

September 2024

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# NATIONAL HOUSING INFRASTRUCTURE FUND

## Consultation Submission

### Targeted Crisis and Transitional Housing

# SUBMISSION DETAILS

This submission has been prepared by three consultants with expertise in affordable housing, public housing, homelessness, human rights, real estate and development.



**Laura Harris**

Collaborator Consultants

Laura's 20 years of experience in the community sector make her an invaluable resource for clients seeking to align their projects with social impact goals. Her leadership roles in Human Rights, Social Inclusion, Homelessness, and Affordable Housing provide clients with deep insights into community needs and funding landscapes. Laura's expertise in grant readiness and response coordination ensures that clients are well-prepared to secure funding and meet regulatory requirements. Her ability to navigate complex housing programs helps ensure Westmont client projects are both compliant with program requirements and have a clearly articulated winning edge.



**Edwin David**

David Property Consulting

Ed brings 50 years of unparalleled experience in government and community housing to the table, making him a vital asset for clients navigating public sector projects. He has overseen major redevelopment efforts and managed over 70,000 properties across Victoria, ensuring that clients benefit from his deep expertise in procurement, compliance, and strategic partnerships. Ed's extensive background in disaster recovery housing solutions and funding programs for social and affordable housing ensures that clients' projects are resilient and well-positioned to secure the necessary support. His insights and connections within the industry and government are invaluable for driving project success from start to finish.



**Bruce Barron**

Westmont Affordable Housing

Bruce is one of Melbourne's leading property development and off-market transaction specialists. With over 35 years of industry experience, Bruce is a multi-skilled property professional who ensures projects are not only expertly managed but also aligned with market needs. Recently, he has become the go-to expert for connecting developers with Community Housing Organisations, ensuring that each project is positioned for success. Clients benefit from Bruce's deep industry knowledge and his ability to close complex deals with confidence. Bruce holds a Master of Entrepreneurship and Innovation from Swinburne University of Technology.

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# S U B M I S S I O N   D E T A I L S

This submission addresses the key focus areas outlined in the Australian Government Treasury's Policy Paper regarding the proposed \$1B increase to the National Housing Infrastructure Fund to deliver crisis and transitional housing and accommodation for women and children victim-survivors of family violence and young people. While we understand our submission is outside of the designated consultation period, we urge the Department of Treasury to consider the views contained within our submission, offered in good faith and with a genuine interest in addressing homelessness and housing security.

There has been limited capital funding available for short to medium term housing options and youth focused housing at both the federal and at state level. We support the proposed intention to address this deficit, as a range of housing products, delivery models and funding mechanisms are required to address the housing crisis.

We believe that developments funded through the proposed mechanism would be best supported by a partnership approach between large Community Housing Organisations (CHOs) and specialist, cohort specific, service providers. This collaboration will leverage the CHO sector's specialist expertise in tenancy, property and asset management, as well as their extensive capacity to identify, develop and deliver a range of housing products funded through both government and private funding streams. This relationship will also support people utilising the short and medium term accommodation to directly access the increasing network of long term social and affordable housing properties that are owned by the CHOs.

Responses to the consultation questions are drawn on our experience in:

- The development, delivery and management of crisis and transitional housing in Victoria.
  - The delivery of targeted housing and support programs to the nominated cohorts.
  - The preparation and submission of projects in the Housing Australia Futures Fund and state based funding rounds in Victoria and Queensland.
  - Longstanding relationships with developers, builders and construction industry experts.
  - Executive experience in public housing portfolio and asset management with Homes Victoria (formerly Department of Health and Human Services).
  - The development of a housing model that is able to transition between short, medium and long term housing, is accessible and sustainable, cost effective and able to be replicated across standard residential blocks in both brown- and greenfield areas.
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# CONSULTATION QUESTIONS

## Question 1

### **What are the merits of targeting additional funding towards crisis and transitional accommodation as part of the broader mix of acute and social housing?**

Strong housing systems offer a range of housing typologies and tenure types across a variety of locations and neighbourhoods. Housing offerings across the continuum are required to deliver a functioning system, that can support all members of our community, as their accommodation and housing needs change. The provision of suitable, well located and manageable short- and medium-term accommodation is a critical piece of the housing system that is significantly in undersupply. Further, the existing supply of short/medium term accommodation is part of a competitive market subsystem (tourism, key worker), that limits availability of this form of accommodation for disadvantaged cohorts including women and children experiencing domestic violence and young. Purchasing this sort of accommodation from the market is also very costly, and the sites are often poorly or inappropriately located.

The way domestic violence manifests often requires an immediate housing response, and readily available and affordable crisis and transitional housing can provide victim survivors with safe, secure accommodation that is available when needed and is fit for purpose. Access to this type of accommodation is critical for women to have time and breathing space to make measured, considered long term housing plans instead of taking the next option available because their current option will run out. Similarly, young people may need short- and medium-term housing solutions while other suitable arrangements are put in place, including supports, family reunification and connection with other young people. Young people may also need to move in and out of short- and medium-term accommodation as their needs change.

As the housing system increases its capability and stock numbers (driven largely by Housing Australia and their State Government counterparts), ensuring that housing solutions are designed and built to be agile and flexible across the continuum is increasingly important. An over supply of purpose-built crisis facilities that cannot easily be transitioned to long term social housing will limit the system's ability to meet future needs, and place additional reliance on service delivery funding to support the housing outcome.

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# CONSULTATION QUESTIONS

## Question 1

**What are the merits of targeting additional funding towards crisis and transitional accommodation as part of the broader mix of acute and social housing?**

When considering the housing options funded, the following should be considered:

- Highly specialised crisis design outcomes will limit future use of the site if the demand for that function in that location changes or support funding is no longer available. Oversupply of products that rely on onsite security and servicing, shared facilities (kitchens etc) and are large in scale can be challenging to repurpose.
- Facility type/bespoke and crisis focused solutions are expensive to build and draw attention based on their size and built form attributes. While bespoke facilities are required, other options that are congruent with neighbourhood character, can be developed in common residential locations, and that are affordable to build, should be prioritised.
- Concentrations of people in temporary or medium-term crisis situations can breed new issues and a sense of insecurity. Dispersed accommodation options can provide agencies with options across several locations, especially when they are tenure blind that are more akin to long term housing.
- The tenure related requirements of each state and territory for short- and medium-term accommodation require a strictly timed and onerous legal process to ensure that the limited tenure is achieved. However, each person's journey to safe, secure and long-term housing is neither common nor consistent. Accommodation that has only one function can put stress and pressure on residents and families to find another solution in an overstretched housing market, because their time is up and another person is waiting to get in.

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# CONSULTATION QUESTIONS

## Question 1

### **What are the merits of targeting additional funding towards crisis and transitional accommodation as part of the broader mix of acute and social housing?**

With the unprecedented growth, a focus on accommodations solutions that can be fit for a range of purposes will help future proof our housing system. Design and location are critical factors for creating a successful accommodation system that can deliver on the needs of people now and in the future. Prioritised accommodation options could include:

- Funding of a range of short- and medium-term housing solutions, including purpose-built crisis facilities, youth foyers and more functional/flexible self-contained housing solutions.
- Projects that support movement along the continuum without movement from the property, as per the Victorian Government's A Place To Call Home program, whereby transitional housing can be converted to a long-term social housing dwelling should that be the best outcome for the resident.
- Dispersed, small scale housing models that fit seamlessly into neighbourhoods reduce risk, cost and stigma. This should include infill developments and inclusion in newly developed areas where there is an established masterplan. Inclusion of short- and medium-term housing in both established suburbs, and estates where newly developed amenity provides benefits specifically to young people and families (schools, shops, childcare), will ensure that this housing is not concentrated and not delivered outside of a more normal residential setting. Developers of these estates can plan for these sorts of developments and work collaboratively with councils who are seeking a range of affordable housing outcomes.
- As per above, funding mechanisms should enable projects to be bundled, allowing scale through multiple small projects within geographical proximity to support operational tenancy and service management requirements.
- Housing solutions should be self-contained, with private space and storage etc so residents can feel at home, prepare their own meals, launder clothing and live in a normalised environment. For young people it will also provide the opportunity to be supported into independent living and reduce the reliance on supports over time.
- Support projects that leverage streamlined planning pathways for smaller unit/accommodation development options. The streamlined pathways are designed to support the faster development of affordable housing and will ensure that projects get to ground sooner.

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# CONSULTATION QUESTIONS

## Question 2

**Are the definitions for crisis and transitional accommodation in the draft Investment Mandate amendments appropriate, and separately, are the definitions of the cohorts of women and children, and youth appropriate?**

More specific definitions of accommodation and how it differs from housing is important for both identifying the tenure type and related residential tenancy legislation, in addition to planning pathway requirements. It would also be beneficial to define short and transitional/medium terms to guide design, servicing and financial modelling.

Crisis accommodation is in demand and will always be needed for these cohorts. Under a crisis model the built form can be more purpose built. For the medium term or transitional housing requirements, this should be more in line with a long-term housing design/location/approach as exits from transitional housing are not readily available (hence the investment from Housing Australia and their counterparts), and they should be more home like given that people will be there for an extended period. A responsive housing plan would also reduce the reliance on transitional accommodation models as per the Housing First approach that doesn't require people to physically move through the housing continuum.

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# CONSULTATION QUESTIONS

## Question 3

**Is the existing list of eligible project proponents for NHIF (Critical Infrastructure) and NHIF (Social and Affordable Housing) appropriate for the expansion of the NHIF for crisis and transitional accommodation? Are there any other project proponents that should be considered?**

Smaller service focused agencies need to play a key role in the provision of services; however, they are not always best placed to develop and manage housing and accommodation assets. Consortia between the existing eligible proponents (CHOs) and specialist services should be sought and prioritised through the granting process although funding should not be contingent on support services that require recurrent funding. Relationships with CHOs will also support the residents to move into long term housing stock owned or managed by the CHO through supported pathways.



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# CONSULTATION QUESTIONS

## Question 4

**How could project proponents use this funding mix, and how could project finance be structured to draw on both grants and concessional loans?**

Crisis accommodation models that secure payments from residents (as per Victoria's family violence packages) will require specific financial modelling, given the higher "room rate" and the higher wear and tear on the properties. To address the financial risks associated with these types of developments, capital grants should be prioritised.

Given the scale of the demand and the ongoing benefit of the availability payment/loan type funding, value for money projects that are smaller (not apartments), dispersed, don't rely on lengthy planning processes and that can reach the market sooner could be prioritised and targeted at CHOs with debt capacity. These CHOs could work in partnership with localised/specialist tenancy managers.

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# CONSULTATION QUESTIONS

## Question 5

**What impacts would a time limit for state and territory funding allocations have on project proponents or projects that would come forth for the funding. What are the benefits and unintended adverse consequences?**

Transparent timing of grant application requirements, swift decision making by funding bodies and clear expectations relating to construction commencement have significant impact on the type, quality and location of projects proposed by agencies.

The housing crisis is worsening and as a result, the sector is willing to deliver projects for consideration as quickly as it can, however a staged approach that is communicated at the outset is best for the sector and the construction industry.

Allocation of funding within 12 months is beneficial to proponents, provided the state government is resourced and committed to make decisions and reach financial close within their designated period. This could be supported by each state and territory providing commitment to projects earlier, with items that have a clear pathway to resolution forming a condition precedent to an agreement. Proponents currently must prove themselves and their projects on deliverables that are low risk, before funding is confirmed. This puts projects at risk, developers and third parties off-side, and increases the financial burden on agencies through the detailed documentation required by submitting proposals before funding is secured. If greater conditionality was applied to a funding approval, it would allow government to address risk, and CHOs and developers to proceed more confidently.

The delivery of housing outcomes should also be staggered to allow for shovel ready projects to be approved more quickly, and a longer-term approach for more strategic projects that will require time for land/infrastructure to be ready for development. This will support developers and proponents with ready projects to maintain their pricing.

# C O N T A C T



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