognise the importance of diverse, integrated residential communities. Including industrial and commercial development in the scheme recognises that secure and affordable homes support the labour force needed for these businesses to thrive.

## A supply of land to build new homes

Reducing land costs can reduce the overall delivery cost of homes by up to 20 per cent. Creating a pipeline of land for community housing will help deliver more homes faster. If that land can be delivered at a discount, it means even more homes can be built for more renters.

### Partner with community housing on government land

To improve access to state government land, community housing organisations should be added to the groups (currently government departments/agencies and councils) given first right of refusal to purchase surplus government land prior to it going on sale in the private market. Such a policy exists in California, where surplus government land for sale or lease must be offered to affordable home developers, and affordable housing outcomes must be prioritised.<sup>41</sup>

The Victorian Government has committed to rezoning 45 government-owned sites to deliver 9,000 new homes, including 10 per cent affordable homes. Giving community housing organisations the opportunity to deliver these homes would create more social homes and greater value to the Victorian Government. In recent years, the government has partnered with the community housing sector to deliver large-scale mixed tenure developments on urban renewal sites, and this work should be continued in these upcoming projects.

In recognition of the cost savings and societal benefits provided by social housing,<sup>42</sup> this land sold to community housing organisations for social housing should be at a restricted use value, similar to land sold to councils for community purposes.

---

<sup>41</sup> SGS Economics & Planning (2023), 'Creating a pipeline of land for community housing', unpublished report for CHIA Vic, 22-3.

<sup>42</sup> SGS Economics & Planning (2017), 'The case for investing in last resort housing', <https://sgsep.com.au/assets/main/SGS-Economics-and-Planning-Last-Resort-Housing.pdf>.



## Boost the supply of council owned land for community housing

Many councils recognise the benefit of social housing in their communities and have social housing strategies in place. However changes to the Local Government Act are needed to unlock council-owned land to build more homes.

When seeking to offer land for social housing, councils must currently follow the below procedures:

- They need to put their intention to sell or exchange land on public notice.
- They need to undertake community engagement.
- They need to conduct a current land evaluation.
- They can only lease land for up to 50 years, and are required to report leases in their budgets under certain conditions.<sup>43</sup>

These steps slow down the process and often deter councils from putting land forward. This can be addressed by amending the Local Government Act to include community housing organisations as bodies that councils can transfer, exchange or lease land to without having to satisfy this process. Extending the lease period of council land to 99 years is an interim step that could free up land in the meantime.

## Use existing sites smarter

In recent years there has been significant investment in the renewal and uplift of existing social housing sites through the Public Housing Renewal Program, the Building New Homes to Fight Homelessness initiative, the Ground Lease Models and now government's commitment to redevelop the 44 high-rise public housing towers across Melbourne.

These programs have predominantly seen the renewal of large-scale estates and land holdings. However, there are significant smaller-scale renewal opportunities across the housing portfolio that can be delivered at a lower cost and with less disruption to renters.

### General Lease

Homes Victoria leases just under 3,100 properties to registered community housing organisations to provide long-term social housing under the 'General Lease' program. In this program, community housing organisations retain the rent revenue from General Lease properties and are responsible for maintenance, excluding major infrastructure or upgrade works. For tenants, they experience living in a community housing property.

Many of these homes are ageing, with increasing maintenance costs, and could be better used to deliver growth. This could happen through onsite redevelopment or leveraging for new development elsewhere, if ownership was transferred to community housing organisations.

---

<sup>43</sup> SGS Economics & Planning (2023), 'Creating a pipeline of land for community housing', unpublished report for CHIA Vic.



CHIA Vic is proposing a 'Homes Multiplier' program be created for the future use of General Lease properties. Under the program, community housing organisations could apply for title transfer of a package of, or all, the properties they manage. Proposals from community housing organisations would outline how these properties will be used to provide additional homes through redevelopment or refinancing. Conservatively, we estimate that Homes Multiplier could build 6,100 new homes, a net increase of 3,000 dwellings.

Funding for redevelopment could be sought from existing state and federal programs. There are a further 3,747 homes managed under the Transitional Housing Management program that could also be considered for redevelopment under similar arrangements in the future.

### **Homes Victoria interest on title**

The community housing sector owns over 13,000 of the 24,000 properties it manages, many of which have been transferred from or partially funded by the Victorian Government. This typically means these properties have a Homes Victoria interest (caveat) on the title.

Gaining Homes Victoria approval to redevelop or sell these sites as part of a growth strategy is a complicated and ad hoc process. Where assets have reached the end of their useful life or are no longer fit for purpose, this system needs to speed up the process for disposal and reinvestment. Homes Victoria should develop a policy framework and begin fast-tracking approval for these sites to be redeveloped with uplift.

Assuming that 80 per cent of the 13,357 sector-owned properties have a Homes Victoria interest on them, if 5 per cent could be redeveloped with an average tripling of yield, this would build over 1,600 new homes. The net gain would be around 1,100 additional community homes.

## **Low-cost financing**

The National Housing Finance and Investment Corporation (NHFIC, now named Housing Australia) was established in 2018 to act as a bond aggregator for the community housing sector to deliver low-cost finance for social housing projects, backed by federal government guarantee. The Victorian Government also offers a low-cost loan scheme for community housing organisations through the Treasury Corporation of Victoria (TCV).

These finance offers can be more complex and time consuming than commercial lending. They can also be difficult to navigate for smaller organisations with less internal financial expertise.

Social housing projects that are both backed and desired by governments should be able to access low-cost finance from both Housing Australia and TCV that reflects both the low risk of these projects, and the social benefits they create. Over time this financing will need to increase to meet the needed growth in community housing.



## More homes for First Nations renters

Self-determination requires that First Nations people have a choice of housing options across all tenure types. Victoria's self-determined housing and homelessness strategy for Aboriginal people, Mana-na woorn-tyeen maar-takoort (Every Aboriginal Person Has a Home) outlines the changes needed in the housing system to address this.

This roadmap outlines changes in the social housing system to ensure Aboriginal Victorians have a choice of both mainstream community housing and Aboriginal Community Controlled Organisation (ACCO) housing. Genuine choice means an adequate supply of both.

Currently the ACCO sector's participation in community housing is a small proportion of Victoria's social housing system. Growing that sector will take dedicated funding structures that are designed to build sector capacity.

### Boost the ACCO sector through direct delivery of new homes

Many ACCOs have small housing portfolios and the desire to grow to house their communities. However, even with significant growth, it is unlikely that housing development and delivery will become the main activity of these organisations.

Under the BHB, government sought to encourage partnerships between mainstream community housing organisations and ACCOs to build more homes. However, competitive funding and debt financed models do not allow mainstream organisations to take on the risks of new development for an asset that's then handed to another organisation. Without changes to funding structures this risk sits more appropriately with government.

“

**The size and scale of ACCOs needs to grow. Homes Victoria should build new homes and hand them directly over to the ACCO sector.**

*- community housing organisation*

### Continue to deliver 10 per cent of all social housing funding for Aboriginal Victorians

Currently Aboriginal people are overrepresented in the number of people experiencing homelessness, making up 10 per cent of people accessing homelessness services despite being around 1 per cent of the Victorian population.<sup>44</sup> To meet this urgent need, we are

---

<sup>44</sup> Aboriginal Housing Victoria (2020), 'Mana-na woorn-tyeen maar-takoort: Every Aboriginal Person Has A Home: The Victorian Aboriginal Housing and Homelessness Framework', [https://vahhf.org.au/wp-content/uploads/2023/09/victorian-aboriginal-housing-and-homelessness-framework\\_complete\\_26\\_02\\_20-2.pdf](https://vahhf.org.au/wp-content/uploads/2023/09/victorian-aboriginal-housing-and-homelessness-framework_complete_26_02_20-2.pdf), 29.



calling for all social housing funding to continue to include a dedicated 10 per cent specifically for Aboriginal people.

Over time, as the social and affordable housing system grows and reshapes the housing system, these targets can be reviewed and adjusted accordingly to meet demonstrated need.

### **Victoria's Treaty should increase available land for Aboriginal housing**

The Victorian Government has committed to negotiating a Treaty with Victoria's First Nations people. Part of these negotiations could include assessing opportunities to provide land for Aboriginal housing projects. Converting Crown Land into developable land and transferring it to Traditional Owner groups would provide a pipeline of land and be a contribution towards reparations.

Where land or titles are to be transferred to ACCOs for housing purposes, it must be assessed as being suitable for this, for example having the necessary infrastructure in place. Traditional Owner groups should be consulted on the suitability of land or title transfers to allow for self-determination.

Further, all Victorian Government land opened to the private market for housing proposals should require that proponents transfer title on a percentage of the homes to an ACCO for Aboriginal housing. This should start at 1 per cent of all housing, and be updated over time in partnership with First Nations people based on Aboriginal housing need. Likewise, projects undertaken by the Government's housing development agency, Development Victoria, should have to make the same commitment.





*YWCA Australia's Bendigo Affordable Housing Development for women, completed in March 2021.*

---

# Make every dollar – and every day – count

## New procurement models to deliver more homes

Efficient procurement can reduce the cost of delivering new homes, and thus increase the number of homes that can be delivered. Current competitive procurement approaches are not efficient. They result in not-for-profit organisations spending their limited surplus funds on funding bids for homes that may never be built.

A survey of CHIA Vic members after the first Rapid Round of the BHB found that community housing organisations had spent approximately \$6 million developing bids for funding. Of these projects, only half were successful. This means that in a single funding round, an estimated \$3 million dollars was lost without delivering a single home.

And a survey of community housing organisations across Australia following Round One of the HAFF found that 80 per cent of respondents had to contract external advice, such as consultants and modellers, to assist with their applications. In total \$12 million was spent on external expertise; 15 respondents spent between \$100,000 and \$500,000, and four respondents spent over \$500,000.

Competitive procurement of individual projects wastes valuable resources that could otherwise be spent on building more homes. It also sets up a number of perverse incentives that might encourage community housing organisations to:

- Reduce their risk margin to provide a lower cost to government, which potentially puts project delivery at risk.



- Increase the amount of their co-contribution, reducing the equity or financing capacity they could put towards future projects. Ultimately this reduces the amount of housing the sector can build.
- Drive up costs by inadvertently bidding against each other for sites.

## Program-based procurement

Program-based procurement offers an alternative to the current project-based procurement model.

Under a program-based procurement process, government would identify regions and delivery targets, and community housing organisations would bid in a plan of how they would deliver those homes and at what price over a given timeframe.

This would reduce the time and money community housing organisations spend on preparing project-by-project submissions, whilst retaining competitive pressure to assure government value-for-money. They would only then have to invest in projects that are likely to be realised.

Program-based procurement would let community housing organisations more closely follow traditional development processes, with less reliance on having to speculate on potential sites and projects and then hope they obtain a grant to fund it. Instead, with guaranteed funding to deliver a program of works over a number of years, they could confidently assess sites for project opportunities, knowing that if they are feasible there are resources at hand to progress them.

It would speed up delivery by reducing the annual delays in processing funding rounds and reduce costs to government of assessing those rounds.

With guaranteed funding over a longer timeframe, community housing organisations could develop partnerships with councils, developers and other key stakeholders to bring land online for development. There would also be more time to build community support for projects, rather than having to engage with local stakeholders at short notice only once a project has been funded and announced.

Monitoring of governance and project delivery would be crucial to make sure successful bidders are able to acquit the program of works they get funded for. England, Scotland and Wales have all recently shifted away from project-based procurement approaches to program-based models, and have procedures that manage this. For instance, Homes England runs a Compliance Audit of housing organisations that have received grant funding, including for their program-based 'Strategic Partnerships'. Recipients must also provide an annual Statement of Grant Usage which includes an external audit on a sample of projects.<sup>45</sup>

---

<sup>45</sup> UK Government, 'Capital Funding Guide – 14. Strategic Partnerships', <https://www.gov.uk/guidance/capital-funding-guide/14-strategic-partnerships>.



## Streamline application requirements to reduce time and costs

Community housing organisations should be assessed and pre-qualified to apply for funding and financing for a set period of time to speed up the process. This would reduce the detail required for each project proposal and leverage the information already collected by the Housing Registrar.

Typically, organisations have to provide basic information on their business with every proposal, adding time and effort to the grant writing process.

The Western Australian Government has recently launched its Community Housing Prequalification Scheme, which aims to reduce the time and administrative burden involved in social housing procurement. The Victorian Government should look to this scheme and develop a Victorian equivalent to streamline the process for community housing organisations and Homes Victoria staff alike.

## Minimise financing handbrakes

The way in which governments approach financing and regulation of the community housing sector has imposed artificial limits on how many homes community housing organisations can deliver. Small changes to financing requirements will allow more homes to be built.

### Match lending requirements to actual rather than perceived risk

Current government requirements when lending to community housing organisations are very conservative. In part this is about the risk appetite of lenders, but government lending to regulated not-for-profits for the operation of social housing that is essentially funded by another arm of government is arguably not that risky. For example, lending from Housing Australia and TCV typically requires an interest coverage ratio of at least 1.5 to 1, and loan-to-value ratios that don't exceed 60 and 40 per cent respectively. In some international markets that have more experience with financing community housing, interest coverage ratios of 1.2 to 1 are accepted, as well as loan-to-value ratios of up to 80 per cent.<sup>46</sup>

Governments should review the lending requirements for their low-cost loans and, where possible, reduce them to be in line with the actual risk profile of the community housing sector. This would mean that community housing organisations could borrow more with the same equity or security, in essence adding additional social housing at no cost to government.

---

<sup>46</sup> Lott, D. (2023), 'No Tax Credits, Now What?', [https://www.housingfinance.com/finance/no-tax-credits-now-what\\_o](https://www.housingfinance.com/finance/no-tax-credits-now-what_o).



## Align funding program and financing offers

Up until now the funding and financing offers for social housing projects have come from different parts of government. Grant rounds are run by Homes Victoria whereas financing is offered by both TCV and Housing Australia. With the commencement of the HAFF funding there are now also funding rounds being administered by Housing Australia.

At times there has been a mismatch between the timelines of the grant funding and those of the financing. For example, Homes Victoria required operating periods of 30 years under the Build and Operate funding round, but Housing Australia loans are typically for 10 to 15-year terms, and TCV offers 15-year terms (and will loan for up to 30 years in total).

Because the funding and financing come from different departments there have also been issues with getting approvals in time, and negotiating security between Treasury and Homes Victoria (and sometimes also Housing Australia). In 2023, delays in approving financing were reported to have added to costs for some projects due to interest rate rises between funding approval being granted and financing being secured. This is an example of how a lack of integration between the funding and financing arms of government ultimately costs government money.

Creating a system to invest in social housing at scale should include aligning the funding and financing offers so that they complement each other and are designed to build more homes with the funding available.

## Removing red tape through better regulation

Regulation of the community housing sector by the Housing Registrar is a critically important part of the system architecture. It provides guarantees to renters that they will be provided with a good quality home and housing services. Additionally, it provides certainty to government and other investors that the program and properties will be well managed and will deliver the social outcomes they were funded for.

Governments can and should rely on the regulatory system to ensure that community housing is delivering the homes and services in a way that meets community standards and legislative requirements. This means that funding contracts should not duplicate reporting requirements already covered by regulation. This would reduce the costs of reporting and compliance across multiple contracts, giving community housing organisations more time and money to spend on renter services.

“

**I rely on regulation as a positive thing - it's a risk mitigation tool...and Victoria's is more robust than anywhere else.**

**- community housing organisation**



## Update the regulatory system to unlock investment

Victoria's current regulatory framework for community housing was established in 2004. It has supported the steady growth and development of the sector over the past two decades. In the current environment of both actual and needed growth, it should be revisited.

In 2021, the Victorian Government launched an independent review of the regulatory framework. However, it has not yet been released and there has been no response to its findings from government.

CHIA Vic supported the key recommendations in the interim report, namely to place renters at the centre of the regulatory system, to establish a single regulator for all social housing including public housing, and to establish a separate and independent complaints management body.

However, we also support creating greater consistency across all Australian jurisdictions, with Victoria and Western Australia each using their own systems and all other jurisdictions subscribing to the National Regulatory System for Community Housing. Any modifications to Victoria's regulatory system should be implemented with a view to how national consistency can be achieved to help support community housing organisations that operate in different states.

In 2023 the National Housing Affordability and Supply Council produced a report that looked at existing barriers to growing Australia's rental housing stock through institutional investment.<sup>47</sup> One of its recommendations was for a truly national regulatory framework for community housing to be developed to reduce complexity in the sector, allowing for more institutional investment.

CHIA Vic has also been calling on the Victorian Government to release the final report of the Social Housing Regulatory Review and establish a collaborative industry working group to implement the review findings.

## Update the regulatory system in light of new project structures

The introduction of availability payment funding models, alongside the evolving scale and sophistication of the sector, has led to an increasing number of community housing organisations using Special Purpose Vehicle (SPV) structures to deliver housing projects.

These funding models require recipients to be regulated entities, and this has led to a number of SPVs – both wholly sector-owned and partnership models – becoming registered housing providers under the regulatory system. While regulation is critical, requiring financing vehicles to become registered, even though they contract tenant

---

<sup>47</sup> NHSAC (2023), 'Barriers to Institutional Investment, Finance and Innovation in Housing', <https://nhsac.gov.au/reports-and-submissions/barriers-institutional-investment-finance-and-innovation-housing-report>.



services to a community housing organisation, can create confusion about what it means to be a registered community housing organisation.

The regulatory system needs to be updated to allow for the separate treatment of SPVs and community housing organisations within the regulations to acknowledge that they play different roles in the system.

### **Use the regulatory system to streamline procurement**

Current funding and financing processes don't take into account the reporting and transparency that the regulatory oversight of the sector guarantees. Updating the regulatory system should allow funders and financiers to rely on the regulatory system, rather than seeking complex contractual compliance in areas where community housing organisations are already regulated.

New funding and financing mechanisms should consider the role of the regulatory system in setting the parameters of the community housing sector, and reduce reporting requirements where the information is already collected by the Housing Registrar.

Where information is required for contract management, funders should consider aligning data collection requirements with those of the Housing Registrar.





*Renter Joy loves her new home in Croydon.  
Image: Community Housing Limited.*



---

# A better renter experience

Community housing organisations exist to support renters by providing affordable and stable homes. The following section outlines actions for both community housing organisations and policy makers to make sure that housing models keep renters at the centre of everything they do.

## Involve renters in their housing service

No one knows more about what makes a good housing service, and what renters need, than renters themselves.

From consultation with community housing renters, and those in the private market, CHIA Vic knows that renters want to have a say on decisions that impact their homes and housing services. Many community housing organisations have set up renter consultative committees to do just this, seeking renter input on the review of policies, the design of new homes and other decisions that affect their homes and lives.

Listening and responding to renters' needs doesn't just deliver a better service for them, but also helps community housing organisations improve their overall operations and make better strategic decisions.

CHIA Vic's Renter Voice project, launched in 2022, developed a guide and supporting resources to encourage and grow renter participation.<sup>48</sup> It gives advice on things such as

---

<sup>48</sup> See resources at: <https://chiavic.com.au/resources/renter-voice/>.



setting up renter groups, developing renter voice policies, and how to monitor and measure these efforts.



**We're developing renter housing plans that feed into a statewide housing plan and identifies properties for land assembly. But we do this with our renters. Doing a bottom-up rather than top-down portfolio strategy means renters will leave existing homes because they know they're moving into what they actually want.**

*- community housing organisation*

The need for formal renter participation structures and feedback mechanisms were also key issues for the 2021 Social Housing Regulatory Review. This is likely to result in new regulatory obligations to demonstrate how the views of renters are being incorporated into service improvement initiatives.

All community housing organisations should critically assess their practice in relation to seeking, hearing and responding to renters' views. The CHIA Vic Renter Voice Toolkit can be used to do this.

## Provide digital services to give renters more of the information they want and need

Giving renters more information at the start and throughout their tenancies helps set them up for success. Digital platforms offer new and streamlined ways to communicate with renters.

### Offer more information on available properties to renters

When searching for a property, most renters look at real estate sites, scroll through pictures and search for certain features. Social housing renters are simply offered the next property that becomes available that meets the criteria on their application. Giving social housing renters more information about the property they're being offered can help them to more quickly and confidently make the big decision about where they are going to start a new life.

The sort of information that renters should have access to when offered a property includes:

- Floorplans
- Pictures of the rooms
- What kinds of floor coverings are in place
- What heating and cooling appliances there are
- The size of the house and rooms
- Proximity of local transport, schools, services and shopping options.

This could be done through a sector-wide IT solution, similar to existing property websites, or through a standardised 'virtual offer' sent to applicants. Agreement on



consistent definitions and measures across the sector would make such a website and templates most effective.

As the community housing sector grows over the next decade, and becomes a much larger share of the housing market, renters will have much greater choice in the housing they want to live in. Starting to provide the information that will better inform those choices now will empower renters, improve the offer process and reduce the time renters spend viewing properties that aren't suitable for them to live in.

### **Expand the use of digital tools to allow renters to engage with their provider how and when they choose**

'Renter portals' are digital platforms that allow renters to raise and track maintenance requests, access their rent statements, and contact their housing workers. They allow renters to access the information they need, when they need it, and track the progress of their requests.

These portals are already being used by some community housing organisations to provide better information and services, and they reduce the back-and-forth communication necessary between renters and housing workers.

CHIA Vic has been running software demonstrations to highlight the different renter portal options available.

Continuing to support our members to adopt these renter portals will be a simple but powerful transition over the next decade. CHIA Vic will continue running demonstration and information sessions, share best-practice across the sector, and work with community housing organisations and software developers to make the portals work well for renters and staff.

As organisations improve digital technologies, care must be taken to not widen the digital divide. Community housing organisations must ensure that renters can continue to access services outside these digital systems, or are supported to access the digital technologies they need.

### **Provide culturally safe housing options for First Nations renters**

All Aboriginal Victorians should be able to access culturally safe housing, and they should be able to choose whether that is with a mainstream community housing organisation or an ACCO housing provider.

To deliver these options government must support the growth of ACCO housing. At the same time, mainstream community housing organisations must increase housing opportunities for First Nations people.



In earlier sections we outlined ways that governments can support the growth of Aboriginal housing. Here we identify how the mainstream community housing sector can contribute to greater housing options for Aboriginal Victorians.

### Set targets for Aboriginal tenancies

Between 2016 and 2020 the number of Aboriginal Victorians accommodated in non-Aboriginal community housing fell, despite increasing demand.<sup>49</sup> Since then, numbers have increased, and in 2023-24 community housing offered 334 homes to Aboriginal families on the Victorian Housing Register, 39 per cent of all its allocations.

Many non-Aboriginal community housing organisations who took part in the consultations for this roadmap expressed the need and desire to set targets for Aboriginal tenancies in their portfolios. This aspiration is reflected in the continued growth of community housing allocations for Aboriginal Victorians.

### Continually improve the cultural safety of the community housing sector

As well as growth, there need to be efforts made across the sector to ensure culturally safe practices in tenancy management and workplace operations for Aboriginal renters and staff. CHIA Vic produced a Community Housing Aboriginal Cultural Safety Framework in 2020 to assist the sector in adopting Aboriginal cultural safety practices within their own organisations. This framework is currently being updated to help all community housing organisations embed culturally safe practices for Aboriginal Victorians.

Building culturally safe organisations is a journey of continual improvement, and something the mainstream community housing sector must continue to invest in as it grows.

### Develop a performance standard on cultural safety

Monitoring the cultural safety of community housing organisations should become one of the performance measures of the community housing regulatory system. This should begin with a requirement for organisations to provide evidence of cultural safety to the Registrar in 2026, and move to a required key performance measure by 2028.

“

**We walk the land with Aboriginal people before we buy it, to understand how it fits in their communities.**

*- community housing organisation*

---

<sup>49</sup> Aboriginal Housing Victoria (2020), 'Mana-na woorn-tyeen maar-takoort: Every Aboriginal Person Has A Home: The Victorian Aboriginal Housing and Homelessness Framework', [https://vahhf.org.au/wp-content/uploads/2023/09/victorian-aboriginal-housing-and-homelessness-framework\\_complete\\_26\\_02\\_20-2.pdf](https://vahhf.org.au/wp-content/uploads/2023/09/victorian-aboriginal-housing-and-homelessness-framework_complete_26_02_20-2.pdf) 85.



## Create an affordable housing system

Recently, both state and federal governments have announced programs and incentives to create tens of thousands of 'affordable housing' units across Australia and Victoria. Many of these initiatives have had different definitions, funding processes and program parameters, making them confusing for renters to navigate.

Without a clear definition and resulting purpose for affordable housing it is hard to know what these programs aim to achieve. The variety of definitions and programs means that it's likely that these programs will target a wide range of renters, causing confusion and diluting the impact of government investments.

A clear definition – enshrined in legislation and regulation – is needed to create a clear system for renters and ensure that all affordable housing programs and incentives offered by governments are heading in the same direction.

“

**Affordable housing is important, it's preventative. And it helps destigmatise the sector... having a simple definition (for a complex policy solution) is important.**

**- community housing organisation**

CHIA Vic recommends that affordable housing be defined as housing that is:

- **Rental homes**, not housing for sale. This retains the public benefits of the subsidised housing over time to assist multiple households, rather than a one-off benefit to a single buyer.
- **Targeted to households in the moderate-income range.** Social housing is the appropriate intervention for very low and low-income households in need of assistance, and this roadmap sets out a pathway to deliver much more of it. Affordable housing is an opportunity for a distinct category that supports those earning above social housing eligibility limits, but who are being failed by the private market.
- **A fixed rent at 30 per cent of the lower limit of the moderate-income range** (adjusted by dwelling size, and whether in Greater Melbourne or the rest of Victoria). This ensures the homes will be affordable to all moderate-income households, gives certainty over rental revenues for affordable housing projects, and does away with the ineffectiveness and inefficiency of discount-to-market rent settings.
- **Owned by the community housing sector** to support its permanent growth. As the already established, regulated and mission-driven affordable housing sector, community housing has a proven track record and should be entrusted with running this housing portfolio. Where ownership isn't given, homes should be leased to a community housing organisation to guarantee they are rented in a fair and transparent way.



This kind of affordable housing would give low-income workers affordable options to live near their jobs and communities. Because it would be delivered by the regulated and mission-driven community housing sector, the affordable homes would have secure tenure and renter-focused housing services.

## Making homes climate resilient and future-ready for renters

Climate change is already having, and will continue to have, disproportionate impacts on the affordability, comfort and safety of homes for lower-income renters. Recent analysis estimates that basic thermal efficiency upgrades, electrification and rooftop solar installation would save the average low-income Victorian living in a house \$4,503 annually on their energy bills. For apartments, the average saving would be \$2,276.<sup>50</sup> Thermally efficient homes also produce better health outcomes: raising average home temperatures from 16°C to 20°C has been shown to improve cardiovascular health in a similar way to lifestyle and dietary interventions.<sup>51</sup> And having gas stoves leads to a 42 per cent increased chance of asthma in children.<sup>52</sup> A study of the Victorian Healthy Homes Program showed that thermal shell and energy efficiency upgrades saved the healthcare system \$887 per person over winter.<sup>53</sup>

Modern-day community housing is built to high standards of quality, thermal comfort and energy efficiency. However, many of the existing homes operated by the sector are ageing and no longer meet modern standards of thermal efficiency. CHIA Vic, in partnership with CHIA National and others, established the Community Housing Climate Action Network in 2023 to help develop strategic work and guidance for community housing to prepare for a changing climate. It aims to map the retrofit needs of existing community housing organisations and identify pathways to fund this work. In an environment with a guaranteed funding pipeline to grow community housing, these ageing properties could also contribute to the sector's growth by providing low-cost sites for redevelopment.

---

<sup>50</sup> ACOSS (2024), 'Efficiency, electrification, and solar could save low-income households up to \$6000', [https://www.acoss.org.au/media\\_release/efficiency-electrification-and-solar-could-save-low-income-households-up-to-6000/#:~:text=A%20new%20analysis%20commissioned%20by,and%20those%20in%20apartments%20%24%2C276](https://www.acoss.org.au/media_release/efficiency-electrification-and-solar-could-save-low-income-households-up-to-6000/#:~:text=A%20new%20analysis%20commissioned%20by,and%20those%20in%20apartments%20%24%2C276).

<sup>51</sup> Climateworks Centre (2023), 'Climate-ready homes', <https://www.climateworkscentre.org/wp-content/uploads/2023/12/Climate-ready-homes-Building-the-case-for-a-renovation-wave-in-Australia-Summary-report-Climateworks-Centre-December-2023-1.pdf>, 28.

<sup>52</sup> Ibid, 29.

<sup>53</sup> Ibid, 29.



## Support for renters who need it

Social housing reduces homelessness, and the associated costs to government in the health and justice systems. However, without the right tenancy and other support services for those who need them, even social housing tenancies can fail.

It is more costly to stabilise someone who has become homeless than it is to support them to stay in their home. But the scarcity of social and affordable housing, along with the inadequacy of the support system, means that renters often fall into homelessness when they face a crisis.

To reap the most benefit from investing in more social housing, governments need to ensure that renters who need support can get it when they need it. This will help prevent tenancies from ending when people experience a crisis.

### **(Re)connection to services sets up new tenancies for success**

The transition from homelessness and housing insecurity into stable social housing can be challenging for some households. Unfortunately, support services are currently funded to work with people when they are homeless, and that support funding often runs out before people secure a home.

To ensure tenancies are set up to succeed, support services need to be available at the start of the tenancy to help renters transition into a new home and a new life.

For some renters this support could be as simple but important as connecting utilities, stocking the pantry and fridge, and finding and connecting with other local services.

For others, it could be much more intensive support that deals with the acute challenges the renter was facing that caused them to need social housing. This includes things like Alcohol and Other Drugs support and help escaping and recovering from family violence. Having a trusted support service that is available at this time of major change in a person's life can help set them up well from the start and give them the best chance of a long and secure life in their new home.

It is vital that support services are funded to re-engage with clients when they are establishing a new home.

### **Early intervention to prevent exits**

Early tenancy support sets renters up for success, however, some renters will need extra support at some point in their tenancy whether due to personal or financial crisis or changing circumstances. Victoria has a number of tenancy support programs in place for social housing, including the Tenancy Plus Program and the Support for High Risk Tenancies program. Unfortunately, there are often long waiting lists for these programs. By the time support is allocated, the tenancy crisis has often escalated, sometimes to the point where a tenant has abandoned their property or VCAT action has commenced.



The Victorian Government should review the tenancy supports available to community housing renters and ensure that best-practice tenancy support is available for all social housing renters.

### **Housing First programs end homelessness**

For many people, social housing alone will be enough to prevent homelessness. However for people with a long history of rough sleeping and housing instability a more intensive approach is needed. Both local and international evidence shows that pairing long-term housing and support can end homelessness for 90 per cent of participants.<sup>54</sup>

The critical success of Housing First programs is based on the recognition that it is not possible to recover from the causes and harms of homelessness while you are homeless, and that the impact of homelessness can continue to be felt over a lifetime. This is why long-term housing is paired with flexible support that is not time limited and can increase and decrease over time as required.

Key principles of the Housing First model include:

- Immediate access to a permanent, self-contained home that meets people’s cultural and social needs, with no treatment or behavioural eligibility preconditions.
- No requirement to participate in support or treatment as part of the tenancy.
- Flexible support is available for as long as it is needed, and outside normal working hours.
- Support intensity is able to rise and fall with individual or family need. Renters can also quickly re-engage with support without requiring a new assessment.<sup>55</sup>

Victoria introduced a Housing First program during COVID-19, From Homelessness to a Home (H2H), however, much of the housing was leased and only available for fixed periods.

More recent programs have fallen short of Housing First principles. They fund support, but only for a fixed period and they rely on the use of existing social housing stock which is already in short supply.

To end homelessness in Victoria, government must expand on these programs and ensure fidelity with best practice and evidence-based Housing First models. This requires an ongoing pipeline of new social housing paired with wrap-around support that is available for as long as it is needed.

---

<sup>54</sup> Evaluations of various Housing First programs around the world consistently show high level of housing retention from clients, typically between 66 and 90 per cent – far higher than ‘treatment as usual’ programs. An evaluation of the Way2Home program in Australia found a 90 per cent housing retention rate. See Roggenbuck, C. (2022), ‘Housing First: An evidence review of implementation, effectiveness and outcomes’, AHURI, <https://www.ahuri.edu.au/sites/default/files/documents/2022-08/AHURI-Prof-Services-Housing-First-An-evidence-review-of-implementation-effectiveness-and-outcomes.pdf>.

<sup>55</sup> Homelessness Australia (2020), ‘Housing First Principles for Australia’, <https://homelessnessaustralia.org.au/wp-content/uploads/2022/07/Housing-First-Principles.pdf>.



## Ensure welfare support payments can secure decent housing

The majority of current social housing residents rely on income support. For those receiving JobSeeker and Youth Allowance, payment rates are set so low that these households can struggle to make ends meet, even when paying just 30 per cent of their income on social housing rent.

Currently, single people receiving JobSeeker are living on just \$56 per day. Those on pensions receive around \$82 per day. Over a year, this is a \$1,352 difference. For people on the lowest incomes, this can be the difference between being able to afford to heat or cool their home, or being able to eat decent food every day.

Because social housing rents are set at an affordable rate based on a percentage of household income, rents for people on JobSeeker allowances are so low that they don't cover the costs incurred in managing and maintaining the homes. Ultimately this means fewer homes can be delivered for those relying on JobSeeker and Youth Allowance.

The Commonwealth Government must increase JobSeeker and Youth Allowance payments to secure a decent standard of living for those trying to get by on income supports.

## Grow a skilled workforce that puts renters first

Community housing is a diverse and skilled industry, with roles covering everything from tenancy and asset management to development and community building. Being able to provide quality housing services that meet renters' needs is based on two things: understanding what renters want, and having a workforce that is trained and supported to deliver that service.

As the sector grows, community housing organisations will need to hire or retain highly skilled workers in an increasingly competitive employment market. Community housing offers the opportunity to do work with real social impact, from growing the supply of social housing, to managing homes for those who need it.

### Recruitment, training and retention

There is no single pathway into community housing, with workers coming from the community services sector, as well as the real estate, development and building industries. This diversity is both a strength and a challenge when attracting new workers, as new entrants to the community housing sector bring a wide range of knowledge and skills. This supports the continuous improvement of community housing businesses, but it also means that there may be little shared understanding of community housing.



Ensuring that new workers have a clear induction into the community housing sector and its role is essential in creating an industry culture that meets the needs of renters and retains workers.

As the industry grows, formal programs of recruitment and training will be needed to ensure the workforce is equipped to deliver the services renters need.

“

**You know you have a good work culture because people stay; they're not staying for the money.**

*- community housing organisation*

### **Helping boards to balance community mission and complex projects**

As the sector grows and funding and financing structures grow increasingly complex, governance takes on an even more critical role. Community housing is already a big business, but the level of growth outlined in this roadmap means that the governance arrangements of the sector may need to change.

Boards will need to balance connection to the local community, an understanding of the renter experience and the skills required to manage large and complex businesses. Community housing organisations will need to be aware of this tension, and work with their boards to ensure that board composition matches the size and complexity of the organisation's operations. This may require boards to undertake an assessment of skills, identify areas of weakness and develop training or professional development plans. It may also require them to recruit new board members with the skills missing from the existing board makeup.



*New community housing homes in Croydon,  
delivered by Community Housing Limited.*



---

# Conclusion

It is possible to reshape the housing system in Australia to restore the dream of home ownership. Paradoxically, restoring that dream starts with providing secure rental housing.

Growing the not-for-profit rental housing sector and the social housing system reduces the reliance on individual landlords to secure the housing welfare of the population. Giving renters greater choices through stable and dedicated rental providers also provides competitive pressure to the private rental market, forcing it to improve renter experiences.

This change will not be quick. The origins of the current housing crisis stretch back almost four decades, and it is likely to take decades to turn around. However, as we have seen, with some big investments and some small changes, we have the vehicles needed to build a sustainable rental system delivered by not-for-profit community housing organisations.

New investment, delivered in programs designed to build the not-for-profit sector in the most efficient way possible, is within reach and will set us on the road to a better housing system for everyone.

