



Brotherhood
of St Laurence

Working for an Australia free of poverty

ABN 24 603 467 024

Brotherhood of St Laurence
67 Brunswick Street
Fitzroy 3065 Victoria Australia
Telephone: 03 9483 1183
Facsimile: 03 9417 2691
DX 282 Melbourne

16 November 2017

Legal and Social Issues Committee
Parliament House, Spring Street
East Melbourne Victoria 3002
Via email: phrp@parliament.vic.gov.au

Dear Committee Members,

Inquiry into the Public Housing Renewal Program

Urgent action is needed on affordable housing

There is a housing crisis facing low-income Victorians. Secure, affordable and appropriate housing is the bedrock of every household. Housing is fundamental to success in education, holding down work and general wellbeing. Affordable housing in locations accessible to job opportunities is pivotal to our state's productivity and economic growth. Victoria's recent 30-Year Infrastructure Strategy emphasised the need for affordable properties for low-income households in areas with good access to jobs and services. It concluded that 'while the cost of improving housing for vulnerable Victorians will be significant, not acting will come at even greater costs to society and the economy, which will be felt by generations to come'.

This requires comprehensive action from all levels of government – federal, state and local – and new, bold and innovative approaches. To this end, the Brotherhood of St Laurence recognises and commends the Victorian Government's commitment to and investment in a range of measures to boost the supply of affordable housing. Nevertheless, much more needs to be done. Expansion and renewal of public housing, which has suffered decades of underinvestment, is but one critical element of this.

Careful design of the Public Housing Renewal Program is critical

If designed well, Victoria's Public Housing Renewal Program presents an opportunity to demonstrate best practice redevelopment that delivers significant public value. The program has the potential to leave a lasting legacy that significantly boosts affordable housing in job-rich areas, supports increased social and economic participation of social housing residents, and delivers local community benefits.

The Brotherhood calls on the Inquiry to make the following recommendations about the design of the Public Housing Renewal Program:

Require the PHRP to achieve a much greater increase in public housing capacity (measured in bedrooms and dwellings) than the proposed 10% uplift and also incorporate affordable rental housing for low income earners on the sites.

The proposed 10% increase to social housing through the PHRP could generate as few as 110 additional dwellings overall – a marginal increase when you consider the unmet demand for social housing in Victoria of around 35,000 households. Sale of such significant publicly owned sites in prime areas needs

to deliver far better public housing outcomes. While there is insufficient information publicly available to calculate what the optimum increase might be on each site, projected dwelling numbers on the Flemington site (200 public housing units to be replaced with 220 and 850 market dwellings to be constructed) highlight the opportunity to achieve much greater public housing outcome figures if the balance between tenure types is altered.

In measuring capacity increase, consideration needs to be given to both the number of public housing dwellings and the number of bedrooms. A mix of dwelling sizes with adaptable design is needed to meet the needs of current tenants (so they can meaningfully exercise their right of return) and those on the priority wait list. We are mindful that in both the Carlton and Ashburton redevelopments there was an increase in dwellings, but a decrease in bedrooms because smaller dwellings replaced larger ones. Careful attention would be needed to ensure larger families are not excluded.

The PHRP sites also create a unique opportunity for the provision of affordable rental housing for low income earners at various price points. We are inspired by redevelopments elsewhere (e.g. the Ivanhoe Estate in Sydney) which have delivered substantial increases in public housing, together with affordable rentals for low-income households, private dwellings and community assets.

While recognising this will substantially change the equation for private developers, it is critical that Victoria gets strong social returns from the sell-off of such strategically located public land. This must include achieving a significant increase in public and affordable rental options to enable those on lower incomes to actively participate in Victoria's dynamic and changing labour market. If it is not financially feasible for private sector developers to achieve a higher social housing dividend, other models for delivery or additional development incentives ought to be explored.

Create a legacy of increased economic participation among social housing tenants by using procurement processes associated with the Public Housing Renewal Program (construction and future site operation) to open up training and employment opportunities.

With joblessness as high as 80% in some public housing estates, there is an imperative to more closely integrate social housing assistance with employment assistance, social procurement initiatives and related reforms (such as reducing the financial disincentives for tenants to take up work that exist in rent rules).

It is the Brotherhood's experience that many tenants of working age wish to gain paid employment – or increase their hours if underemployed – but face substantial systemic and personal barriers to doing so:

The **Community Safety Information Service** – a supported traineeship for security and concierge services in some of Melbourne's high-rise public housing estates – is delivered by the Brotherhood. Around 80% of participants transition to mainstream employment, often in the security industry, upon completion of their traineeship. The service is procured by the Victorian Government (Office of Housing) at a rate competitive with engaging a private security company, yet provides significant additional value for money by improving safety, empowering communities, providing pathways into sustainable employment, and opening up housing options for tenants who gain steady employment. It has also provided positive role models, by demonstrating the capacity of public tenants to be both functional employees and service providers in their own communities.

The Victorian Government funded **Work and Learning Centres** (in Fitzroy/Carlton, Moe, Shepparton, Geelong, Ballarat) are very effective at supporting highly disadvantaged jobseekers, including many public housing tenants, to build their skills and secure employment. In the 2016/17 financial year, the Work and Learning Centres assisted 572 people into work; 165 to complete accredited training; and 571 to complete non-accredited training.

Major opportunities exist to generate employment opportunities for tenants (and other disadvantaged jobseekers) through the Public Housing Renewal Program, by requiring training and employment outcomes as part of the commissioning processes for the redevelopment (e.g. construction, landscaping) and future operation of the sites (e.g. aged care; concierge; cleaning and maintenance services).

To support practical realisation of this approach, it is critical that successful tenderers be required to connect with experienced intermediaries that can assist in preparing disadvantaged jobseekers to successfully sustain work. Existing state-funded employment services – including the Jobs Victoria Employment Network providers and the Work and Learning Centres – could be leveraged. Previous attempts to achieve employment outcomes for disadvantaged jobseekers have revealed the challenges of contracting for outcomes without embedding the support of an intermediary. Contractors are unlikely to meet targets if left to reach out to disadvantaged jobseekers themselves and may have a negative experience if jobseekers are not adequately prepared and supported once in work.

Intermingle social, affordable and private housing throughout the sites in small clusters, so that they are indistinguishable by tenure type and include shared spaces that can be equally accessed by all site residents.

Redevelopment sites are at risk of social polarisation unless there are efforts to foster an authentic mix of households along the income spectrum (i.e. social, affordable rental and private housing) and a design that fosters the integration of residents. The previous redevelopment of public housing in Carlton and the current redevelopment in Ashburton have marked design differences between tenure types. In Carlton, tenure types are separated, they look different, and only private residents have access to the main garden/BBQ area, with no common shared space for social interaction. Further, with no affordable rentals in the mix, there is a substantial gap in the socioeconomic circumstances of residents. Research undertaken by the Brotherhood in partnership with Flinders University and VicHealth into the Carlton development (attached) also revealed some private purchasers were not made aware of the tenure mix at the time of sale. This outcome should not be replicated in the new PHRP sites.

Amplify the voices of current public housing residents to shape and inform the renewal process by:

- **continuing and enhancing residents group models in place in other estates**
- **developing an Agreement between agencies and developers undertaking the PHRP, public housing residents and their representatives**

The interests of public housing tenants need to be front and centre of decisions about the timing, design and delivery of the PHRP. Existing resident reference groups ought to be empowered and equipped to participate in and inform decision making.

Consideration should also be given to developing a Heads of Agreement between developers, support agencies, affected tenants and their representatives (e.g. the Public Tenants Union) to document outcomes being sought, and the roles and responsibilities of key stakeholders. Inspiration can be drawn from the work of Shelter NSW, the Tenants' Union of NSW and the City Futures Research Centre UNSW, informed by focus groups with social housing tenants with lived experience of renewal projects. The resulting Compact for Renewal provides a roadmap for undertaking renewal in a way that respects, supports and empowers current tenants based on five key principles backed by tangible implementation requirements: respect for tenants; acknowledgment that renewal has damaging and disruptive impacts; commitment to mitigate and minimise impacts; commitment to real engagement;

and a fair share of the benefits of renewal to accrue to tenants. The Victorian PHRP would benefit from a similar Agreement between key stakeholders.

The Brotherhood gratefully acknowledges the preliminary research by Transforming Housing (University of Melbourne) which has informed this submission. We stand ready to assist the Committee in its work. Please contact my office on (03) 9483 1327 if we can help further.

Yours sincerely,

Tony Nicholson

Executive Director

Attachment: *Experiences of relocation in and around the Carlton Redevelopment Project, Stage 1*
Brotherhood of St Laurence, Flinders University and VicHealth, 2013.