



Hon Colin Brooks MP

Minister for Housing
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BAC-CO-37284

The Hon Julie Collins MP
Minister for Housing and Minister for Homelessness
PO Box 6022
Parliament House
CANBERRA ACT 2600

Dear Minister *Julie*

Thank you for your letter of 20 June 2023 regarding the finalisation of the bilateral extension to the National Housing and Homelessness Agreement (NHHA) for Victoria. Please find enclosed a copy of the signed schedule.

NHHA funding is critical to support the provision of core social housing and homelessness assistance, including family violence homelessness programs and support services.

I note that the bilateral schedule has removed references to the Social and Community Services Equal Remuneration Order (SACS ERO). The \$23.6 million in homelessness funding as part of the NHHA is used to cover the Commonwealth's share of SACS ERO and maintaining this funding in future funding arrangements remains a priority for Victoria.

The effects of housing stress, instability, and homelessness are felt most acutely by low -income households, who remain the focus of services funded under the NHHA in Victoria. I look forward to working with you and the Housing and Homelessness Ministerial Council on how future funding arrangements can continue to support Victorians in housing need.

Yours sincerely

Hon Colin Brooks MP
Minister for Housing

22/6/2023

Victoria

NATIONAL HOUSING AND HOMELESSNESS AGREEMENT

PRELIMINARIES

1. This Schedule is an agreement that is a supplementary housing agreement for the purposes of section 15C of the *Federal Financial Relations Act 2009*.
2. This Schedule is intended to replace Schedule E2 of the National Housing and Homelessness Agreement (the Agreement) after 30 June 2023.
3. This Schedule will commence as soon as the Commonwealth and Victoria sign the schedule.
4. This Schedule is to support the terms set out in the Agreement signed by the Commonwealth and Victoria.
5. Unless terminated earlier or extended as agreed in writing by the Parties, this Schedule will expire no later than 30 June 2024.
6. A Party to this Schedule may terminate their participation in the Agreement at any time by giving 12 months' notice of intention to do so, in writing, to the other Party.
7. This Schedule may be varied at any time by agreement in writing of the relevant Commonwealth and State portfolio Ministers.
8. The purpose of this Schedule is to provide an indication of how Victoria intends to implement the conditions of the Agreement.
9. To enable payments to commence from 1 July 2023 to 30 June 2024, Victoria confirms that it satisfies the requirements of clause 17 of the Agreement as at 1 July 2023 and as set out in this Schedule.

PART 1 – FUNDING

The funding allocation for Victoria is estimated to be \$411.1 million general funding and \$25.3 million homelessness funding from 1 July 2023 to 30 June 2024. Actual funding entitlements may vary in line with Clause 42 of the Agreement. The general funding includes additional funding committed on 24 March 2023 for homelessness services.

PART 2 – VICTORIAN HOUSING STRATEGY AND HOMELESSNESS STRATEGY

10. Victoria meets the requirements of sub-clause 17(a) and (b) of the Agreement through the following publicly available documents:

Table 1: Victorian strategies and initiatives

Overview
<p>In Victoria, funding under the National Housing and Homelessness Agreement is used to assist vulnerable people through the provision of social housing and homelessness services. This includes provision of crisis and transitional accommodation, long term social housing, regular upgrades, maintenance, builds and acquisitions along with a range of assistance to prevent homelessness and support people to access and maintain housing.</p> <p>The Victorian Government is addressing the increased demand for housing and homelessness services through comprehensive strategies.</p> <p>Victoria and the Commonwealth acknowledge that the aspirational housing outcomes of the Agreement are a shared responsibility and are influenced by external factors as well as government policies and initiatives. All levels of government need to coordinate effort and work collaboratively to improve outcomes.</p>
Housing
Strategies and reforms
<p><u>Homes for Victorians¹</u></p> <p><i>Homes for Victorians</i> is a comprehensive strategy to address housing and homelessness in Victoria, and commits \$2.7 billion in funding and financial instruments to address the spectrum of housing affordability issues, including social housing and homelessness.</p> <p><u>Big Housing Build²</u></p> <p>Victoria's record \$5.3 billion investment in social and affordable housing will deliver 12,000 new homes across metropolitan and regional Victoria. Overall, the Big Housing Build will increase Victoria's social housing portfolio by 10 per cent.</p> <p>In addition to the Big Housing Build, Victoria is delivering the:</p>

¹ Homes for Victorians <https://www.vic.gov.au/sites/default/files/2019-08/Homes-for-Victorians.pdf>

² Big Housing Build <https://www.homes.vic.gov.au/big-housing-build>

- Social Housing Building Works - \$498 million for the maintenance and upgrade of 23,000 social housing properties across Victoria and building 168 new social housing dwellings. This will fast-track economic recovery and create local jobs. The package aims to provide modern, comfortable and accessible accommodation.
- Social housing energy efficiency upgrades - \$112 million for energy efficient upgrades to 35,000 social housing to provide energy cost savings, improve comfort for tenants and deliver environmental benefits.

Social Housing Growth Fund (SHGF)

Victoria's SHGF is a \$1 billion fund jointly managed between the Departments of Families, Fairness and Housing (DFFH) and Treasury and Finance (DTF) and leverages the state's ability to borrow at low rates and achieve investment returns that are sufficient to fund social housing projects over a long-term basis through availability payments.

The SHGF delivers housing predominantly through the Build & Operate Program (BOP) and the New Rental Development Program (NRDP), which provide grants or availability payments to Community Housing Agencies (CHAs).

As part of the Victorian Government's \$5.3 billion Big Housing Build announced in November 2020, the SHGF received \$1.38 billion to provide upfront grants to CHAs to deliver new social housing, alongside the existing availability payment system.

Victorian Homebuyer Fund

The \$1.6 billion Victoria Homebuyer Fund (VHF) provides shared equity to select new home buyers across regional and metropolitan Victoria.

Plan Melbourne 2017-2050³

Victoria is managing demand in greater Melbourne through *Plan Melbourne 2017-2050*, which outlines a strategy for responding to projected changes in population, jobs, housing and transport. *Plan Melbourne* includes directions and policies to respond to the projected need for 1.6 million additional homes required in Melbourne by 2050⁴.

Victorian Infrastructure Plan

The Victorian Infrastructure Plan responds to Infrastructure Victoria's 30-year strategy, and outlines priorities for Victorian infrastructure to accommodate increased demand across eight sectors. This includes infrastructure priorities relating to social and affordable housing.

Projected demand

Housing

It is projected that an additional 2.3 million dwellings are expected to be required to house the population by 2056⁵.

³ Plan Melbourne <https://www.planmelbourne.vic.gov.au/>

⁴ Plan Melbourne 2017-2050, p2, https://www.planmelbourne.vic.gov.au/_data/assets/pdf_file/0007/377206/Plan_Melbourne_2017-2050_Strategy_.pdf

⁵ Victoria in Future 2019, p8, <https://www.planning.vic.gov.au/land-use-and-population-research/victoria-in-future>

Social housing

Approximately 1,700 additional social housing dwellings will be required in Victoria each year for the next two decades, if social housing levels are to keep pace with overall housing growth⁶.

Homelessness

Strategies and reforms

General homelessness services

Every year, Victoria's specialist homelessness services respond to the needs of more than 100,000 people experiencing or at risk of homelessness⁷. In 2021/22, this included approximately:

- 46,000 women and children escaping family violence
- 8,000 people who were sleeping rough or in an inadequate dwelling when they first presented to services
- 12,000 young people (aged 15-24) presenting alone to services
- 11,168 clients identified as Aboriginal or Torres Strait Islander

Homelessness services in Victoria provide a wide range of supports including:

- initial assessment and planning at 70 access points
- crisis accommodation including 11 adult congregate crisis accommodation sties
- transitional services
- early intervention including private rental assistance and other flexible funding
- dedicated youth services including 22 youth refuges, 13 youth foyers and 3 Education First Youth Foyers
- family violence support
- long-term accommodation with on-site support following the Housing First model.

Youth housing

\$50 million was invested from the Big Housing Build to build more than 130 new homes for young people across Victoria to address youth homelessness and make sure more young Victorians have access to the housing they need.

From Homelessness to a Home

A \$167 million package is providing housing and support packages for 1,845 people experiencing homelessness requiring emergency hotel accommodation due to COVID-19.

⁶ Victoria's social housing supply requirements to 2036, <https://www.vic.gov.au/sites/default/files/2019-06/Victorias-social-housing-supply-requirements-to-2036.pdf>

⁷ Australian Institute of Health and Welfare - Specialist Homelessness Services Annual Report 2021-2022, <https://www.aihw.gov.au/reports/homelessness-services/specialist-homelessness-services-annual-report/contents/clients-services-and-outcomes>

Support packages were made available to assist families and individuals in hotels to move into safe and secure longer-term housing.

Homes for Families

\$66 million has been allocated to support up to 250 families with children currently living in emergency accommodation to secure stable housing and have the support they need to keep it. This will continue to support families with children while longer term housing is sourced.

Victoria's Homelessness and Rough Sleeping Action Plan⁸

Victoria's Homelessness and Rough Sleeping Action Plan provides a comprehensive plan to provide tailored support for people across three priority rough sleeping cohorts, including people recently homelessness and sleeping rough, those sleeping rough for an extended period of time, and those at risk of chronic homelessness and rough sleeping.

The strategy provides a framework for four key areas of reform, including intervening early to prevent homelessness, providing stable accommodation as quickly as possible, support to maintain stable accommodation and an effective and responsive homelessness system.

The above strategies and reforms address the priority homelessness cohorts as well as the homelessness priority policy reform areas set out in the NHHA.

Ending Family Violence

Ending Family Violence: Victoria's Plan for Change outlines a vision for a future where Victorians live free from family violence. Rolling Action Plans, delivered approximately every three years, detail the actions and initiatives to achieve this vision.

The Family Violence Rolling Action Plan 2020-2023 builds on the first phase of implementation and continued delivery of significant long-term housing investments, including new activities focusing on refuges and crisis accommodation, supporting victim survivors to remain in their homes, increasing social and affordable housing stock for people escaping family violence and housing development in rural and remote communities. Services across family violence, homelessness and social housing are working collaboratively to provide holistic support to victim survivors where housing is considered in the context of their wider needs.

PART 3 – REPORTING

11. As required by clause 40 of the Agreement, Victoria will report on the implementation of the reforms and initiatives set out in the housing and homelessness strategies identified in Part 2 of this Schedule.

Victoria reports publicly on key social housing and homelessness measures. The information will be made available through an addendum to the annual statement of assurance. The report may also refer to publicly available documents, such as the following, which are released annually:

- Victorian Government Budget Papers (usually released in May each year)

⁸ Rough Sleeping action plan
https://www.vic.gov.au/system/user_files/Documents/housing/1711047_Rough%20Sleeping%20Action%20Plan_On-Line.pdf

- Department of Families, Fairness and Housing Annual Report (tabled in the Victorian Parliament following the end of the financial year, in accordance with the *Financial Management Act 1994*)
 - Report on Government Services (produced by the Productivity Commission, usually released in January each year)
 - Specialist Homelessness Services Annual Report (produced by the Australian Institute of Health and Welfare, usually released in December each year)
12. Victoria asserts that changes to the deliverables, milestones, measures and timeframes for Victoria's housing and homelessness initiatives set out in various public documents and referenced in Part 2 of this Schedule remain at the discretion of the Victorian Government.

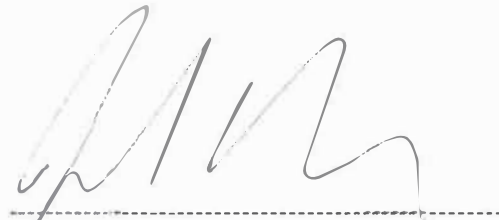
PART 4 – OTHER CONDITIONS / PRIORITY POLICY AREAS

13. Other conditions and/or priority policy areas may be agreed between the Parties from time to time.

PART 5 – SIGN OFF

14. The Parties have confirmed their commitment to this agreement as follows:

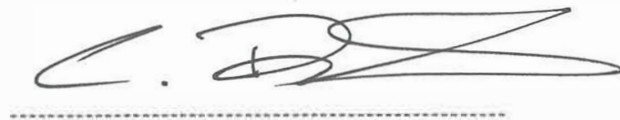
Signed for and on behalf of the Commonwealth of Australia by



The Honourable Julie Collins MP
Minister for Housing and Minister for Homelessness

20/06/2023

Signed for and on behalf of Victoria by



The Honourable Colin Brooks MP
Minister for Housing

22/6/2023