

Position Statement on Social and Affordable Housing

May 2022

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1. Introduction

The *Universal Declaration of Human Rights* recognises housing as part of the right to a standard of living adequate for health and wellbeing.¹ Lack of social and affordable housing can lead to significant health and wellbeing impacts, many of which have been exacerbated by the COVID-19 pandemic. Conversely, increased access to housing supports improved employment and education participation, better connections with local social networks, and reduced demand for health and other services.

In 2020, Brimbank's Estimated Resident Population was 208,247, and the population is forecast to steadily grow to 243,386 by 2041. Brimbank is one of Australia's most culturally diverse communities, with almost half our residents born outside Australia, and more than half speaking a language other than English at home. However, we also have considerable pockets of socioeconomic disadvantage, alongside the highest incidence of homelessness in Melbourne's west.²

There is an urgent need for social and affordable housing in Brimbank. Research commissioned by Council estimates a shortfall of more than 4,000 dwellings, with highest need amongst very low income and single adult households.³ To provide some context, there are currently around 1,500 households currently living in social housing in Brimbank.⁴

1.1. Policy and funding context

The Federal and State Governments are primarily responsible for setting the policy and funding context for social and affordable housing. The Federal Government funds homelessness services, offers low-cost financing for social housing projects, and provides payments to individuals through Commonwealth Rent Assistance. The Victorian Government oversees the state's public housing system and provides funding to registered housing agencies to manage community housing. It is also responsible for setting land-use planning policy frameworks, including an objective within the *Planning and Environment Act 1987* to 'facilitate the provision of affordable housing'.

The State Government's role continues to be underpinned by the Big Housing Build program, a \$5.3 billion investment that aims to construct more than 12,000 social and affordable housing dwellings across Victoria. Brimbank is identified as one of 21 priority local government areas within the program. More information on the roles of the Federal and State Governments is provided in Appendix One.

The role of local government has traditionally focussed on advocacy and land-use planning. More broadly, provision of social and affordable housing is an important element in maintaining socially and economically diverse communities. The COVID-19 pandemic has exacerbated existing inequities in Brimbank, with higher levels of

¹ United Nations General Assembly (1948) *Universal Declaration of Human Rights,* proclaimed 10 December 1948, www.un.org/en/about-us/universal-declaration-of-human-rights, accessed November 2021.

² Australian Bureau of Statistics (2018) *Census of Population and Housing: Estimating homelessness 2016*, Cat. No. 2049.0 ³ Affordable Development Outcomes (2020) *Affordable Housing in the City of Brimbank: Detailed Needs Assessment*,

prepared for Brimbank City Council. Please note that this estimate is based on data from the latest available Census of Population and Housing (from 2016) and, in the absence of significant recent supply, remains an accurate estimate of current need in Brimbank.

⁴ .id Consulting (n.d.) 'City of Brimbank Community Profile', https://profile.id.com.au/brimbank, accessed November 2021

unemployment and reliance on income support, alongside growing incidences of homelessness and housing stress.

Programs such as the Big Housing Build also create opportunities for local government to play a 'facilitator' role by encouraging private developers and registered housing agencies to work together to attract funding and deliver projects. A small number of councils have gone a step further by playing a more active role as a 'partner', wherein direct contributions are made in the form of land or other assets to registered housing agencies who then build and manage social and affordable housing to meet local needs.

1.2. Aim and purpose

It is therefore timely for Council to develop a formal position on social and affordable housing. This Position Statement is informed by local research, stakeholder engagement and an understanding of current funding and policy contexts. It aims to encourage and support increased supply of social and affordable housing in Brimbank.

More specifically, the purpose of this Position Statement is to:

- articulate Council's position on social and affordable housing to Brimbank residents and other key stakeholders
- outline the principles, roles and pathways that will guide Council's decisions and actions to encourage and support increased local supply
- lay the foundations to further grow and develop Council's approach to social and affordable housing.

The Position Statement will strengthen and complement Council's existing practices and establish pathways that Council may pursue to address the shortfall in supply. It will also support closer and stronger engagement with Brimbank residents and other key stakeholders such as developers, landowners, planning and development consultants, registered housing agencies, peak bodies, health and community service providers, and other levels of government.

What is social and affordable housing?

Affordable housing is a broad term that refers to housing which is affordable for lower income households. It is defined in the *Planning and Environment Act 1987* as 'housing, including social housing, which is appropriate for the housing needs of very low, low and moderate income households'.

Income ranges for household groups are published annually by the Victorian Government and form part of the definition under the legislation.⁵ The Victorian Government has also established key criteria that need to be considered when determining whether housing is appropriate for the needs of very low, low and moderate income households, including:

- type of housing (in terms of form and quality)
- location (in terms of site location and proximity to amenities, employment and transport)

⁵ See Governor in Council Order (2021) *Planning and Environment Act 1987, Section 3AB – Specification of Income Ranges for Affordable Housing,* June 2021.

integration (in terms of the physical build and local community).⁶

Affordable housing includes various housing types which exist on a continuum, ranging from crisis and short term housing to affordable purchase housing (see Figure 1). Social housing is a component of affordable housing. It includes public housing (owned or managed by the Victorian Government) and community housing (owned or managed by a registered housing agency).



Figure 1: The housing continuum (Source: Affordable Development Outcomes)

Residents of social housing typically pay no more than 30 per cent of their income on housing costs, with funding gaps generally met though government subsidy. However, most types of affordable housing require some level of subsidy to ensure their economic viability, and private developers and registered housing agencies may also contribute to some of these costs.

3. Statement of Intent

This Statement of Intent summarises Council's position on social and affordable housing:

Brimbank City Council recognises access to safe, secure and affordable housing as a fundamental human right and key determinant of health and wellbeing. It is the responsibility of all levels of government to uphold this right. Within its jurisdiction, Council will seek to encourage and support increased supply of social and affordable housing to meet the current and future needs of our community.

This Statement reflects the urgent need for social and affordable housing in Brimbank. Housing stress, homelessness and social housing waiting lists have all increased over the past decade, while housing affordability in the private market has declined substantially. These factors have contributed to an estimated shortfall of more than 4,000 social and affordable housing dwellings in the municipality.

4. Principles

The following principles underpin Council's efforts to encourage and support increased supply of social and affordable housing in Brimbank:

• **Human rights** - 'adequate housing' is recognised in the United Nations' Declaration of Human Rights as part of the right to an adequate standard of living.

⁶ Victorian Government (2018) *Ministerial Notice – Specified Matters under Section 3AA(2) of the Planning and Environment Act 1987*, May 2018.

- **Equity** access to safe, secure and affordable housing supports a more equitable community, and helps to protect Brimbank's distinctive social and cultural diversity.
- **Flexibility** a range of social and affordable housing models are required to meet local need, including market-facing 'affordable by design' housing, developer-subsidised affordable housing, and government-funded social housing.
- **Collaboration** increasing the supply of social and affordable housing relies on the involvement of many groups and organisations, including government agencies, developers, registered housing agencies, service providers and local communities.

5. Roles

Local government can play various roles to encourage and support increased supply of social and affordable housing. These roles are related and may complement each other, with Council often playing several roles across the life of a project or within the broader municipal context.

Three core roles are identified in this Position Statement: Advocate, Facilitator and Planner (see Figure 2). These reflect Council's current practice and are well-established across the local government sector in Victoria. A focus on these roles enables Council to pursue pathways to support and encourage social and affordable housing that do not require Council to take on a direct contributor role.

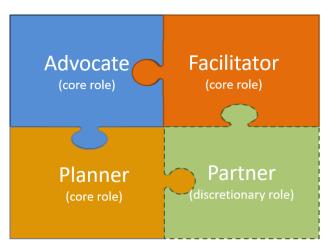


Figure 2: Council's roles in regards to social and affordable housing

If circumstances permit, a discretionary 'partner' role may also be explored, subject to future Council priorities and external funding opportunities. This role requires significantly more investment and typically delivers supply at a lower scale relative to overall need. While the majority of Victorian local governments are not active in this role, a small number of local governments are exploring the use of Council-owned assets and other contributions as a means to address local need.

In line with the broad directions and priorities set out in the 'Together We Are Brimbank' Plan (incorporating the Community Vision 2040, Council Plan 2021-2025 and Municipal Public Health and Wellbeing Plan), Council will focus on the roles described below.

Advocate (core role)

Council plays a key role in representing the local community and advocating for its interests. Its role extends to targeted, strategic and coordinated advocacy which

encourages and supports increased local supply, while deterring 'cost shift' or other adverse impacts on Council and local communities. Council's work under the Advocate role includes engaging with decision-makers within other levels of government, as well as peak bodies, industry and other key stakeholders. It also includes the development of a range of submissions to represent the views of Council (and local communities) to inform government inquiries, policy development and other related projects.

Facilitator (core role)

Delivering social and affordable housing requires multiple organisations to contribute and share resources. Council plays an important role in building relationships and brokering partnerships between registered housing agencies, developers, government agencies and other key stakeholders. It can also build community awareness and improve understanding of how social and affordable housing contributes to more diverse, healthy and safe communities. Council can also facilitate outcomes by engaging with a wide range of stakeholders, including government agencies and neighbouring councils to identify current need and future priorities, and represent the views of local communities.

Planner (core role)

Council plans for the efficient, orderly and appropriate use of land in Brimbank, including through planning permit assessment processes, planning scheme amendments, and the preparation of strategies, policies and plans. Council plays a key role through encouraging and negotiating social and affordable housing contributions through discretionary policy and voluntary agreements, although current Victorian state and local planning mechanisms do not mandate provision. This is a complex undertaking and recent changes to planning provisions associated with the Big Housing Build, and other planning reforms have also reduced Council's decision-making powers for a range of social and affordable housing projects (more information is provided in Appendix One).

Partner (discretionary role)

Subject to future priorities and resources, Council may play a discretionary role through partnerships to deliver social and affordable housing by exploring the use of Councilowned assets or other contributions. This typically takes the form of below-market lease or sale of a Council-owned asset to a registered housing agency, but a small number of councils have established a 'Special Purpose Vehicle' (such as a housing trust or company limited by guarantee). This is the most resource intensive role that local government can play and is constrained by Council's financial position, core responsibilities, and legislative requirements under the *Local Government Act 2020*. Further investigation is required to better understand, anticipate and determine the nature and extent of Council's future activities within this role.

6. Pathways

Guided by this Position Statement, Council will pursue a range of pathways to encourage and support increased supply of social and affordable housing in Brimbank.

Advocate (core role)

 Advocate to the Federal and Victorian Governments and other key stakeholders for increased, ongoing and equitable investment in suitable and well-maintained social and affordable housing, complemented by detailed strategies that recognise and respond to key issues and create pathways to safe, secure and affordable housing.

- 2. Advocate to the Victorian Government for the phased introduction of consistent state-wide planning controls for the provision of social and affordable housing to capture and share value created through development.
- 3. Advocate to the Federal and Victorian Governments for the inclusion of social and affordable housing on suitable government-owned land and within significant government-led infrastructure and urban renewal projects.

Facilitator (core role)

- 4. Engage with registered housing agencies, landowners, developers, service providers and other key stakeholders to build relationships, broker partnerships, and encourage funding applications that increase local supply and improve support for households living in social and affordable housing in Brimbank.
- 5. Work across Council and with local communities to build awareness and improve understanding of social and affordable housing, support integration into local neighbourhoods, and encourage informed and timely input on relevant projects.
- 6. Engage with government agencies, neighbouring councils and other key stakeholders to clarify roles and responsibilities, identify current need and future priorities, and represent and inform local communities.

Planner (core role)

- 7. Seek to negotiate voluntary social and affordable housing outcomes on appropriate sites when processing planning permit applications for use and development, and planning scheme amendments seeking to amend planning controls and provisions including rezoning.
- 8. Incorporate further direction on social and affordable housing in the Brimbank Housing Strategy, including guidance on housing need, policy objectives, potential locations, and proposed planning actions seeking to strengthen social and affordable housing outcomes through the Brimbank Planning Scheme.
- 9. Further develop and apply proactive and coordinated processes to support Council's assessment (where Council is the responsible authority) of planning permit applications that include a social and/or affordable housing contribution.
- 10. Enhance skills, knowledge and capability within Council to engage, understand and negotiate with developers, registered housing agencies, residents and other key stakeholders to achieve improved social and affordable housing outcomes.

Partner (discretionary role)

11. Monitor opportunities and incentives for Council to use its assets or other contributions to support increased local supply and, where appropriate, undertake further investigation to anticipate and assess the implications and impacts of Council's participation in social and affordable housing partnership projects.⁷

⁷ Investigation may include (but is not limited to) an analysis of the suitability of different models for contributing Council assets (e.g. sale, lease, Special Purpose Vehicle), potential yield over time, cost to Council (including actual and opportunity costs), estimated social return investment, case studies from other Victorian Councils, and an assessment of relevant Council assets to determine suitability and feasibility for use in any future social and affordable housing projects.

7. Implementation and Monitoring

The Position Statement provides ongoing direction for Council in its efforts to increase supply of social and affordable housing in Brimbank. It complements other Council plans, policies and strategies, including the Home and Housed Strategy.

Annual implementation plans will be prepared outlining priority pathways, and will be informed by available resources, current priorities, and any emerging issues or opportunities. Where additional resources are required, these will subject to Council's annual budget processes and/or external funding opportunities.

Progress will be monitored and reported via Council's existing processes, which may include an Annual Report Card, Council Plan Annual Action Plans and/or Council's Annual Report. The Position Statement will be reviewed within four years from the date of Council adoption to ensure it takes account of contemporary policy and funding contexts and relevant Council plans, policies and strategies.

8. Appendices

8.1. Appendix One: Context for social and affordable housing in Brimbank

8.1.1. Location

Brimbank is an established middle-ring municipality with an estimated resident population of 208,247 as at June 2020. It is set to grow gradually over the next 20 years, although some neighbourhoods expected to grow more quickly. Brimbank currently has limited housing diversity, with almost two-thirds of dwellings comprising separate houses with three or more bedrooms.

Brimbank has considerable pockets of disadvantage and, at the time of the 2016 Census, was the second most disadvantaged municipality in Greater Melbourne. The COVID-19 pandemic has contributed to higher levels of unemployment and is likely to increase housing stress for many households in the short to medium term. Additionally, many lower income households require (often multiple) vehicles to access day-to-day needs due to a lack of feasible alternative modes of transport, further constraining household finances and their capacity to meet rising housing costs.

At the same time, Brimbank is set to be transformed over the next 20 to 30 years. 'Plan Melbourne 2017-50' identifies Sunshine as a Metropolitan Activity Centre and a National Employment and Innovation Cluster. It has also been designated as a Priority Precinct by the Victorian Government and will be a key node in the Melbourne Airport Rail Link project. This investment will bring increased opportunities for jobs, education, health services, transport connectivity and open space, while also presenting opportunities for social and affordable housing through new residential development.

Brimbank's proximity to Melbourne's Central Business District and relative affordability also make it an attractive development proposition. However, it has relatively few larger development sites that typically provide greater scope for social and affordable housing. It also faces many of the development challenges experienced across other parts of Melbourne, including legacies of industrial development, an under-resourced transport network, and the need for effective protection of the natural environment. Additionally, while some developers are committed to affordable housing, the economic feasibility of the affordable housing component can be tenuous, particularly if considered after land has been acquired or within an uncertain policy or community context.

8.1.2. Policy and funding context

The State and Federal Governments are primarily responsible for setting the policy and funding context for social and affordable housing in Victoria and Australia (see Table 1). The Federal Government's role includes funding for homelessness services and public housing maintenance and construction, low-cost financing for housing agencies and other levels of government, and direct payments to individuals through Commonwealth Rent Assistance. In 2021-22, the Federal Government allocated \$419 million to Victoria under the National Affordable Housing and Homelessness Agreement, and will spend more than \$5 billion on Commonwealth Rent Assistance nationally.

FEDERAL GOVERNMENT VICTORIAN LOCAL GOVERNMENT GOVERNMENT Housing demand Taxes and duties Rates Tax incentives, e.g. negative Stamp duty Minor infrastructure gearing, capital gains tax Land tax Roads and minor infrastructure reduction **Public and community** Libraries and community spaces Migration policy housing Planning laws Home ownership Funding public and community Land use zoning Capital gains tax reduction housing, e.g. Big Housing Build Planning permits and planning First home buyer schemes scheme amendments Transfer to community housing Home value exclusion from Age organisations Pension eligibility Home ownership Social housing investment First Home Owner Grants National Housing and Homelessness Agreement Stamp duty and other exemptions National Housing Finance and **Investment Corporation** Other exemptions **Income support** Land release Commonwealth Rent Assistance Release of public nonresidential land Major infrastructure funding Major infrastructure funding City Deals Transport, health care and National Housing Infrastructure education **Facility Planning laws** Oversight of the Victorian

Table 1: Government roles and responsibilities in the Australian housing system (Source: adapted from AHURI (2019) *Understanding of the 30:40 indicator of housing affordability stress* cited in City of Melbourne's *Affordable Housing Strategy 2020-2030*).

Planning System

The Victorian Government's role includes funding and regulation of social housing, including management of approximately 64,000 public housing properties across the state (around 1,500 in Brimbank). It also oversees Victoria's planning system and the regulation of private building, housing and rental markets, while supporting the implementation of an objective within the *Planning and Environment Act 1987* to 'facilitate the provision of affordable housing'. More broadly, the Victorian Government's Ten Year Strategy for Social and Affordable Housing will provide a framework to guide action by all key stakeholders (including local government) who play a role in the social and affordable housing system in Victoria.

The Victorian Government's funding for social and affordable housing is currently directed through the Big Housing Build program, which aims to construct more than 12,000 new social and affordable housing dwellings by 2024. To streamline the implementation of the Big Housing Build, the Victorian Government introduced changes to the Victoria Planning Provisions in December 2020. These apply to projects funded through the Big Housing Build (Clause 52.20), and for housing by or on behalf of the Director of Housing (Clause 53.20).

Where Clause 52.20 applies, projects are exempt from normal planning scheme requirements and may not require a planning permit provided certain requirements are met. Rather, they are subject to the approval of the Minister for Energy, Environment and Climate Change. Prior to seeking approval from the Minister, there is an expectation that the proponent will undertake and document public consultation (including with Council) on relevant plans, documents and information, although timeframes have been relatively short for this to occur through the initial implementation.

Where Clause 53.20 applies, the Minister for Energy, Environment, and Climate Change is the responsible authority for projects with ten or more dwellings and all apartment projects. Council remains the responsible authority for projects with nine or fewer dwellings. In either case, projects are subject to a planning permit application assessment, although they are exempt from third party notice and review rights. Projects under Clause 53.20 are also exempt from most planning scheme provisions and are instead required to consider the development standards in Clause 52.20, which include requirements in relation to energy efficiency and accessibility for apartment buildings.

At the local government level, the 'Together We Are Brimbank' Plan recognises demand for social and affordable housing as a significant issue and, through Council's health and wellbeing priorities, highlights the need to improve access. The Sunshine Priority Precinct Vision 2050 also highlights opportunities to include a vibrant and inclusive mix of social and affordable housing options to meet the needs of lower income households. More broadly, Council's Home and Housed Housing Strategy recognises the need for improved access to diverse and affordable housing, and the Brimbank Planning Scheme, which controls land use and development in the municipality, reflects land use and development objectives in the Council Plan and other adopted strategies and policies.

The Brimbank Social Justice Charter identifies housing insecurity as a barrier to social justice, highlighting that people experiencing insecure housing or homelessness are more vulnerable to inequality and discrimination. The Brimbank Climate Emergency Plan 2020-2025 highlights that housing needs to be retrofitted, and built for the future hotter and drier climate context that will be punctuated by more extreme weather events including severe storms, including for vulnerable groups who may be living in social and affordable housing. And finally, the draft Disability Action Plan 2022-2025 seeks to improve accessibility in the built environment, including for footpaths, parking and kerb ramps.

8.1.3. Need

A diverse range of households in Brimbank need increased access to social and affordable housing. Some households may only need access at a point in time, while others may need it as a longer term arrangement. Demand has increased over the past decade, with reduced housing affordability and longer social housing waiting lists contributing to increased rates of housing stress and homelessness. Figure 2 shows a range of indicators of social and affordable housing demand in Brimbank.

Research commissioned by Council in 2020 estimates a current shortfall of more than 4,000 affordable housing dwellings in Brimbank. This shortfall will increase to more than 5,000 by 2041 if no action is taken. To put this into context, it is estimated that almost half of the new dwellings built in the next 20 years would need to be social and affordable housing to meet forecast demand.

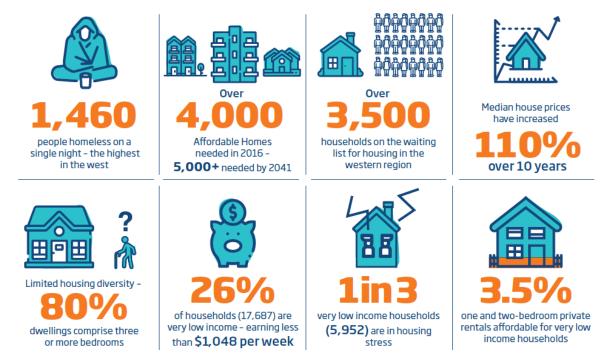


Figure 3: Indicators of affordable housing demand in Brimbank (Source: Affordable Development Outcomes)

There is particular need for affordable rental accommodation within very low income households. Families are the biggest cohort within this group, with 2,478 very low income family households (85 per cent of this group) experiencing rental stress. High levels of rental stress also exist for very low income single adults (882 households, 75 per cent) and couples (404 households, 76 per cent).

While many larger households experience housing stress, limited housing diversity contributes to significant demand within single adult households across all income groups. For example, a total of 1,537 single adult households (64 per cent of this group) experience rental stress in Brimbank. Research concludes that affordable housing provision should initially prioritise smaller dwellings that are close to public transport and activity centres, with housing primarily allocated to very low and low income households.

8.2. Appendix Two: Key definitions

Affordable Housing

Affordable housing is a broad term which refers to housing that is affordable for lower income households. It is defined in the *Planning and Environment Act 1987* as 'housing, including social housing that is appropriate for the housing needs of very low, low and moderate income households'.

Homelessness

There is no single agreed definition of homelessness. The Australian Bureau of Statistics definition states that a person is considered homeless if they do not have suitable accommodation alternatives and their current living arrangement is inadequate; has no, short or non-extendable tenure; or does not allow them to have control of, and access to, space for social relations. A cultural definition of homelessness (developed by academics David MacKenzie and Chris Chamberlain) includes three categories:

 Primary homelessness is experienced by people without conventional accommodation, e.g. sleeping rough or in improvised dwellings

- Secondary homelessness is experienced by people who frequently move from one temporary shelter to another, e.g. emergency accommodation, youth refuges, 'couch surfing'
- Tertiary homelessness is experienced by people staying in accommodation that falls below minimum community standards, e.g. boarding housing and caravan parks.

Housing Affordability

Housing affordability refers to the relationship between expenditure on housing (prices, mortgage payments or rents) and household income. Housing affordability is a particular issue for lower income households who have reduced financial resources available to meet housing costs.

Housing Stress

A lower income household (those in the lowest 40 per cent of incomes) is considered to be in 'housing stress' when it is paying more than 30 per cent of gross household income on rent (the '30/40 rule').

Inclusionary Zoning

The Australian Housing and Urban Research Institute (AHURI) defines inclusionary zoning as 'land use planning intervention by government that either mandates or creates incentives so that a proportion of a residential development includes a number of affordable housing dwellings'. With the Australian context, inclusionary zoning has been implemented (to varying degrees) in South Australia, New South Wales and the Australian Capital Territory.

Registered Housing Agency

A not-for-profit organisation that is a company limited by shares or guarantee, an incorporated association, or a co-operative, registered under the *Housing Act 1983*. Registered housing associations are regulated by the Victorian Housing Registrar, with a purpose to own, manage and/or develop affordable rental housing.

Responsible Authority

The Victorian Government's technical guide on the Planning and Environment Act 1987 defines a responsible authority as 'the body responsible for the administration or enforcement of a planning scheme or a provision of a scheme'. A responsible authority considers and determines planning permit applications and ensures compliance with the planning scheme, permit conditions and agreements. The responsible authority is usually the municipal council.

Social Housing

Social housing is made up of two types of housing. Public housing is long-term rental housing that is owned and managed by the Victorian Government for eligible households, including people who are unemployed, on low incomes, live with a disability or mental illness, or who are at risk of homelessness. Community housing is secure, affordable, long-term rental housing that is owned or managed by a registered housing agency, who may specialise in housing for a diverse range of tenants including women and children escaping family violence, people with a disability, or households with lower incomes.

Brimbank City Council

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