

### 3 Presentation of officer reports

#### 3.1 Draft Social and Affordable Housing Compact

##### Executive Summary

###### Purpose

The purpose of this report is to provide an overview of the draft Social and Affordable Housing Compact (draft Compact), which has been developed by the Victorian Government in collaboration with the Municipal Association of Victoria (MAV) (**Attachment 1**). The report also seeks the Urban Planning Delegated Committee's endorsement of the Council's response to Homes Victoria on the draft Compact in the context of Council's position that local government is not responsible for the provision of public, social and affordable housing, and coordination of relevant support services for these residents.

###### Background

In November 2020, as part of the Big Housing Build, the Victorian Government committed to working with the MAV to develop a 'Social and Affordable Housing Compact' (the Compact). The MAV and Homes Victoria have been working on the Compact and on 3 June 2022, Homes Victoria wrote to CEOs of all Victorian councils inviting their consultation on the draft Compact (**Attachment 1**). Local government was only provided with seven weeks to review the draft Compact and provide a response by Sunday 24 July 2022.

Homes Victoria describes the draft Compact as being 'a partnership between Homes Victoria and local government as represented by the Municipal Association of Victoria (MAV)'. The draft Compact states it aims to strengthen collaboration between Homes Victoria and local government in the planning, delivery and management of social and affordable housing and homelessness and housing services – to improve and sustain housing outcomes for people with very low, low and moderate incomes across all Victorian communities' (Homes Victoria, 2022).

The draft Compact focuses on Council land being provided for the purposes of public, social and affordable housing and on councils supporting social and affordable housing on private land. The draft Compact also signals a role in the coordination of services, supports and infrastructure by local government for people living in public, social and affordable housing.

The Victorian Government is proposing the draft Compact be signed by both Homes Victoria and the MAV on behalf of local government. The draft Compact is not a legally binding agreement - it is being negotiated and entered in 'good faith' by Homes Victoria and MAV on behalf of local government. It provides a framework for Local Agreements, which will then be negotiated with individual councils or as groups of councils, after the draft Compact is endorsed.

There are concerns about the intent of the draft Compact, as it inappropriately positions local government as having a role and responsibility for the provision of public, social and affordable housing. The timelines for consultation were also extremely tight, which again is concerning given the development of the project commenced in 2020, and local government was given minimal time for input. The concerns are outlined below and in further detail in the report.

### Key Issues

The draft Compact states it is intended to give councils a 'seat at the table' in identifying priorities for social and affordable housing growth in their municipalities. It outlines six objectives, a set of principles and the following four strategic priorities:

1. **drive social and affordable housing growth**, including by investigating and supporting the use of Section 173 Agreements under the *Planning and Environment Act 1987*, and providing a clear pathway for the funding of social and affordable housing projects on council-owned land
2. **identify local priorities for the renewal and development of social and affordable housing**, ensuring this is fully integrated into the local landscape and conforms to local planning schemes
3. **coordinate services, supports and infrastructure for people who live in social and affordable housing** – supported by sharing of information on local housing needs, including the Victorian Housing Register
4. **promote the value of social and affordable housing to communities**, including by sharing good practice engagement strategies and communication materials.

However, the State Government does not outline who is responsible for providing the funding and resources to implement these strategic priorities. It is considered that this is a Victorian Government, and not a Council responsibility, and should therefore be clearly detailed in the draft Compact. Council's current position is clearly outlined in the *Boroondara Housing Strategy 2015*, which states that public, social and affordable housing is a State and Federal Government responsibility.

There are concerns that the draft Compact, in its current draft form, is cost shifting to local government. This is especially concerning in the context of Council's experience with the State Government selling land but not reinvesting those funds back into local public, social and affordable housing, and cost shifting for many services such as libraries, maternal and child health services, building compliance and the school crossing supervisor program. There are also concerns about any cost shifting in relation to coordinating services, supports and infrastructure for people who live in social and affordable housing, as Council does not have a role and receives no funding to undertake this work.

While the draft Compact promises local government that it will ensure any housing developments are fully integrated into the local landscape and conform to local planning schemes, a collaborative partnership between State Government and Council and developments conforming with local planning schemes has not been the experience for recent State Government projects. The Markham Avenue and Bills Street redevelopments are examples where the projects were not in compliance with the Big Housing Build standards (Clause 52.20) and local planning scheme expectations. In addition, traffic and tree issues were not adequately considered. Improvements in the built form outcome and increases in public, social and affordable housing numbers were only achieved through a comprehensive (and time and resource-intensive) advocacy campaign undertaken by Council to improve the overall quality of the projects. The State Government bureaucracy also sought to constrain the ability of Council and its community to provide feedback in response to their proposals. This included refusals to make public the advice of the Office of the Victorian Government Architect. The lack of transparency displayed in Council's dealings with State Government representatives in relation to these two projects provides absolutely no confidence about there being a genuine partnership or a commitment to good planning outcomes.

The draft Compact refers to Council supporting the use of Section 173 Agreements under the *Planning and Environment Act 1987* to drive growth in public, social and affordable housing. However, Section 173 Agreements are often cumbersome to administer, and are voluntary for developers to enter into, which makes them vulnerable to being overridden by VCAT (Victorian Civil and Administrative Tribunal). Developers who voluntarily provide even a very marginal affordable housing contribution as part of development proposals, generally expect increased yield and scale of development and often reduced quality outcomes. Therefore, this approach being applied across the city is not supported. Trading off local amenity for the sake of a relatively minor uplift in affordable housing achieved through this approach is not considered appropriate.

It is instructive that the State Government has over the years sold land it owns in Boroondara, some of which was being used for accommodation, taken the money and not reinvested back into the municipality. There are substantial tracts of government owned land held by agencies like VicTrack, which are underutilised or vacant. The draft Compact fails to reflect any commitments from the State Government beyond what they currently do.

Feedback on the draft Compact was due on Sunday 24 July and the Engage Victoria website noted that a summary of the consultation results was due to be published in July with the draft Compact finalised in August for approval by Homes Victoria and the MAV.

Due to the reasons above, Council should not endorse the draft Compact in its current form. For Council to support the draft Compact, it should be redrafted with the core premise that the responsibility to provide public, social and affordable housing resides with the State Government; it is not a shared responsibility to which ratepayer funds or resources should be committed.

#### Next Steps

As feedback on the draft Compact was due by Sunday 24 July 2022, the CEO wrote to Homes Victoria providing Council's feedback on the draft Compact and advising that a report would be presented to the Urban Planning Delegated Committee meeting on 15 August 2022 seeking endorsement of Council's feedback. A letter was also sent to the MAV from the CEO outlining Council's concerns. Homes Victoria and the MAV will be advised of the outcome of the Urban Planning Delegated Committee meeting.

## **Officers' recommendation**

That the Urban Planning Delegated Committee endorse the response sent by the CEO on 22 July 2022 to Homes Victoria with Council's feedback on the draft Social and Affordable Housing Compact.

**Responsible director:** Carolyn McClean, Director Community Support  
Scott Walker, Director Urban Living

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## 1. Purpose

The purpose of this report is to provide an overview of the draft Social and Affordable Housing Compact (draft Compact), which has been developed by the Victorian Government in collaboration with the Municipal Association of Victoria (MAV) (**Attachment 1**). The report also seeks the Urban Planning Delegated Committee's endorsement of the response to Homes Victoria on the draft Compact in the context of Council's position that local government is not responsible for the provision of public, social and affordable housing and coordination of relevant support services for these residents.

## 2. Policy implications and relevance to community plan and council plan

The Boroondara Community Plan is structured around the following seven priority themes:

- Community, Services and Facilities
- Parks and Green Spaces
- The Environment
- Neighbourhood Character and Heritage
- Moving Around
- Local Economy
- Leadership and Governance.

Advocating for more and improved public, social and affordable housing supports the Community Vision as outlined in the BCP for 'A sustainable and inclusive community'. It also supports the following BCP strategies:

- Strategy 1.2 under Theme 1: Community, Services and Facilities - Health and wellbeing is improved through delivering, facilitating and advocating for services and programs that are accessible and affordable.
- Strategy 4.5 under Theme 4: Neighbourhood Character and Heritage - Better development outcomes are achieved through advocacy to State Government and industry bodies for changes to planning controls and policies.
- Strategy 7.5 under Theme 7: Leadership and Governance - The community's interests are represented by Council, through leadership and strong advocacy to external stakeholders.

Advocacy relating to public, social and affordable housing is also consistent with Council's current position outlined in the *Boroondara Housing Strategy* adopted in 2015.

### 3. Background

In November 2020, the Victorian Government committed to working with local government through the MAV to develop a draft 'Social and Affordable Housing Compact' (the Compact). The MAV and Homes Victoria have been working on the draft Compact and on 3 June 2022, Homes Victoria wrote to CEOs of all Victorian councils inviting their consultation on the draft Compact. Local government only had seven weeks to review and provide a response on the draft Compact by Sunday 24 July 2022.

Homes Victoria describes the Compact as representing 'a partnership between Homes Victoria and local government, represented by the Municipal Association of Victoria (MAV)'. It 'aims to strengthen collaboration between Homes Victoria and local government in the planning, delivery and management of social and affordable housing and homelessness and housing services – to improve and sustain housing outcomes for people with very low, low and moderate incomes across all Victorian communities' (Homes Victoria, 2022).

The draft Compact focuses on Council land being provided for the purposes of public, social and affordable housing and outlines the following four broad strategic priorities for collaboration between Homes Victoria and councils:

1. **drive social and affordable housing growth**, including by investigating and supporting the use of Section 173 Agreements under the *Planning and Environment Act 1987*, and providing a clear pathway for the funding of social and affordable housing projects on council-owned land
2. **identify local priorities for the renewal and development of social and affordable housing**, ensuring this is fully integrated into the local landscape and conforms to local planning schemes
3. **coordinate services, supports and infrastructure for people who live in social and affordable housing** – supported by sharing of information on local housing needs, including the Victorian Housing Register
4. **promote the value of social and affordable housing to communities**, including by sharing good practice engagement strategies and communication materials.

The Victorian Government is proposing the draft Compact be signed by Homes Victoria and the MAV on behalf of local government. The Compact is not a legally binding agreement - it is being negotiated and entered into in 'good faith' by Homes Victoria and MAV on behalf of local government.

At the local level, the strategic priorities will be implemented through Local Agreements between Homes Victoria and individual councils or groups of councils. Local Agreements will be negotiated after the draft Compact has been endorsed by Homes Victoria and the MAV and are intended to provide flexibility to develop innovative responses to local needs consistent with the draft Compact's directions, principles, and strategic priorities.

If Council wants to develop a Local Agreement with Homes Victoria, MAV recommends that support is indicated for the draft Compact.

#### 4. Outline of key issues/options

Feedback on the draft Compact was requested by Homes Victoria by Sunday 24 July 2022 by completing an online submission form, which captured information about the Compact and how it could be implemented at a local level. As Council's position in the *Boroondara Housing Strategy* would not support the draft Compact, the CEO wrote to Homes Victoria on 22 July 2022 providing the following high-level feedback rather than completing the submission form on the Engage Victoria website. The CEO also wrote to the MAV outlining Council's concerns.

##### 4.1 City of Boroondara feedback to Homes Victoria on the draft Compact

The City of Boroondara recognises the significant need to increase public, social and affordable housing and homelessness services for very low, low and moderate income earners and has strongly advocated to the State and Federal Governments for these increases. In line with the *Boroondara Housing Strategy* (2015), Council's advocacy has been based on our position that the provision of public, social and affordable housing and homelessness services is a State and Federal Government responsibility, and that Council land and resources will not be divested for such use.

Council interprets the core tenets of the draft Compact as inappropriately positioning local government as having a role and responsibility in the physical provision of public, social and affordable housing and homelessness services, and that it requests Council make its land available for such use.

Therefore, Council cannot support the Compact in its current draft form. For Council to support the Compact it should be redrafted with the core premise that the responsibility to provide public, social and affordable housing resides with the State Government.

Council is concerned that the draft Compact is cost shifting to local government. This is especially concerning in the context of Council's experience with the State Government selling land but not reinvesting those funds back into local public, social and affordable housing, and the cost shifting for many services delivered by Council, such as libraries, maternal and child health services, building compliance and school crossing supervision.

Homes Victoria should provide land and funding for new public, social and affordable housing. It should also resource the Compact implementation and development of Local Agreements, including supporting Council to work with State Government to identify underutilised State Government land for public, social and affordable housing.

It is instructive that there is not a single commitment proposed by the State Government beyond what it already does or has an obligation to do. Any Compact should demonstrate the State Government is offering something beyond business as usual to confirm this is, in reality, a form of partnership.

The draft Compact should also be reviewed so it addresses Council's concerns about the four strategic priorities as outlined below.

***Strategic Priority 1 - drive social and affordable housing growth, including by investigating and supporting the use of Section 173 Agreements under the Planning and Environment Act 1987, and providing a clear pathway for the funding of social and affordable housing projects on council-owned land***

As noted above, Council's position is the provision of public, social and affordable housing is a State and Federal Government responsibility, and Council-owned land should not be divested for such use.

The focus on Council-owned land in the draft Compact is particularly concerning. The State Government should utilise its own land to create a significant uplift in public, social and affordable housing instead of seeking to shift this responsibility to Local Government. Many metropolitan councils may not even have land holdings of sufficient size to be viable for public, social and affordable housing.

Council is also concerned about the focus on supporting the use of 'Section 173 Agreements' under the *Planning and Environment Act 1987* to include public, social and affordable housing. Section 173 Agreements are often cumbersome to administer and are voluntary for developers to enter into, which makes them vulnerable to being overridden by VCAT (Victorian Civil and Administrative Tribunal). Developers who voluntarily provide even a very marginal affordable housing contribution as part of development proposals, generally expect increased yield and scale of development and often reduced quality outcomes. Trading off local amenity for the sake of a relatively minor uplift in affordable housing achieved through this approach is not considered appropriate.

***Strategic Priority 2 - identify local priorities for the renewal and development of social and affordable housing, ensuring this is fully integrated into the local landscape and conforms to local planning schemes***

While strategic priority 2 promises fully integrating housing development into the local landscape and conforming to local planning schemes, this has not been the experience of officers. Council's experience with the Markham Avenue and Bills Street redevelopments has been that the State Government was not in compliance with its own Big Housing Build standards (Clause 52.20), local planning scheme requirements, and that traffic and tree issues were not considered accordingly.

Any improvements in built form and/or increases in public, social and affordable housing numbers were achieved through a comprehensive (and time and resource-intensive) advocacy campaign undertaken by Council to improve the overall quality of the outcome. Council's dealings with State Government representatives in relation to these two projects provides absolutely no confidence about there being a genuine partnership or a commitment to good planning outcomes as outlined in the draft Compact.

***Strategic Priority 3 - coordinate services, supports and infrastructure for people who live in social and affordable housing – supported by sharing of information on local housing needs, including the Victorian Housing Register***

Strategic priority 3 inappropriately positions local government as being responsible for coordinating housing and homelessness services for people living in social and affordable housing and experiencing or at risk of homelessness.

Council holds concerns about potential cost shifting in relation to coordinating services, supports and infrastructure for people who live in public, social and affordable housing, as Council does not have a role and receives no funding to undertake this work. The lack of acknowledgement that this is the responsibility of the State Government is concerning.

***Strategic Priority 4 - promote the value of social and affordable housing to communities, including by sharing good practice engagement strategies and communication materials***

Based on previous experience with the Markham Avenue and Bills Street Public Housing Estates, Council officers are sceptical about the ability of the Victorian Government to commit to strategic priority 4, especially in engaging with the community and Council when undertaking housing developments. During the redevelopments at Markham Avenue and Bills Street, there was a lack of genuine engagement with Council and the community. This includes the dismissal of Council's request for a community room at Bills Street and Markham Avenue to deliver onsite programs and services to replace the community rooms lost due to the redevelopments, where programs and services had been delivered by a range of providers - a missed opportunity to deliver much needed services.

During redevelopments, there was a lack of clarity in the process and a disregard for the feedback from Council and the community. The State Government bureaucracy sought to constrain the ability of Council and its community to provide feedback in response to their proposals. This included refusals to make public the advice of the Office of the Government Architect, inviting the community to meetings without inviting the Ward Councillor or Mayor and refusing to allow the Ward Councillor and Mayor to speak at a community meeting.

The lack of transparency provides Council with absolutely no confidence about there being a genuine partnership or a commitment to good planning outcomes as outlined in the draft Compact.

Based on Council's feedback, it is considered that the draft Compact should be redrafted with the core premise recognising that the obligation to provide public, social and affordable housing resides with the State Government; it is not a shared responsibility to which ratepayer funds or resources should be committed. The draft Compact should also be redrafted to address Council's concerns relating to the strategic priorities as outlined above.

Council is hopeful Homes Victoria and the MAV will update the draft Compact according to Council's feedback. If these changes are made Council would welcome the opportunity to work with the State Government to develop a



meaningful partnership to increase social and affordable housing and homelessness services for very low, low and moderate income earners in Boroondara, especially given the urgent and growing need.

## **5. Consultation/communication**

As noted above, Homes Victoria notified Council of the draft Compact and related consultation on 3 June 2022 and sought feedback on it by 24 July 2022. As part of the consultation process, Council officers from the Community Support and Urban Living Directorates attended consultation sessions held with Homes Victoria and the MAV in late June 2022. The CEO also wrote to Homes Victoria on 22 July 2022 noting Council's concerns with the draft Compact and that endorsement of Council's feedback would be sought from Council at the Urban Planning Delegated Committee meeting on 15 August 2022. The CEO also wrote to the MAV outlining Council's concerns with the draft Compact.

The Engage Victoria website notes a summary of the engagement results was due to be published in July 2022. The website also notes the draft Compact will be finalised and submitted for approval to the MAV and Homes Victoria in August 2022.

The report has been prepared with input from officers from the Strategic and Statutory Planning and Community Planning and Development Departments.

## **6. Financial and resource implications**

The preparation of Council's submission to the draft Social and Affordable Housing Compact was undertaken within the operational budget of the Community Planning and Development and Strategic and Statutory Planning Departments.

## **7. Governance issues**

The implications of this report have been assessed in accordance with the requirements of the Victorian Charter of Human Rights and Responsibilities, particularly those rights associated with respect, equality and dignity.

The officers responsible for this report have no direct or indirect interests requiring disclosure.

## **8. Social and environmental issues**

Safe, secure and affordable housing is a basic human right. While Council works on a number of initiatives to support this outcome, funding for public, social and affordable housing is a State and Federal Government responsibility.

## **9. Conclusion**

As feedback was due to Homes Victoria by Sunday 24 July 2022, the CEO wrote to Homes Victoria on 22 July 2022 advising them of Council's concerns with the draft Compact and noting the feedback would be presented to Council for endorsement. The CEO also wrote to the MAV outlining our concerns. Homes Victoria and the MAV will be advised of the outcome of the Urban Planning Delegated Committee meeting.

**Manager:**            **David Cowan, Acting Manager Strategic and Statutory Planning**  
                             **Fiona Brown, Manager Community Planning and Development**

**Report officer:**    Mila Sumner, Safer Communities Planner (Homelessness),  
                             Community Planning and Development Department  
                             Jessica Donaldson, Principal Strategic Planner, Strategic and  
                             Statutory Planning Department

## SOCIAL AND AFFORDABLE HOUSING COMPACT

### CONTEXT

Homes Victoria and local government, represented by the Municipal Association of Victoria (MAV), enter into this Compact to strengthen collaboration between Homes Victoria and local government in the planning, delivery and management of the social and affordable housing and homelessness and housing service system.

The Social and Affordable Housing Compact is a key commitment of the Big Housing Build, the Victorian Government's \$5.3 billion investment in more social and affordable housing.

This Compact identifies objectives and strategic priorities for Homes Victoria and local government to work together to improve and sustain housing outcomes for people with very low, low and moderate incomes across all Victorian communities. The Compact is intended to give councils a 'seat at the table' in identifying priorities for social and affordable housing growth in their municipalities, enabling the use of council land and improving planning outcomes.

The Compact will build upon the important role that councils have in planning, community engagement, understanding of local housing need, and the delivery of local services, bringing a place-based, people-centred approach to the delivery of social and affordable housing.

### SCOPE AND PURPOSE

This Compact between state and local government identifies a shared vision and strategic priorities for the social and affordable housing system. For the purposes of this Compact, the social and affordable housing system includes state-owned public housing, community housing agency-owned and managed housing, specialist disability accommodation, crisis accommodation, rooming houses, affordable housing, National Rental Affordability Scheme properties, and homelessness and housing support services (see Definitions).

The purpose of the Compact is to:

1. leverage the roles and responsibilities of state and local government in the planning and delivery of social and affordable housing
2. strengthen a shared focus on improving housing outcomes for people on very low, low and moderate incomes across Victoria, supported by sharing of information, analysis and best practice
3. enable growth in social and affordable housing through existing enablers such as Section 173 Agreements under the *Planning and Environment Act 1987*
4. build community understanding of the benefits that flow to individuals, families and communities from social and affordable housing.

### RELATIONSHIP TO OTHER AGREEMENTS

This Compact is not intended to supersede or alter existing contractual arrangements or other agreements between Homes Victoria and councils or MAV.

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The *Victorian State-Local Government Agreement* (VSLGA) 2014 provides an overarching framework to strengthen state-local government relations by committing to improved and sustained levels of communication, consultation and cooperation. It outlines a commitment by both parties to progress social, economic and environmental outcomes for Victorian communities.

This Compact sits beneath the VSLGA and the *Partnership Agreement between the Department of Health and Human Services (now DFFH) and MAV 2018-23* and is based on a spirit of cooperation and a shared commitment to achieve better housing outcomes for people on very low, low and moderate incomes across Victoria.

Consistent with the VSLGA, the parties agree to consult one another on policy initiatives that may have a significant impact on the role of local government in achieving the objectives and strategic priorities set out in the Compact.

The Compact is designed to have state-wide application and to set a framework for the creation of bilateral and multilateral agreements between Homes Victoria and individual councils or groups of councils. These agreements may reflect specific local or regional settings, needs and priorities in social and affordable housing, and provide actions that can be monitored and reviewed over time.

The Compact is not a legally binding agreement but is negotiated and entered into in good faith by the parties and shall be respected accordingly.

The parties agree that in the event of a party stating that one or more undertakings in the Compact is not being fulfilled, the parties will use best endeavours to ensure that that undertaking is satisfied or that an alternative solution is agreed.

## OBJECTIVES

Through this Compact, the parties will collaborate to achieve six objectives for the social and affordable housing system:

1. Grow social housing for people on low incomes or with special needs
2. Facilitate scale in affordable housing to help address the gap in housing supply between the private rental market and social housing
3. Enable self-determination to deliver Aboriginal housing outcomes
4. Support people to lead a life they value by adopting a person-centred housing and service system
5. Reduce homelessness through prevention, early intervention and more integrated, flexible responses tailored to people's needs
6. Create great places to live, embedding good housing and urban design in the future social and affordable housing system

## PRINCIPLES

The parties to this Compact commit to working together in new ways to improve social and affordable housing outcomes for individuals, families and communities. The parties also commit to mutual respect of the role that elected members play in decision-making, and the role that officers at different levels of government play in policy-making and implementation.

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The parties to this Compact agree to act in line with the following principles:

- Putting people at the centre - giving clients and residents agency in the delivery of social and affordable housing and support services
- Using a place-based approach to the planning and delivery of social and affordable housing tailored to local community needs
- Recognising the diversity of local governments across metropolitan and regional Victoria
- Working in a transparent and mutually accountable way to design, plan and deliver on agreed priorities
- Sharing information, analysis and best practice.

## ROLES OF THE PARTIES

This Compact recognises the complementary roles and responsibilities of state and local governments in the social and affordable housing system.

Homes Victoria is part of the Victorian Government's Department of Families, Fairness and Housing (DFFH). Homes Victoria manages Victoria's social housing system, comprising public and community housing, and homelessness services. It is the state's largest housing developer and plays a stewardship role for community housing. It pursues state-wide policies and social reforms that enable a sustainable and effective social and affordable housing system.

Homes Victoria also links to Victorian Government policy and initiatives which are set out in the *Planning and Environment Act 1987*, the Planning Policy Framework, Plan Melbourne 2017-2050 and Homes for Victorians.

Local Government has a statutory and social responsibility for planning for its local community. It supports social and affordable housing outcomes by developing and implementing local planning schemes and designing strategies and policies that respond to local homelessness and housing issues.

The Municipal Association of Victoria is the statutory peak body for Victoria's 79 councils. It represents the interests of local government and advocates on councils' behalf. It brings a state-wide local government perspective to councils' role in delivering their statutory responsibilities for planning for local communities. Councils have a range of interests in supporting social and affordable housing outcomes, including developing and implementing local planning schemes, and designing and facilitating strategies and policies that respond to local homelessness and housing issues.

Each council takes a place-based approach to planning, funding and infrastructure investment, as well as the coordination and delivery of services to address community needs and priorities.

The roles of the Commonwealth Government and non-government service providers as key stakeholders in achieving outcomes are also acknowledged.

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## STRATEGIC PRIORITIES

The following broad strategic priorities will be the focus of collaborative efforts between the parties to this Compact:

- **drive social and affordable housing growth**, including by investigating and supporting the use of Section 173 Agreements under the *Planning and Environment Act 1987*, and providing a clear pathway for the funding of social and affordable housing projects on council-owned land
- **identify local priorities for the renewal and development of social and affordable housing**, ensuring this is fully integrated into the local landscape and conforms to local planning schemes
- **coordinate services, supports and infrastructure for people who live in social and affordable housing** – supported by sharing of information on local housing needs, including the Victorian Housing Register
- **promote the value of social and affordable housing to communities**, including by sharing good practice engagement strategies and communication materials

## IMPLEMENTATION

It is intended that the Social and Affordable Housing Compact will apply for a period of ten years.

Implementation of the strategic priorities will be achieved through a state-wide five-year Compact Implementation Plan that will be reviewed annually. The Compact Implementation Plan will identify specific actions to be undertaken to achieve the strategic priorities, the responsible parties and timeframes for completion. The Compact Implementation Plan will be developed by the Compact Working Group and agreed by the Compact Steering Group (see Governance section).

At the local level, implementation of the strategic priorities will be achieved through Local Agreements between Homes Victoria and individual councils or groups of councils. Local Agreements will provide flexibility to develop innovative responses to local needs, consistent with the Compact's directions, principles and strategic priorities.

Other organisations may also be party to Local Agreements, if agreed by the government parties and consistent with the Compact's directions, principles and strategic priorities.

Local Agreements may:

- identify agreed local priorities for social and affordable housing, underpinned by shared data and information on local housing needs
- develop place-based responses to local housing issues and challenges
- set out the specific roles and responsibilities of each party to the agreement
- establish agreed planning, information sharing, consultation and communication protocols

The development of a framework for Local Agreements will be one of the first actions undertaken by the parties.

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## GOVERNANCE

A Compact Steering Group with representatives of Homes Victoria and MAV will be established to monitor and review the implementation of the Compact, including approval of the Compact Implementation Plan. This will include reviewing how the partnership is achieving the Compact purpose, directions and principles.

A Compact Working Group, comprising staff from Homes Victoria and MAV, will be established to support the implementation of the Compact, develop the Compact Implementation Plan and report on progress to the Compact Steering Group.

The Compact Implementation Plan will be developed in collaboration between the parties, with progress reviewed regularly, including an annual meeting between the Chief Executives of Homes Victoria and the MAV. An annual Compact Roundtable will also be held to enable discussion and advice from representatives from local government, community housing and industry sectors.

Local Agreements will be agreed between Homes Victoria and the participating council(s). The Compact Steering Group will monitor implementation of Local Agreements. The annual Compact Roundtable will discuss insights and case studies from the Local Agreements, to support the sharing of good practice and innovative models to achieve the Compact's directions and strategic priorities.

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## DEFINITIONS

*Affordable housing* Affordable housing is a broad term describing housing suitable for the needs of a range of very low to moderate income households and priced (whether purchased or rented) so these households can meet their other essential living costs. The *Planning and Environment Act 1987* includes a definition of affordable housing as housing appropriate for very-low, low and moderate income ranges. This broad definition includes social housing within it.

For the purposes of this Compact, affordable housing is housing for either purchase or rent by households at a price that ensures households on low or moderate incomes can afford to meet their essential living costs. Under this definition, affordable housing is considered distinct from social housing and sits on the housing continuum between social housing and the private market.

*Social housing* Social housing is secure and affordable long-term rental housing for people on low incomes or with special needs. It includes public housing, owned and managed by the Government, as well as community and Aboriginal housing, run by the not-for-profit sector. Rent is capped relative to household income. Both public and community housing is regulated by the Housing Act 1983.

The Housing Act 1983 defines social housing as:

- (a) public housing; and
- (b) housing owned, controlled or managed by a participating registered agency.

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