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Support.



National Housing and Homelessness Plan submission

Haven Home Safe



Introduction

Haven Home Safe is a homelessness organisation providing key homelessness and support services across metropolitan, regional and rural Victoria. We are also a registered community housing provider (Tier 1), with over 2000 properties providing social and affordable housing to those in need. As both a housing and homelessness organisation, we have first-hand experience and a front row seat witnessing exactly what safe, affordable and secure housing – or lack thereof - means.

The issue of homelessness and housing affordability in Australia is a multifaceted problem that is complex and far reaching. As such, it requires a comprehensive, collaborative and consistent approach to both contain and rectify.

Many issues have contributed to the current situation, including a severe lack of investment in social housing stock as a basic social safety net, rapid population growth far exceeding forecast expectations, various tax policies incentivizing housing as a commodity and unintended consequences of innovative and disruptive business models blending boundaries between previously unrelated markets (such as private housing and tourism).

We believe our submission provides practical recommendations and strategies for urgent consideration to address this national crisis.

It is well documented that secure and **affordable housing** is a key social determinant of health. As a society, we are also coming to recognise housing as a fundamental human right.

Conversely, **homelessness** is not merely a housing issue but a reflection of broader social and economic challenges. The issues paper presented largely avoids poverty as a structural underpinning of homelessness and rental stress.

To combat this crisis, we must adopt a holistic and collaborative approach across all levels of government, not-for-profits and the private sector alike. It is incumbent upon all of us to contribute towards impact and not just activity to work together to ensure everyone has access to a safe, affordable and stable home.

A new iteration of the Housing and Homelessness Plan is a once-in-a-generation opportunity for all of us to come together and address the myriad of systemic issues undermining our basic human right for all Australians to live in safe, secure and affordable housing.

We must continue to collectively – and productively – advance this cause amongst ALL sectors. Together.

A focus on housing

1. Increasing housing supply

Homelessness is a complex issue exacerbated by a shortage of affordable housing. To mitigate this shortage, a significant, ongoing and sustainable investment in affordable and appropriate housing developments is key along with a greater need for more subsidised housing. In order to achieve this, specific policy levers could be deployed to increase supply both now and into the future.

a. Nationally consistent planning scheme

A nationally consistent planning scheme that streamlines the construction process and ensures efficient and effective allocation of resources is key. Such a unified national approach to planning regulations across all jurisdictions would eliminate red tape, expedite approvals, and encourage developers to invest in high quality regional housing projects.

b. Mandatory inclusionary zoning

In order to foster ongoing growth in social and affordable housing, a mandatory inclusionary zoning policy of a minimum of 20%, specifically targeting social and affordable housing rentals must be legislated for all medium to large-scale developments (for example, 50 properties and above). Whilst we recognise this is a bold step, such an approach would ensure all housing developments cater to diverse socio-economic needs. This would also provide clarity for developers and allow them to adjust to a unified and consistent market approach.

c. Tax reforms to encourage large-scale investment

Tax reforms are essential to incentivize more large-scale investors to enter the market, including superannuation funds and international investment firms. Such incentives must be structured to encourage and promote long-term sustainable investments in high quality affordable housing projects across the market, such as Build-to-Rent and Build-to-rent-to-buy developments.

d. Management of holiday rentals

A standardised approach is needed to manage holiday rentals and long-term vacancies, particularly when impacting on the private rental market.

The introduction of caps on the total number of weeks residential-zoned properties are used for holiday rentals should be introduced to ensure such properties are used for the primary purpose they were originally intended. Such a cap should also be applied to overall density of residentially zoned holiday rentals in a specific location, ensuring a more appropriate and balanced mix of short- and long-term rentals in the market.

Planning provisions for new 'purpose-built' holiday rentals should also be applied, with an annual levy applied to such properties which could then be reinvested to fund future social and affordable housing developments.

The forecast for cumulative housing undersupply across Australia over the next five years is dire suggesting the housing crisis is at its beginning not its peak. Whilst the national plan is still to be realised, we acknowledge the appetite and ambition of the Federal and State Governments and as a provider we are ready to mobilise the opportunities to be involved but encourage the methods for delivery to be wide and far reaching, geographically based and pipeline considered.

2. Collaboration and transparency across all government levels

Solving the housing crisis requires collaboration among *all* levels of government.

Federal, state, and local governments must work more collaboratively together to formulate cohesive planning and development policies that are fully transparent and understood by all stakeholders.

This would include a mandatory inclusionary zoning target (as mentioned above) and standardized planning and approval mechanisms that provide a fair and equitable framework.

Coordination is vital to address housing issues comprehensively and efficiently.

3. Changing the narrative – addressing NIMBY-ism

Public perceptions of social and affordable housing must change.

Language that fosters inclusivity and destigmatises negative stereotypes needs to be adopted and embraced, as seen in other jurisdictions across the world. Obtaining suitable housing is a fundamental human right. Living in social and affordable housing should be seen as a positive opportunity, not a negative outcome.

To promote positive acceptance of social and affordable housing, all levels of government must proactively involve communities in the planning process, actively dispel myths with awareness campaigns and showcase successful projects in the community. Governments must also fund essential support services and promote inclusive policies that encourage integration with private rental housing. By combining community engagement, education, and thoughtful design, social and affordable housing can be embraced as a vital and valuable part of the broader community, addressing housing needs while nurturing understanding and acceptance.

4. Recognising the broader impact of design

Some of the most innovative and advanced housing models have come from the community housing sector itself. Working in collaboration with the building sector, new and interesting ways to create sustainable communities through informed placemaking principles, as well as measuring and reporting on the impact of high end, quality homes in partnership with local communities is becoming increasingly studied and measured.

The overall benefits of social and affordable housing, across short-, medium- and long-term horizons is increasingly quantifiable. Such benefits of social and affordable housing on society as a whole needs to be embraced by the public and private sectors alike, with future investments reflecting the benefits as part of the decision-making process, rather than through a limited financial cost-benefit lens. A nationally agreed approach to recording and acknowledging the broader social return on investment derived from social and affordable housing must be embraced.

5. Specific rural and regional considerations

The Homes Victoria quarterly rental report for March 2023 shows the median rent rose 6.3% to \$420 in regional Victoria. This means that overall rental affordability in regional Victoria fell to the lowest level since reporting began in 2000. Clearly a housing reset is required specifically for regional and rural Victoria, but this trend is reflected nation-wide.

Rural and regional areas are facing a housing crisis of unprecedented proportions. The lack of affordable housing in these regions has reached alarming levels, demanding urgent attention and a specific response. For the 7 million people living in regional Australia, it is vital that all levels of government find innovative solutions to tackle the many issues impacting affordable housing supply which is stymieing economic development and prosperity.

To address this, we must engage in a wide-ranging conversation focused on diverse supply, sustainable density, private sector investment, and the establishment of consistent planning schemes specific to rural and regional communities.

Doing so will acknowledge the invaluable contributions of key workers in regional Australia and ensure they can afford to live where they work.

a. Diverse supply and sustainable density

A critical component in addressing the housing crisis in regional areas is the promotion of diverse housing supply. By encouraging the construction of various housing type (such as apartments, townhouses, affordable single-family homes etc.), we can cater to the diverse needs of the community. In doing so, we must focus on sustainable density.

b. "Density done well"

Addressing the issue of affordable housing requires a strategic approach focused on well-designed, high-density developments. These projects must prioritise functional design, incorporating ample green spaces and open areas, essential for residents' well-being and recreational needs.

Crucially, such developments must be seamlessly integrated into existing neighbourhoods, fostering a sense of community. This integration not only enhances residents' access to essential services but also promotes economic opportunities within the community.

Connectivity is vital. Developments should be well placed to meet transport-oriented design as well as walkable communities that are linked to public transport, schools, healthcare facilities, and commercial hubs, ensuring residents' easy access to essential services and employment opportunities. Placemaking initiatives, driven by community involvement and cultural considerations, are instrumental. Engaging local residents in the design process helps create vibrant, inclusive neighbourhoods that people are proud to call home.

Balancing density with thoughtful design, green spaces, connectivity, and community engagement is the cornerstone of successful housing initiatives.

c. Recognition of key workers

Key workers differ in regional and rural landscapes from Metropolitan areas, and therefore requires specific regional and location-based responses. Such workers, including healthcare professionals, teachers, emergency services staff, hospitality, agricultural and essential service providers, form the backbone of regional communities. Recognising their contributions means not just acknowledging their efforts but also ensuring they have access to affordable appropriate housing options near their

workplaces. This recognition can be translated into targeted housing policies and financial support, making it feasible for these vital workers to live where they work.

Addressing the lack of social and affordable housing in regional and rural areas demands its own targeted multifaceted approach. By embracing diverse supply, sustainable density, private sector investment and consistent planning schemes, we can pave the way for a brighter future. Most importantly, valuing the contributions of key workers and providing them with affordable and appropriate housing where they work is key to a sustainable future in regional areas.

A focus on homelessness

1. Managing rent increases

Traditional market mechanisms have clearly failed. The result is prolonged distortion of the rental market where demand significantly outstrips supply. Given the time needed to adequately increase supply, an immediate intervention is required to address unaffordability and stem the flow of renters into homelessness.

A transparent and consistently applied cap on annual rental increases (for example, no more than CPI) would address increasing unaffordability issues.

Limiting adjustments to no more than once per annum per property regardless of leases would also arrest the significant increases being witnessed in the rental market.

Combined, managing rental increases is a valuable policy tool to protect tenants from abrupt and unaffordable rent increases, promoting housing stability and preventing renter displacement. By setting reasonable and transparent limits on rent increases – *limited to once per year* -renters will be better able to budget while current structural market failings exist.

This approach also fosters social cohesion, allowing renters to remain in their local communities without the constant fear of being priced out, ultimately contributing to more equitable and stable urban environments.

2. Increased investment in key homelessness services.

The provision of adequate support services for our most vulnerable citizens remains at critically low levels. Both the scale and complexity of clients presenting to homelessness entry points seeking support has increased significantly in recent years, exacerbated by the longer term impact of COVID19. Across Haven Home Safe's four key homelessness entry points alone we have seen a significant increase in people seeking homelessness assistance, including over 2000 people entering our system *for the very first time*.

With demand for services at record highs, investment in front-line services remains unchanged, resulting in staff burnout, increased staff assaults and unprecedented levels of client trauma.

An immediate and significant increase in funding for front-line services is critical to the ongoing viability of the homelessness sector. And it must be ongoing. Such investment will allow our crucial front-line teams to adequately respond to the substantial increase both complexity of clients seeking assistance, as well as the increase in unprecedented demand for services.

3. Recognising lived experience

Real and meaningful engagement with clients is crucial to all future policy developments, ensuring we capture the immeasurable value of those with lived experience in all decisions. This includes all homelessness services, as well as social and affordable housing developments. This cannot be tokenistic, We must allow those who need such vital services to have input into the development of such services in a national and consistent way.

Summary

The issue of homelessness and affordable housing is a multifaceted challenge that demands a comprehensive and collaborative response. We need to adapt, evolve and ensure we use all possible policy levers to address the issue.

By addressing the shortage of affordable housing through increased construction programs, mandatory inclusionary zoning policies and key tax reforms, we can make significant strides in resolving this crisis. However, we will not be able to simply 'build' our way out of this dilemma. In addition, managing holiday rentals and vacancies, collaborating across all three tiers of government, and changing the narrative to destigmatise social and affordable housing, are crucial steps toward a more inclusive and equitable housing landscape.

The Victorian Housing Statement captures much of what we present here, but that is only one jurisdiction. Other states and territories are developing similar plans, but in isolation. Yet Homelessness and housing unaffordability are both national crises.

Australia's long-held commitment to providing safe, affordable and secure housing for *everyone* is a reflection of our values and principles. **A national unified plan must reflect this.**

The adoption of a more transparent, collaborative and productive plan underscores the importance of working together to create a society where everyone has access to housing, thereby ensuring we have collective impact in providing better futures for all Australians.

We trust our recommendations outlined above are seriously considered in the development of a much-needed national approach to address homelessness and housing affordability.