



FAMILY AND COMMUNITY DEVELOPMENT COMMITTEE

INQUIRY INTO THE ADEQUACY AND FUTURE DIRECTIONS OF PUBLIC HOUSING IN VICTORIA

SEPTEMBER 2010



PARLIAMENT



OF VICTORIA



FAMILY AND COMMUNITY DEVELOPMENT COMMITTEE

INQUIRY INTO THE
ADEQUACY AND FUTURE DIRECTIONS OF
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FAMILY AND COMMUNITY DEVELOPMENT COMMITTEE

During the term of this Inquiry the Committee comprised seven Members of the State Parliament of Victoria, two from the Legislative Council and five from the Legislative Assembly. It was chaired by Mr Jude Perera, MLA.

Extract from the *Parliamentary Committees Act 2003*

s.11. The functions of the Family and Community Development Committee are, if so required or permitted under this Act, to inquire into, consider and report to the Parliament on:

- (a) any proposal, matter or thing concerned with –
 - (i) the family or the welfare of the family
 - (ii) community development or the welfare of the community
- (b) the role of Government in community development and welfare including the welfare of the family.

COMMITTEE MEMBERS

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SECRETARIAT

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Mr Tony Phillips	(from 12 April 2010)	Research Officer
Dr Tanya Caulfield	(until 9 April 2010)	Research Officer
Ms Tanaya Roy	(from 6 November 2009 to 26 February 2010)	Research Officer
Mr David Critchley		Administration Officer

TERMS OF REFERENCE

Received from the Legislative Council on 29 July 2009.

For the Family and Community Development Committee —

to inquire and consider on the adequacy and future directions of public housing in Victoria, including —

- (a) public housing waiting lists in Victoria;
- (b) the impact on individuals and families of waiting times to access public housing and how this varies by each segment;
- (c) the adequacy, quality and standards of Victorian public housing;
- (d) the safety and location of Victorian public housing and public housing estates;
and
- (e) the impact of public housing need on specific groups, including women, seniors, the homeless, indigenous Victorians, refugees, people with a mental illness, substance abuse and/or disability;

and to report by 30 September 2010.

CHAIR'S FOREWORD

Public housing is one of a range of social housing options, that also includes community housing and housing associations. Individuals and families who live in public housing report that there are many benefits to securing long-term, affordable housing. It provides the stability for people who have experienced housing need to participate in the community.

Public housing provides the majority of long-term, affordable and secure social housing in Victoria. In a context in which affordable housing is increasingly difficult to access, many Victorians on low incomes have turned to public housing as an option to meet their housing need.

In evidence heard by the Family & Community Development Committee, gaining access to public housing is not easy. Changing demographics, increasing population, growing need for affordable housing and a supply shortage of social housing are contributing factors to the challenge in securing long-term public housing.

The recent funding initiative in the 2007–08 Victorian budget of \$510 million for public and social housing has been a welcome first step in growing the supply of social housing and improving public housing. In addition, the Victorian Government has committed to fund 7,500 new affordable homes through the National Rental Affordability Scheme.

Under the National Affordable Housing Agreement, Victoria will receive around \$1.3 billion over five years from 2008-09 for coordinated action on homelessness, social and indigenous housing, private rental and home ownership.

The Nation Building and Jobs Plan has committed \$1.26 billion for Victoria to boost and upgrade social housing. This very substantial increase in funding will deliver 4,500 new units of social housing and has upgraded 9,100 public housing units in Victoria. This is an unprecedented funding injection to the public and social housing sector.

The Committee heard that there is a need for ongoing, long-term investment into social housing, including public housing.

It recommended that the single focus on growing supply through not-for-profit, non-government organisations needs to be broadened to ensure a diversity of options. The evidence received by the Committee revealed that public housing has an important and ongoing role to play in the changing context of social housing provision.

To achieve this, the Committee identified a need for greater focus on the financial viability of public housing and other social housing options. While the long-term, future financial viability of public housing remains unresolved, the housing needs of many low-income Victorians will continue to be unmet.

The Committee found that the challenges for individuals and families in securing access to public housing have been met by a number of policy directions. Since 1999, the waiting list in Victoria has been segmented to enable priority access to individuals and families in housing need. The evidence revealed broad support for an approach that targets access to those most in need.

The report identifies that the waiting list is growing for people approved for early housing, resulting in longer waiting times. While approximately three months in 1999, projections for 2010-11 are eight months. The Committee heard that long waiting times for public housing has a range of implications for individuals and families in housing need. This again points to the importance of addressing the long-term financial viability of public housing to provide the basis for growing supply.

In considering the provision of public housing and the quality of the housing stock, the Committee makes a number of recommendations relating to allocations policy, rental collection, sustaining tenancies, the public housing workforce, systems of complaints and appeals, and maintaining public housing stock.

The Committee considered the future of public housing assets in the broader context of social housing. It recommends further investigation into alternative models for funding public housing and promoting non-government investment into social housing. It also recommends examining models of planning to enable the provision of affordable housing, including a proportion of social housing, as part of new residential developments and ensuring consultation with local government and stakeholders.

The Inquiry started in November 2009 and took place over 10 months. During this time, the Committee gathered evidence from people living in public housing, community service organisations, academics, housing association providers and representatives from relevant government departments. It received 109 submissions and held 43 public hearings.

I would like to thank participants in the Inquiry for their contributions, which assisted the Committee in its considerations and preparation of this Report.

The Committee had the opportunity to visit a number of public housing properties and new housing association developments. I thank those individuals and families who opened their homes to the Committee.

I thank former and current members of the Committee for their contributions and considerations.

My appreciation is also extended to the Committee secretariat for their hard work – the Executive Officer, Dr Janine Bush, research officer, Mr Tony Phillips, and Administrative Officer, Mr David Critchley. Thanks also to former research officers, Dr Tanya Caulfield, and Ms Tanaya Roy, who assisted in the early stages of the Inquiry.

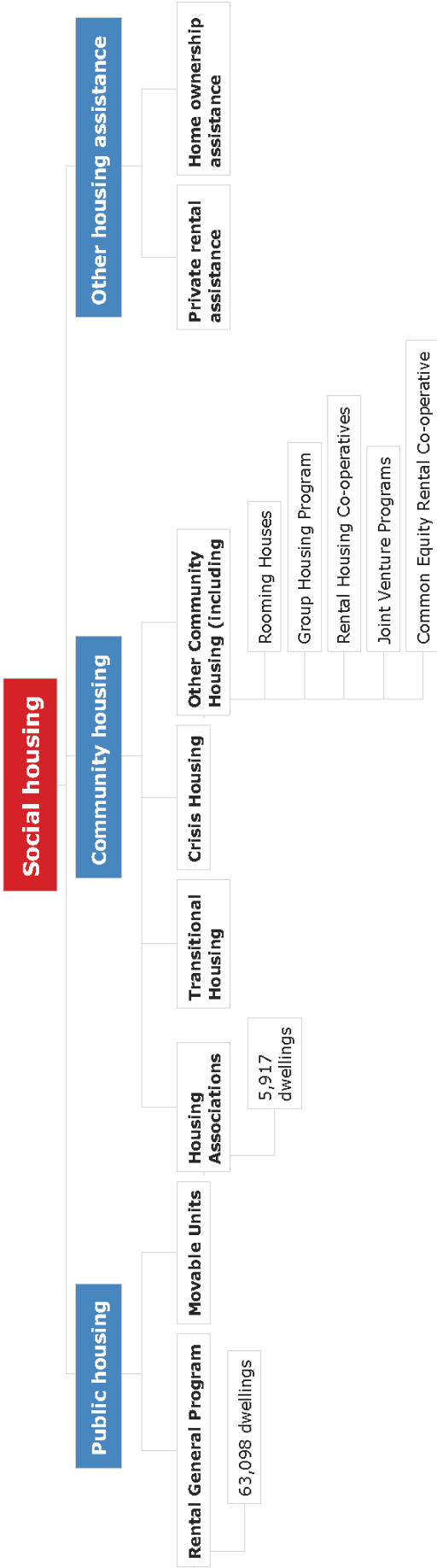
Jude Perera MLA
Chair

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GLOSSARY

Allocation system—a multi-layered process in which policy and practice decisions are made about the access of households, both new applicants and existing tenants, to social housing based primarily on administrative criteria and processes. There are three broad layers:

- ▶ determining strategic and policy objectives—defining the system of targeting access and tenure arrangements
- ▶ defining which groups of households are eligible for its housing and which are ineligible and managing the waiting list
- ▶ matching individual households with individual properties and administering transfers and mutual swaps.

Anti-social behaviour—can constitute a broad range of behaviours, including excessive noise, illicit drug activity, verbal abuse, uncontrolled pets, vandalism and intimidation. In the context of recent anti-social behaviour initiatives, it refers specifically to tenancy breaches under the *Residential Tenancies Act 1997*, such as use of premises for illegal purpose, dangerous behaviour, condition of premises and failure to comply with a VCAT order.

Affordable housing—a general term used to cover any low cost housing (irrespective of tenure). Defined without reference to dwelling occupants but intended to meet agreed affordability benchmarks.

Backlog maintenance—is often referred to as maintenance work not completed by the due date.

Case management—a process of assessment, facilitation and advocacy on behalf of the client to obtain services to meet the client’s needs and desired outcomes.

Choice-based letting—generally involves the advertisement of individual social housing vacancies enabling applicants to bid or express an interest in a property. Advertised properties can be targeted to specific groups, such as older people or people with a disability.

Common housing register—the central aim of common housing registers is to provide administrative simplicity and some choice for applicants. Some of the key elements of common registers include a single application form across housing types, a single point of registration and an emphasis on applicants having the opportunity to state their preferences for one or more providers.

Commonwealth Rent Assistance (CRA)—a non-taxable supplementary payment provided by the Australian Government to help with the cost of private rental housing. It is available to recipients of income support

payments, including those who receive more than the base rate of the Family Tax Benefit Part A.

Community housing—rental housing provided for low to moderate income or special needs households. Community housing is generally fully or partly funded by governments, and managed by not-for-profit organisations, and in some cases local governments.

Complex needs—multiple, interlocking needs that span health and social issues. People with complex needs may have to negotiate a number of different issues in their life, for example cognitive disability, mental illness, substance abuse, behaviours of concern and/or family violence. They may also be living in vulnerable circumstances and lack access to suitable housing or meaningful daily activity. There is no generic complex needs case. Each individual with complex needs has a unique interaction between their health and social care needs and requires a personalised response from services.

Council of Australian Governments (COAG)—the peak intergovernmental forum in Australia, comprising the Prime Minister, state premiers, territory chief ministers and the President of the Australian Local Government Association. The Council’s role is to initiate, develop and monitor the implementation of policy reforms that are of national significance and require cooperative action by all levels of government.

Crisis accommodation—accommodation for people who are experiencing or are at risk of homelessness, which provides short-term accommodation including refuges, shelters, motels, flats, boarding houses or caravan parks.

Director of Housing—a statutory appointment responsible to the Minister for Housing, appointed under the *Housing Services Act 1983*, with a broad range of powers that include acquiring and disposing of land, developing and managing land, entering into agreements with municipal council and other relevant bodies.

Early intervention—strategies that aim to reduce risk factors through timely identification and tailored advice and support for those at risk of homelessness.

Emergency accommodation—short-term accommodation provided for people who have recently lost their housing (crisis) or are homeless (in, for example, shelters, motels, flats or caravan parks). See also ‘crisis accommodation’.

Homelessness—people who are experiencing homelessness fall into three broad groups, that is, those who are:

- ▶ sleeping rough (living on the streets)

- ▶ living in temporary accommodation, such as crisis accommodation (see crisis accommodation) or staying with friends or relatives
- ▶ staying in boarding or rooming houses or caravan parks with no secure lease and no private facilities.

Housing affordability—a term that generally refers to the maximum percentage of income which households should be expected to pay for their housing.

Housing and Community Building Division (HCB)—a division of the Department of Human Services (DHS) that has responsibility for the provision of housing assistance programs, including social housing and homelessness support services. The Executive Director of Housing and Community Building and Director of Housing reports to the Secretary of the DHS and to the Minister for Housing. The Director of Housing also has separate statutory responsibilities articulated in the *Housing Act 1983* and the *Residential Tenancies Act 1997*.

HCB was formerly known as the Office of Housing (OOH) and is still frequently referred to by that name or its acronym OOH.

Housing associations—Registered Housing Associations (RHAs) are expected to grow social housing by leveraging government funding and existing property portfolios. They must be companies limited by shares or guarantee and provide affordable rental housing for low-income tenants. They have the capacity to construct, purchase or otherwise acquire and own the rental housing they manage. There are nine RHAs.

Housing need—a term denoting a defined standard which no household should fall below.

Housing providers—Registered Housing Providers (RHPs) manage the Director of Housing’s properties. They can also manage and own other properties. They can be limited liability companies, incorporated associations or cooperatives. There are 31 RHPs.

Housing stress—a general term used to refer to the negative impacts for households with insufficient income to secure adequate housing (generally considered to be when households pay more than 30 per cent of their income in housing costs). It can also refer to other factors such as over-crowding and insecurity.

Inclusionary zoning—is generally where a proportion of all identified residential development above a specified threshold and within a specified zone or area must contribute to affordable housing, usually as a fixed amount.

Mutual swap—an additional option to a ‘transfer’, which involves a public housing tenant swapping a property by mutual agreement with another public housing tenant. See also ‘transfer’.

National Affordable Housing Agreement (NAHA)—the National Affordable Housing Agreement replaced the Commonwealth State Housing Agreement and the Supported Accommodation Assistance Program V Agreement in 2009. The new agreement encompasses housing and homelessness assistance provided at all levels of government (Commonwealth and state and territory).

Office of Housing—see Housing and Community Building Division (HCB).

Prevention—programs and opportunities that enable and encourage individuals to address possible risk factors before they are vulnerable to homelessness.

Public housing—public housing is one of a range of social housing options included within affordable housing policy. Public housing generally refers to dwellings or housing stock owned (or leased) and managed by a government housing authority to provide affordable rental accommodation.

Rental rebate—an indicator of rent payment for public housing at less than market rent value. The amount of rent charged to a household is calculated to equal 25 per cent of the total household income. When 25 per cent or less of household income is equivalent to full market rent, the household no longer receives a rebate.

Residualisation—housing residualisation refers to the process in which the residents of social housing are increasingly drawn from vulnerable populations characterised by disadvantage and complex needs rather than just low income.

Segmented waiting list—a system of targeting access to public housing through a process of prioritisation of need. In Victoria, there are four segments in the waiting list. Segments 1 to 3 are early housing categories, and Segment 4 is general wait-turn:

- Segment 1* Recurring Homelessness: this is the highest priority segment and targets people who have a history of recurring homelessness, or are at risk of recurring homelessness, and have underlying social relationship, living skills or domestic violence risk factors which affect their ability to obtain or sustain housing.

- Segment 2* Supported Housing: this segment targets people who have a disability or long-term health issue that may require modification to their home or assistance from support services making alternative accommodation, such as private rental housing, unsuitable.

- Segment 3* Special Housing Needs: this segment targets people living in secure, unsafe or inappropriate housing or who have urgent medical needs.
- Segment 4* Wait Turn: this segment is for people eligible for public housing but without urgent need.

Social housing—rental housing that is provided and/or managed by government or non-government organisations. This housing is mainly targeted at people on low incomes who are in greatest need. This includes those who are homeless, living in inappropriate housing, or who have very high rental costs.

In public housing, the majority of tenants pay less than the market rent (that is, 25 per cent or less of their income). In community housing, rent payments range from less than 25 per cent to more than 30 per cent of income. Tenants also receive a range of support services (such as personal support and employment support) and are encouraged to be involved in managing community dwellings.

Sustainable housing—housing that is affordable, offers secure tenure, and is appropriate for the client given their needs and history, such as support for sustaining housing.

Sustaining tenancies—broadly refers to housing management policies and practices designed to assist social housing tenants to manage their tenancy successfully and to achieve improvements in their lives. More narrowly, it refers to assisting vulnerable tenants to avoid tenancy failure through eviction or exit under duress.

Transfer—a process where an existing public housing tenant makes an application for a new public housing property by submitting a general application for public housing.

ACRONYMS

ABS	Australian Bureau of Statistics
ADR	Alternate Dispute Resolution
AFV	A Fairer Victoria
AHURI	Australian Housing & Urban Research Institute
AHV	Aboriginal Housing Victoria
AIHW	Australian Institute of Health & Welfare
AMHS	Area Mental Health Service
AOD	Alcohol and other drugs
ARHP	Aboriginal Rental Housing Program
ARIA	Accessibility/Remoteness Index of Australia
ASB	Anti-social behaviour
AUSSA	Australian Survey of Social Attitudes
CALD	Culturally and linguistically diverse background
CAP	Crisis Accommodation Program
CBL	Choice Based Letting
CCO	community contact officer
CHIP	Community Housing and Infrastructure Program
CHO	Community housing organisation
CND	Composite Needs Distribution
COAG	Council of Australian Governments
CPTED	Crime Prevention Through Environmental Design
CRA	Commonwealth Rent Assistance
CRS	Community Rent Scheme
CRU	Community Residential Unit
CSHA	Commonwealth State Housing Agreement
CSO	Community service organisation
CSO	Community Service Obligation
DH	Department of Health
DHS	Department of Human Services
DPCD	Department of Planning & Community Development
DSR	Disability Support Register
EST	Establishing successful tenancies
FRED	Fixed rent effective date
HAF	Housing Affordability Fund
HCB	Housing and Community Building Division
HCF	Home Credit Fund
HEF	Housing Establishment Fund
HIIP	Housing Integrated Information Program
HRSP	High Rise Support Program
HSO	Housing Services Officer
HSS	Homelessness Support Services
IART	Intervention for at risk tenants
ICESCR	International Covenant on Economic, Social & Cultural Rights
ICHO	Indigenous Community Housing Organisations
IHOP	Innovative Housing Opportunities Program
KPIs	Key Performance Indicators
MACNI	Multiple and Complex Needs Initiative

NAHA	National Affordable Housing Agreement
NBES	National Building Economic Stimulus (Scheme/funds)
NESB	Non-English Speaking Background
NFP	Not for Profit
NHSC	National Housing Supply Council
NPA	National Partnership Agreement
NPARIH	National Partnership Agreement on Remote Indigenous Housing
NPASH	National Partnership Agreement on Social Housing
NRAS	National Rental Affordability Scheme
NRI	National Rental Incentive
NTV	Notice to Vacate
OOH	Office of Housing (Victoria)
PHIP	Public Housing Infrastructure Program
PPV	Permanent Protection Visa
PRB	Private Rental Brokerage
PTEP	Public Tenant Employment Program
RGH	Rental General Housing
RGS	Rental General Stock
RHA	Registered Housing Association
RT Act	<i>Residential Tenancies Act 1997</i>
SAAP	Supported Accommodation Assistance Program
SAR	Special Accommodation Requirement
SHA	State Housing Authority
SHASP	Social Housing Advocacy and Support Program
SHI	Social Housing Initiative
SHO	Social Housing Organisation
SHSO	Specialist Housing Support Officer
SOMIH	State Owned or Managed Indigenous Housing
STHAs	State and Territory Housing Associations
THM	Transitional Housing Management (program)
TPV	Temporary Protection Visa
UREEP	Urban Renewal Employment Enterprise Program
VAGO	Victorian Auditor-General's Office
VCAT	Victorian Civil and Administrative Tribunal

EXECUTIVE SUMMARY

Housing is a basic need and in a context in which affordable housing is increasingly difficult to access, many Victorians on low incomes have turned to public housing as an option to meet their housing need.

Public housing provides the majority of long-term, affordable and secure social housing in Victoria and has an important role to play in the changing context of social housing provision.

The Committee identified that the terms used to define forms of social housing are ambiguous and often used interchangeably. 'Social housing' refers to rental housing provided and/or managed by government or non-government organisations. 'Public housing' is one of a range of social housing options and generally refers to housing stock owned and managed by the Victorian Government. 'Affordable housing' is a broader term and is used to explain housing that is affordable for low- to moderate-income households.

Gaining access to public housing, however, is not easy. Decades of underinvestment and decreasing stock levels have contributed to the current gap between supply and demand. Underinvestment has created issues relating to the quality of the housing stock and the services that administer it.

Recent injections of funding at the state and national levels have provided some financial relief. In its 2007-08 budget the Victorian Government committed \$500 million to social housing over four years. Of this \$200 million was for new public housing units, with another \$300 million committed to the housing associations to grow their stock. Federal funding continues to be committed through the National Affordability Housing Agreement and its associated national partnerships.

The *Social Housing Initiative of the National Building: Economic Stimulus Plan* is contributing approximately \$1.26 billion over three years to Victoria. Of this, \$1.167 billion is being used to build 4,500 new dwellings and the remainder will be used to extend the life of an existing 5,600 public and other social housing units.¹ Approximately half of the 4,500 new dwellings will be for public housing and the other half will be delivered by housing associations.²

The commitment to build new social housing dwellings needs to be considered in the context of net annual growth of social housing stock. That is, in addition to new dwellings purchased or constructed, net growth will be affected by the sale, transfer or demolition of properties. For example, in 2008-09 the total of social housing acquisitions was 1,333 units, however the

¹ Based on information from: Victoria working with the Australian Government on Nation Building, <<http://www.housing.vic.gov.au/housing-and-community-partnerships/funding-initiatives/nation-building>> Accessed 6 August 2010.

² HCB, *Response to Request for Additional Data and Information*, Correspondence to FCDC, 29 June 2010.

net increase in social housing stock was 620 units.³ Issues relating to supply are discussed in depth in the report.

A further consideration was made by the Tenants Union of Victoria (TUV), which stated to the Committee that ‘while Nation Building is a vital investment in social housing, it was initiated with economic stimulus as the primary motive rather than the imperative for increased social housing [and that there] is risk that once the stimulus benefit of the social housing expenditure is exhausted we will return to the long term pattern of under investment’.⁴

THE PUBLIC HOUSING CHALLENGE - FINANCIAL VIABILITY

A key challenge in the provision of public housing is its ongoing financial viability. The Victorian experience is not unique; all states and territories confront similar challenges.

Over the past two decades, national and state governments have progressively introduced policy strategies. There are two key responses to issues relating to the gap between supply and demand for public housing. The first involves growing supply and the second entails targeting access to people most in need of housing. The Committee heard consistently of the importance of growing the supply of public housing in Victoria.

The majority of participants also informed the Committee that in the absence of adequate supply of public housing, a system of targeting access is essential to ensure equity and fairness.

As the Committee identified, however, there is a significant policy tension between these two policy objectives of growing supply and targeting access.

Underlying the two strategies is the reality that public housing continues to operate at a deficit. A long-term strategy to increase supply requires funds. Increasing supply in a context of growing house prices also presents significant challenges and further highlights the importance of increasing revenue and improving the financial viability of public housing.

Targeting need, on the other hand, has the direct opposite effect. The tightening of eligibility over a period of 10 years has led to long-term projections of decreased revenue. Lower rental income in addition to increased likelihood of loss of revenue through bad debt (or rental arrears) has consequences for long-term planning regarding the increase of public housing supply.

³ HCB, *Summary of Housing Assistance Programs 2008-09*, DHS, 2010, pp.38, 46.

⁴ *Submission 98* (TUV), p.13.

Resolving this policy tension has led Victorian Governments over the past 15 years (along with their state and territory counterparts) to seek efficiencies in expenditure and strategies to increase revenue. Strategies to increase revenue have largely targeted rental income – both the collection of rent and a focus on the recovery of outstanding debts. Approaches to reducing expenditure have occurred through low spending on asset management and on administrative and staffing costs.

The outcome of these strategies to reduce expenditure and raise revenue has been significant for the increasingly economically and socially disadvantaged tenants who either live in or seek to live in public housing.

The Committee recognises that the current Victorian Government has made an effort to reverse some of the trends, particularly through increased expenditure on asset management and support programs for tenants and neighbourhood renewal programs.

Initiatives to grow supply, however, have been focused on the growth of not-for-profit housing associations over public housing. As recently identified by the Victorian Auditor-General, this has not yet resolved the issue of accessible housing for socially and economically disadvantaged Victorians experiencing housing need.

The Committee found that housing associations have their own challenges regarding financial viability and have a need to service debts associated with leveraging policy through their rental income. Furthermore, the relationship between housing associations and public housing is increasingly ambiguous.

The long-term, future viability of public housing remains unresolved. This will have ongoing implications for the housing needs of many low income Victorians.

The Committee has considered the effects of these issues on the adequacy and future directions of public housing in Victoria and made a number of recommendations in its report.

TARGETING ACCESS

Targeting access to individuals and families in housing need is an approach used in all states and jurisdictions to respond to shortages of public housing and high demand.

The Committee found that with tightening of eligibility, fewer people on low incomes are eligible to access public housing. In addition, the processes for proving eligibility for early housing are complex, time-consuming and onerous. The Committee notes that the Victorian Government has

acknowledged this and is consulting on proposed changes to the segmented waiting list. This is discussed in Chapter 6.

Tightened processes for matching households to properties are also a result of targeting access. The Committee heard that this has contributed to an increasing lack of choice and flexibility for prospective tenants in the housing they live in. In view of the growing rates of transfer applications, the Committee identified a potential link between transfer activity and inappropriate allocations resulting from reduced choice.

In addition, the Committee found that prioritising need has directly contributed to high concentrations of disadvantage in public housing. The Victorian Government has responded to this with specific programs, such as its Neighbourhood Renewal Program and employment incentives. The Committee supports these programs, but has recommended that existing individual programs that influence participation in employment and reduction in crime rates are analysed in greater detail to support future investments.

The Committee has observed, on the other hand, that targeting programs (such as streamlining the waiting list and Neighbourhood Renewal) does not resolve the core issues that result from supply shortages and, more broadly, the financial viability of public housing. As noted, prioritising need for the most economically and socially disadvantaged Victorians also has implications for the revenue the Victorian Government can collect.

In the context of targeted allocations to public housing, the Committee has recommended:

- ▶ increasing flexibility in eligibility requirements
- ▶ identifying the optimal mix of tenants to reduce concentrations of disadvantage
- ▶ increasing choice and flexibility in processes of matching people to housing through improvements to policies and new approaches such as choice-based letting
- ▶ improving the utilisation of the mutual swap program to assist transfer applicants and minimise the impact on the waiting list.

WAITING TIMES

Overall, allocations to public housing have dropped over the past 11 years, resulting in increased allocations to early housing approved applicants. The Committee found that changing demographics, low turnover of public housing tenancies and no increase in supply have contributed to the decrease in allocations.

The Committee also found that waiting lists have grown, particularly for people who are eligible for early (or priority) housing. Waiting times have

also increased and according to official projections for 2010-11, people experiencing or at risk of homelessness will wait an average of eight months to be allocated a public housing tenancy, increasing from three months in 1998-99.

Due to eligibility requirements specific to early housing, an unintended consequence is that housing need and homelessness are compounded for the period individuals and families are on waiting lists. In addition, other impacts can include poor health and wellbeing, challenges participating in the community, employment disincentives and disruption of children's social and educational development.

The Committee has recommended that the Victorian Government target support programs more effectively to people on the early housing waiting list. This is a group of people experiencing or at risk of homelessness that can be readily identified and targeted for support. Some are linked to Homelessness Support Services, but others are not.

There is currently no specific method for targeting people on the waiting list and ensuring individuals and families with identified housing needs have access to homelessness (and relevant) support.

In particular, the Committee has recommended:

- ▶ extending employment initiatives to prospective tenants on the waiting list
- ▶ improving capacity of Homelessness Support Services to provide targeted support to people on the waiting list
- ▶ reviewing the transitional housing program and its effectiveness in the context of extended waiting times
- ▶ introducing targeted educational and social support to children in families on the early housing waiting list in housing need.

TENANCY MANAGEMENT & RENT

For historical reasons, the main source of income for managing public housing programs is rental revenue. The Victorian Government has therefore taken three key approaches to increasing its rental revenue:

- ▶ collecting rent by increasing the percentage of income paid in rent by public tenants over a 15-year period from 1995 to 2010.
- ▶ reducing turnover and associated costs by sustaining tenancies through programs such as the Social Housing Advocacy and Support Program
- ▶ recovering outstanding debt through a comprehensive rental arrears policy.

Rental rebates have increased substantially over the past 15 years. In 1995, tenants in public housing eligible for rental concessions paid 10 per cent of income in rent. By 2003, this had increased to 25 per cent of tenants' incomes for all public housing tenants.⁵ This is not a source of income that can continue to offset operating deficits.

For people living in public housing, these approaches have both benefits and challenges. The Committee found that broadly the policies and procedures relating to rental recovery are sound. The variability in housing office implementation of these processes, however, was notable and in need of improvement.

In addition, people allocated public housing increasingly have histories of homelessness and tenancy failures. The Committee considers that the Victorian Government needs to have a clear strategy regarding its projections for future debt levels from rental arrears and the implications for its income.

In the context of experiences for tenants in rental arrears, the Committee heard that there is broad support for the Social Housing Advocacy and Support Program (SHASP). The Program has had success in supporting tenants to sustain their tenancies. A recent evaluation suggested improvements to SHASP that were consistent with the evidence heard by the Committee. It has recommended that the Victorian Government outlines the recommendations it supports and its intentions for implementing them.

In regard to tenancy management and rental revenue, the Committee has recommended that the Victorian Government:

- ▶ make adjustments to its debt management processes to provide additional options for repayment before escalating to legal action
- ▶ improve consistency in its approaches to rental recovery to produce better outcomes
- ▶ provide opportunities for mediation when a case has escalated to VCAT
- ▶ develop a long-term strategy to determine how it will prevent and potentially respond to increased debt from rental arrears.

ASSET MANAGEMENT

In Victoria, a five-year asset management strategy was introduced for public housing in 2004. This was in response to broader national directions in asset management but also to a series of reviews by the Victorian Auditor-General from 1993 that highlighted substantial issues with the maintenance of public housing stock.

⁵ Dr Jon Hall & Prof. Mike Berry, 'Operating deficits and public housing: policy options for reversing the trend: 2005/06 update', *Final Report*, AHURI Final Report No. 106, AHURI, October 2007, pp.82-83.

The Committee notes that the Victorian Government has taken steps to improve its asset management through *Sustaining our housing: Asset management strategy, 2004 to 2009*. Attention to strategic asset management has the potential to save costs over the longer term. The Committee considers the review and extension of an asset management strategy for Victoria's social housing and particularly its public housing are important.

From the evidence received, the Committee noted that a range of areas require continued attention. The Committee identified concerns relating to long-term planning regarding the matching of stock to the changing tenant profile. While aware that the Victorian Government is making improvements, the Committee noted that there is no clear strategy regarding how the needs of the changing tenant profile will be met over the longer term.

The Committee found that there are no minimum standards in Victoria to inform the quality of rental housing stock. While the Victorian Government has its own maintenance standards, the Committee heard that the absence of minimum standards impacts on the quality of housing. It noted that poor quality housing can contribute to health and safety concerns for public housing tenants.

While the Committee identified improved approaches and awareness of issues relating to maintenance, it noted that the responsiveness of maintenance remains a concern for many participants in the Inquiry.

In relation to asset management, the Committee has supported the development of a revised asset management strategy over a 10-year period, with the objective of:

- ▶ identifying an optimal mix of dwellings
- ▶ introducing minimum housing standards for public housing properties
- ▶ outlining a plan for more even dispersal of public housing stock across Victoria
- ▶ ensuring the construction and acquisition of stock does not concentrate public housing in clusters
- ▶ identifying a commitment to improving the extent to which public housing meets health and safety requirements.

SERVICE PROVISION AND WORKFORCE CAPACITY

Workforce capacity underpins the quality of service provision in public housing. The Committee identified a number of issues that have consequences for workforce capacity. These include:

- ▶ increased complexity of tenant profile
- ▶ incompatibility of skills and qualifications to job requirements

- ▶ issues relating to recruitment, retention and remuneration
- ▶ inconsistent service provision
- ▶ unsustainable workloads.

The Committee heard issues relating to the provision of service that are not consistent with the service provision set out in the Housing Charter.

The Committee found that the Victorian Government is the only state government that has decreased its spending on salaries and administrative expenses. Other states and territories have increased expenditure in an effort to improve the quality and responsiveness of their customer services.

The Committee heard that a potential consequence emerging from the limitations on workforce capacity is the level of complaints and appeals made regarding the quality of service and decision making of housing office staff. In addition, the Committee found that there were concerns about the complaints and appeals processes, particularly the lack of independence and the complexity of the process. This ultimately leads to people choosing not to pursue complaints.

In regard to the quality of service provision in public housing, the Committee made the following broad recommendations:

- ▶ that the Victorian Government develop a workforce strategy for the public housing workforce
- ▶ that the Victorian Government consider the merit of an external body to handle complaints regarding public housing.

INCREASING SUPPLY

A number of factors have contributed to high demand for public housing. Notably, increasing rates of housing stress in the context of low housing affordability has been highlighted as a key factor in the current demand for public housing.

Since 2005, the Committee has noted a changed emphasis on the importance of increasing access to affordable housing for Victorians. A shift in terminology and more frequent reference to ‘social housing’ and ‘affordable housing’ has taken the focus off public housing.

The Victorian Government has identified that its preferred method for growing social housing is through housing associations. This has led to the transfer of some stock (further reducing the supply of public housing stock) to housing associations. It has also resulted in increased funding to the community housing sector to grow housing associations, to encourage non-government investment and to ultimately increase social housing stock.

Yet the reality for housing associations is that they face similar challenges, for different reasons, to public housing in relation to financial viability.

In June 2010, the Victorian Auditor-General noted this in a report on housing associations, stating that ‘there is a tension in the housing association model between financial viability and growth objectives and social goals of fairly allocating social housing to those on low incomes’.⁶

There remains a lack of supply in social housing. In June 2009, public housing held 65,207 units of stock, while the community housing sector had another 8,347 units being used for long-term housing.⁷ The \$500 million four-year initiative launched by the Victorian Government in 2007-08 will result in a net increase of 400 social housing properties.⁸ In addition the *Social Housing Initiative* from the *Nation Building – Economic Stimulus Plan* should deliver 4,500 new units to Victoria by the end of 2012. Some 746 of these were completed by 30 June 2010, which were 174 units ahead of the plan.⁹

In June 2010, the waiting list for public housing was 41,017 plus 9,657 on the transfer waiting list (which comprise 35 per cent of allocations). The early housing waiting list comprised 8,908.

The projected growth of social housing supply through till 2013 remains inadequate. The projected figures will clearly not meet the needs of the almost 9,000 experiencing or at risk of homelessness who are waiting for public housing.

The intention to increase social housing supply by over 2,500 properties could potentially meet the needs of almost 30 per cent of those on the early housing waiting. Yet in view of the requirements of housing associations to service debts, the housing association model limits the number of people it could realistically take from the early housing waiting list. Prior to net growth, the increase in the supply of housing will, however, contribute to providing housing for about 6 per cent of those on the waiting list (excluding transfers).

The Committee considers that a longer-term strategy beyond the National Stimulus Plan and recent Victorian Government funding is necessary. It has recommended:

- ▶ a long-term, targeted increase to the supply of Victorian social housing to achieve a progressive target of 5 per cent of total housing stock by 2030

⁶ VAGO, *Access to Social Housing, Victorian Auditor-General's Report*, 2010, p.vii.

⁷ HCB, *Summary of Housing Assistance Programs 2008-09*, 2010, p.46.

⁸ VAGO, *Access to Social Housing*, 2010, p.4.

⁹ Parliamentary Debates (Hansard), Legislative Assembly, Fifty-Sixth Parliament, Questions without Notice, Languiller; Wynne, *Housing: Government Initiatives*, 28 July 2010, pp.2745-6.

- ▶ a new growth strategy for social housing to be developed and released to update the initial 2003 strategy, with clear targets for public housing growth
- ▶ a revised asset management strategy that extends beyond revitalising and re-profiling the existing asset base and incorporates an acquisition strategy to support the growth of public housing stock.

Many participants provided evidence to the Committee about the importance of improving the connections between the role of local government, the planning system and the future development of social housing. Inclusionary zoning was highlighted by many participants as a strategy for increasing the development of social housing. The Committee recommended that the Victorian Government:

- ▶ amend the *Planning and Environment Act 1987* to include as an objective a need to support the development and retention of affordable housing
- ▶ increase the supply and distribution of new affordable housing, which may include private and social housing, by amending Victorian Planning Provisions to allow for the use of ‘inclusionary zoning’.

FINANCIAL VIABILITY

With the current methods of funding public housing programs and targeting, the policy tensions remain. Victoria continues to house the most homeless people nationally through its targeted approach to public housing allocations. It is established, however, that over 20,000 Victorians remain homeless or at risk of homelessness.

At the same time, it confronts an operating deficit into the future. While it remains reliant on rental revenue, this has implications for its capacity to grow supply, to effectively manage its assets and to improve the quality of its services.

Research has identified that despite major efforts to raise revenue and increase efficiencies to reduce expenditure, the operating position of public housing authorities across Australia has continued to deteriorate. In Victoria, the research identified that in the period 2000–01 to 2005–06, operating expenditures grew in real terms by 23.1 per cent while real income only grew by 17 per cent (and only 9 per cent once one-off sundry income increases from 2005–06 were deducted).¹⁰

Recent injections of funding into social housing at both national and state levels provided a welcome increase to social housing supply. These investments, however, are not recurrent sources of increased funding.

¹⁰ Dr J Hall et al., ‘Operating deficits and public housing’, AHURI, 2007, pp.79, 116.

The trends outlined have implications for the ongoing financial viability of public housing in Victoria and, therefore, its capacity to increase its supply. Research into operating deficits has concluded that ‘if the current policy focus is maintained, Australian public housing will not remain viable’ and that ‘the structure of financial support for public housing in Australia requires fundamental reform’.¹¹

In turn, this has an impact on the Victorian Government’s ability to adequately provide affordable, secure, long-term housing to Victorians on low incomes.

In Chapter 15, the Committee explores issues relating to alternative methods of financing social housing. These include alternative rental systems, promoting non-government investment, and reviewing the Commonwealth funding model.

In considering the financial viability prospects for public housing in Victoria, the Committee has recommended that:

- ▶ the Victorian Government advocate for Commonwealth funding of the difference between market rent and concessional (rebated) rents on the basis that it is a community service obligation
 - ▷ this would bring public housing into line with other corporatised government services that provide concessions to consumers, such as electricity and water supply
- ▶ the Victorian Government further investigate alternative models for funding and promoting non-government investment in social housing.

A VISION FOR THE FUTURE OF PUBLIC HOUSING

With the increasing emphasis on housing associations as the preferred option for growing social housing, the Committee considers there is a need for the Victorian Government to provide a clear statement outlining its vision for the future of public housing in Victoria.

¹¹ Dr J Hall et al., ‘Operating deficits and public housing’, AHURI, 2007, p.8.

LIST OF RECOMMENDATIONS BY CHAPTER

1. WHO LIVES IN PUBLIC HOUSING

1.1 That the Victorian Government develops a strategic framework for social housing with clear objectives to inform:

- ▶ its data collection and improvements to its evidence base to increase understanding of the changing tenant profile.
- ▶ its program delivery and asset management based on the changing tenant profile and support needs.

2. AFFORDABLE HOUSING

None

3. HOUSING SUPPLY AND DEMAND

3.1 That the Victorian Government develops a strategic framework for social housing with clear objectives for:

- ▶ long-term investment in public and community housing.
- ▶ increasing the supply of all forms of social housing to progressively reach a target of 5 per cent of total housing stock in Victoria by 2030.

4. PUBLIC HOUSING POLICY

4.1 That the Victorian Government develops a strategic framework for the provision of social housing, including a clear vision for the provision of future public housing in Victoria.

5. PUBLIC HOUSING IN VICTORIA

None

6. ELIGIBILITY AND APPLICATION PROCESSES

6.1 That the Victorian Government reviews its eligibility processes with a focus on:

- ▶ the asset limits for early housing segments 1 and 3 to reflect increased costs associated with living in private rental.
- ▶ the asset limits for Segment 2 to account for the cost of disability, including costs associated with property modifications, transport and support services.

- ▶ updating information relating to visas and eligibility for newly arrived migrants and refugees.

6.2 That the Victorian Government explore the feasibility of introducing an option for waiving or reducing outstanding debts in specific circumstances, such as a history of family violence, mental illness and/or disability.

7. THE WAITING LIST

7.1 That the Victorian Government publishes annual waiting time data based on region, segment and broadband.

7.2 That the Victorian Government promotes the use of waiting times to the Productivity Commission as an additional performance measure for equity of access to public housing.

7.3 That the Victorian Government provides median waiting time figures in addition to the waiting time averages.

7.4 That the Victorian Government allocates new housing stock to the Department of Human Service regions where the proportion of allocations to waiting list are the lowest.

8. IMPACT OF WAITING TIMES FOR PUBLIC HOUSING IN VICTORIA

8.1 That the Victorian Government's strategy for homelessness, *Homelessness 2020*, should identify the link between housing stability and health and wellbeing, outlining a strategy to address issues associated with homelessness and poor health and wellbeing.

8.2 That the Victorian Government release *Homelessness 2020* without delay.

8.3 That the Victorian Government changes its policy to ensure that individuals and families are not removed from the early housing waiting list until they have secured long-term, sustainable housing for 12 months.

8.4 That the Victorian Government reviews the eligibility requirements for income to reduce disincentives to work while waiting for public housing.

8.5 That the Victorian Government extends its employment incentives to prospective tenants of public housing.

8.6 That the Victorian Government develops a targeted and strategic approach to providing educational support to children of families on the early housing waiting list.

9. MATCHING HOUSEHOLDS TO PROPERTIES

9.1 That the Victorian Government reviews the broadbanding system by examining the geographical areas and service needs of prospective tenants, with a view to providing greater choice and flexibility.

9.2 That the Victorian Government reviews its policy and procedures relating to housing offers to create greater choice and flexibility to ensure that the diverse and changing needs of individuals and families seeking access to public housing can be met, including:

- ▶ the length of time applicants have to respond to a housing offer with a view to increasing the timeframe to meet the needs of prospective public housing tenants
- ▶ increasing the number of housing offers for early housing applicants
- ▶ strategies for involving support services in the allocation process and using more active waiting list management to improve matching of applicants to housing

9.3 That the Victorian Government introduces policy measures to its allocations and housing offer processes to ensure the safety of children in public housing.

9.4 That the Victorian Government commissions an external research project to consider the link between transfers and inappropriate allocations.

9.5 That the Victorian Government improves responses to tenant concerns for safety to minimise transfer activity for tenants who feel at risk.

9.6 That the Victorian government investigate the efficacy and efficiency of offering incentives to tenants to downsize in order to produce a more suitable profile of stock to needs.

9.7 That the Victorian Government considers strategies for reducing transfer activity related to inappropriate allocations and unsustainable tenancies.

9.8 That the Victorian Government combines the transfer waiting list with the waiting list for new applicants to reflect the total waiting list and the significant percentage of allocations to transfer applicants.

9.9 That in combining the waiting lists, the Victorian Government continues to delineate waiting lists for new applicants, transfer applicants and early housing applicants.

9.10 That the Victorian Government identifies strategies to improve the utilisation and management of the mutual swap program.

10. FUTURE DIRECTIONS – TARGETING ACCESS TO PUBLIC HOUSING

10.1 That the Victorian Government undertakes an evaluation, and reports publicly on its findings, of its allocations system to determine its effectiveness for the changing tenant profile, with an emphasis on:

- ▶ eligibility
- ▶ housing offers
- ▶ matching individuals to properties
- ▶ the segmented waiting list
- ▶ defining the meaning of ‘need’

10.2 That the Victorian Government reviews its eligibility policy taking homelessness into closer consideration.

10.3 That the Victorian Government identifies an evidence-based, optimal mix of public housing tenants to reduce concentrations of disadvantage.

10.4 That the Victorian Government revisits the concept for movement between transitional and public housing properties to reduce disruption to tenants and ensure that transitional housing stock is replenished if tenants are to remain permanently in a transitional property.

10.5 That the Victorian Government reviews the Transitional Housing program to determine its effectiveness in the context of extensive waiting times to access public housing and in context of broader changes to social housing provision.

10.6 That the Victorian Government’s choice-based letting pilot considers the support needs of people requiring assistance to navigate such a system.

11. RENT COLLECTION AND RECOVERY

11.1 That the Victorian Government explore strategies to reduce the complexity of calculating rental rebates and reports publicly on its findings.

11.2 That the Victorian Government explore alternate rent models to maximise employment incentives for public housing tenants and reports publicly on its findings.

11.3 That the Victorian Government review its provision of rental payment summaries to assist tenants to track their rental charges and payments so they are comparable with the payment histories provided with essential utility bills.

11.4 That the Victorian Government consider the provision for tenants to enter into two rental payment arrangements in any 12-month period without restriction.

11.5 That the Victorian Government review its referral pathways to financial counsellors to ensure that tenants experiencing financial difficulties can be linked to the support they require to prevent rental arrears.

11.6 That the Victorian Government review its debt management policies and procedures to assist tenants in preventing the escalation of rental arrears.

11.7 That the Victorian Government identify strategies to support housing service officers in properly implementing debt management policies.

11.8 That the Victorian Government ensure that the health, safety and developmental needs of children are considered when a tenancy is at risk.

11.9 That the Victorian Government introduce greater flexibility in its communication of rental arrears, such as the introduction of short message service (SMS) alerts.

11.10 That the Victorian Government explore alternative and flexible processes for working with tenancies at risk to prevent the eviction of public housing tenants into homelessness.

12. SUPPORT FOR TENANCIES AT RISK

12.1 That the Victorian Government provide a response to the external evaluation of SHASP, clearly outlining the recommendations it supports and how it will implement the changes.

12.2 That the Victorian Government promote SHASP services more broadly to enhance awareness of the program and to assist in sustaining tenancies.

12.3 That the Victorian Government extend the discretion of SHASP providers to allow extended periods of support to tenants, that better reflect their needs and the successful resolution of tenancy issues.

12.4 That the Victorian Government review its approach to neighbourhood disputes, with particular emphasis on the skills and expertise of staff in local housing offices to respond to disputes and anti-social behaviour.

12.6 That the Victorian Government consider early intervention strategies to prevent the escalation of circumstances involving anti-social behaviour and associated tenancy failure and homelessness.

13. QUALITY OF SERVICE

13.1 That the Victorian Government revisit the Housing Office Review and considers the structure of the housing workforce, its relevance to the current tenant profile and the differences between support work and tenancy management.

13.2 That the Victorian Government review the level of knowledge and skills required by staff in Department of Human Services regional housing offices to better reflect the increasingly complex needs of tenants.

13.3 That the Victorian Government review the number of properties that housing staff in Department of Human Services regional offices manage across the state in the context of the changing tenant profile, and expands staff numbers in targeted housing offices when there is a demonstrated need to reduce workloads.

13.4 That the Victorian Government develop a comprehensive communication strategy that outlines how it will assist existing and prospective tenants to understand the complex processes associated with accessing and living in public housing, ensuring a diverse range of communication methods to communicate its activities to existing and prospective tenants.

13.5 That the Victorian Government develop a comprehensive strategy and implementation plan for the public housing workforce, including:

- ▶ a comprehensive program of professional development for staff in regional housing offices that includes opportunities to enhance understanding about specific needs, including disability, mental illness, homelessness and CALD communities
- ▶ key objectives for addressing issues relating to recruitment, retention and remuneration
- ▶ a commitment to promoting a culture of transparency, learning and active partnerships in the public housing workforce to adapt to the evolving context in which housing staff operate
- ▶ an assurance of consistency of service provision.

13.6 That the Victorian Government review its complaints processes giving specific consideration to:

- ▶ the potential for an external body responsible for mediation, complaint resolution and strategies for continuous improvement in tenancy-related matters
- ▶ standardising responses to complaints in local housing offices to ensure consistency in processes.

13.7 That the Victorian Government review the effectiveness of its tenant participation framework and the extent to which it includes individual, community and structural involvement of tenants.

14. ASSET MANAGEMENT AND EXISTING PUBLIC HOUSING STOCK

14.1 That the Victorian Government update its asset management strategy, including an implementation plan outlining timelines and target goals.

14.2 That the Victorian Government improve its maintenance contract arrangements in public housing, including

- ▶ more effectively monitoring the performance of maintenance contractors funded to carry out works on public housing properties as recommended by the Victorian Auditor-General
- ▶ introducing a system of indicators for identifying incomplete maintenance work and investigating the contractors responsible for the work.
- ▶ penalising maintenance contractors that do not meet their contract obligations.

14.3 That the Victorian Government report annually on the following quality assurance indicators relating to maintenance by region:

- ▶ the number of urgent, priority and non urgent repair requests not completed within the required timeframes
- ▶ the average number of tenant contacts required to finalise maintenance issues;
- ▶ the targets met by external contractors
- ▶ the average time between scheduled programmed maintenance per property.

14.4 That the Victorian Government clarify its responsibility in regard to facilitating maintenance work for tenants in public housing by:

- ▶ introducing a system of registering maintenance requests and clear timelines of stages in which tenants can expect maintenance work to be completed.
- ▶ identifying responsible housing service officers to ensure that tenants queries about maintenance issues are effectively responded to.

14.5 That the Victorian Government introduce a program to support the training and employment of tenants as maintainers or caretakers of properties, following demonstrated success in some Neighbourhood Renewal Programs.

- 14.6 That the Victorian Government commission an external safety inspectorate to report periodically on the health and safety condition of public housing stock.
- 14.7 That the Victorian Government develop a strategy for working more effectively with local government in the upgrade and renewal of public housing stock.
- 14.8 That the Victorian Government commit to ongoing funding for the Neighbourhood Renewal Program to ensure sustainability and continues to expand on the Program into public housing areas with high concentrations of disadvantage.
- 14.9 That the Victorian Government simplify processes for tenants seeking modifications to their property, including automatic minor upgrade options for ageing tenants.
- 14.10 That the Victorian Government review its tenant consultation plan for upgrade and renewal projects to ensure that tenants are involved in the process from start to finish.
- 14.11 That the Victorian Government alter its policy to enable those tenants in properties that don't meet the minimal standards to be eligible for a transfer.
- 14.12 That the Victorian Government review the *Residential Tenancies Act 1997* with a view to incorporating minimum housing standards, taking into consideration the minimal standards for public housing recommended by VCOSS in *A Future Focussed Housing Standard*.
- 14.13 That the Victorian Government revise its asset management strategy to ensure that properties are upgraded to meet environmental standards when vacant.
- 14.14 That the Victorian Government identify comprehensive solutions and develop a strategy for responding to the issue of cooling in public housing properties to maximise health and safety for tenants.

15. FUTURE DIRECTIONS FOR PUBLIC HOUSING ASSETS

- 15.1 That the Victorian Government negotiate with the Commonwealth Government to fund the difference between market rent and concessional (rebated) rents on the basis that it is a community service obligation.
- 15.2 That the Victorian Government further investigate alternative models for funding and promoting non-government investment in social housing.

15.3 That the Victorian Government evaluate the housing association model to determine its effectiveness in growing the supply of social housing and ensuring equitable access for vulnerable and disadvantaged Victorians, including the effectiveness of transfer of public housing stock.

15.4 That the Victorian Government develop a long-term vision and strategic direction for the development of social housing over the next 10 years to ensure a diversity of public and community housing options that will meet the needs of early housing applicants.

15.5 That the Victorian Government revise its asset management strategy to outline its planned growing social housing with particular attention to:

- ▶ objectives and targets for re-profiling the existing public housing asset base
- ▶ identifying its ideal dwelling mix in the public housing stock profile
- ▶ intended targets and timelines for growing the housing supply and options for singles and larger families to meet the needs of the changing tenant profile.

15.6 That the Victorian Government revise its asset management strategy, specifying its objectives, implementation plan and timeframes relating to the purchase and construction of public housing stock.

15.7 That the Victorian Government revise its asset management strategy for public housing to include:

- ▶ an outline of its intentions for outdoor areas and its importance in developing a sense of community in public housing areas
- ▶ a plan for children's use of outdoor areas that are safe and provide opportunities for recreation and social development.

15.8 That the Victorian Government revise its asset management strategy to outline its approach to preventing concentrations of disadvantage in acquisitions.

15.9 That the Victorian Government commit to ensuring a more even distribution of public housing across DHS metropolitan and rural regions in Victoria.

15.10 That the Victorian Government publicly report on the outcomes of participation of employment programs and the reduction of crime in each specific neighbourhood renewal project.

15.11 That the Victorian Government undertake a full and publicly available evaluation of completed neighbourhood renewal projects.

15.12 That the Victorian Government produce data on re-developments of public housing outlining the changed ratio of private to public and/or community dwellings and any reduction in numbers of social housing units.

15.13 That the Victorian Government amends the *Planning and Environment Act 1987* to include as an objective a need to support the development and retention of affordable housing.

15.14 That the Victorian Government increases the supply and distribution of new affordable housing which may include private and social housing by amending the Victorian Planning Provisions to allow for the use of 'inclusionary zoning'.

INTRODUCTION

On 29 July 2010, the Parliament of Victoria asked the Family and Community Development Committee to inquire into and consider the adequacy and future directions of public housing in Victoria.

Public housing has many benefits for individuals and families on low incomes and in housing need. Public housing offers a housing option that is long-term and affordable. This provides the basis for people living in public housing to participate actively in the community, including the opportunity to secure and sustain employment, provide educational stability for children, and experience improved health and wellbeing.

In view of its benefits for people on low incomes, public housing is highly sought after in a context where affordable housing is increasingly difficult to find. Both the cost of purchasing a home and renting in the private rental market have increased.

Public housing, however, has become an increasingly scarce resource. Factors including Commonwealth policy shifts, long-term decreases in spending, ageing stock, changing demographics and reduced supply over the past 30 years have contributed to a widening gap between supply and demand for public housing. This has had implications for the sustainability and financial viability of public housing. It has also contributed to concentrations of the most disadvantaged households in public housing.

Recent policy attention to the broader issues of affordable housing and the availability of social housing assistance has led to a combined national and state reform agenda that is influencing the approach to public housing in Victoria.

Since 2005 the Victorian Government has introduced a range of strategies to address some of the pressing issues relating to public housing, such as concentrations of disadvantage, employment disincentives and improving rental revenue.

The issues and the solutions to the problems facing the public housing sector are often in conflict. A number of these policy tensions form the basis of the Committee's findings and recommendations.

SCOPE OF THE INQUIRY

Public housing is one of a range of social housing options included within affordable housing policy. 'Public housing' generally refers to dwellings or housing stock owned and managed by a government housing authority.

While the Terms of Reference for the Inquiry refer specifically to public housing, in view of the changing context of housing, the Committee has

considered the issue of public housing within the context of social housing more broadly.

This approach was promoted by many participants in the Inquiry. For example, the Advocacy and Rights Centre in Bendigo submitted that:

Our organisation would like to change the focus of the inquiry from Public Housing to Social Housing. The reason for the change is that as a community we need to see the provision of housing as part of a social agenda and not just a 'roof over one's head'.¹

Similarly, the Brotherhood of St Laurence argued that to build on developments in this sector, future directions of public housing 'must be considered within the broader context of the provision of social and affordable housing more generally'.² Women's Housing Ltd also emphasised that public housing 'operates in a broader housing environment, including crisis and transitional housing and long term community housing. These forms of housing provision are both embedded and entwined with public housing in Victoria'.³

SOCIAL HOUSING IN VICTORIA

The term 'social housing' generally refers to rental housing provided or subsidised in some way by the government. It is generally aimed at enabling low-income tenants to rent at below-market rents.⁴

In addition to public housing, other social housing options include:

- ▶ long-term housing provided by registered housing associations
- ▶ medium-term and crisis accommodation provided by community housing providers
- ▶ subsidies for private rental.

The Committee identified that the terminology relating to social housing has become increasingly unclear. During the course of its Inquiry, participants often used the terms 'affordable housing', 'social housing', 'public housing' and 'housing associations' interchangeably.

It also noted that the development of long-term social housing options through community housing associations is influencing the future direction of public housing.

¹ *Submission 66 (ARC), p.2.*

² *Submission 78 (BSL), p.2.*

³ *Submission 26 (WHL), p.4.*

⁴ K Jacobs, R Atkinson, A Spinney et al., 'What future for public housing? A critical analysis', *Research Paper*, AHURI, February 2010, p.8.

INQUIRY PROCESS

The Committee set up an extensive research process in order to canvass the issues and receive input and information from as many interested participants as possible.

In conducting the Inquiry, the Committee used a variety of processes to develop its understanding of the issues relating to the adequacy and future directions of public housing in Victoria.

BRIEFINGS

The Committee invited a select group of individuals and organisations to participate in briefings aimed at assisting the Committee to build its understanding of the current issues relating to public housing in Victoria.

These briefings were held on 15 and 17 December 2009. The briefings provide an overview of issues including the quantity and profile of public housing stock, the public housing tenant profile, the segmented wait list, the role of housing associations and strategies for responding to and reducing the gap between supply and demand.

SUBMISSION GUIDE

In December 2009, a submission guide was made available to those interested in providing evidence to the Inquiry.

It provided an overview of the major issues of relevance to the Committee's Inquiry. It provided a background of public housing in Victoria and some key points relating to the policy developments since 1945.

It expanded on the Committee's Terms of Reference and presented 26 questions that the Committee was interested to hear perspectives on. The Submission Guide is reproduced in Appendix 1.

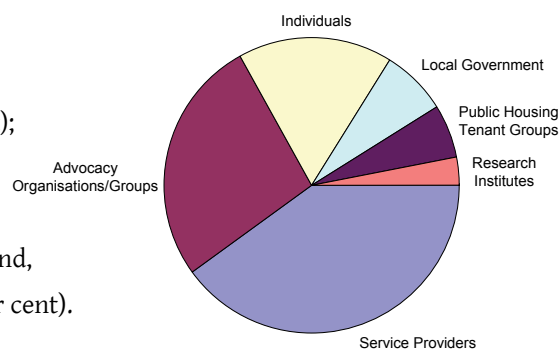
WRITTEN SUBMISSIONS

A call for submissions was advertised in *The Age* and the *Herald Sun* on 7 November 2009. In addition, an advertisement was included in the *The Weekly Times* for its Christmas edition seeking regional perspectives.

The Committee extended its invitation for submissions through an extensive database comprising a range of individuals and organisations, such as service providers, advocacy bodies and public housing tenant groups.

The Committee received 109 written submissions. The authors of these submissions included:

- ▶ service providers (40 per cent);
- ▶ advocacy organisations/groups (27 per cent);
- ▶ individuals (17 per cent);
- ▶ local government (7 per cent);
- ▶ public housing tenant groups (6 per cent); and,
- ▶ academics and research organisations (3 per cent).



Of the submissions, 17 per cent originated from regional and rural areas, two from interstate and the remainder from organisations and authors in the greater Melbourne metropolitan area.

The Committee also received submissions in confidence due to concerns the authors of these submissions had regarding the privacy and safety of themselves and their families.

PUBLIC HEARINGS

Public hearings were held at Parliament House, Melbourne in February 2010. Further hearings were held in regional Victoria in Ballarat and Mooroopna in March 2010. In total, 94 witnesses appeared before the Committee at the hearings, representing 43 individuals and organisations.

The witnesses invited to the hearings were selected by the Committee to ensure a range of perspectives and specialist expertise relating to the Terms of Reference.

Evidence was received from representatives of five public housing tenants groups. The Committee had the opportunity to hear from people living in public housing and their experience of homelessness and securing a tenancy in public housing. The Committee heard in-camera evidence in two public hearing sessions to protect the privacy of witnesses.

The Committee also heard from departmental officers in the Division of Housing and Community Building (HCB) within the Department of Human Services.

SITE VISITS

The Committee arranged a series of site visits in both metropolitan and regional Victoria to assist its understanding of the nature of public housing.

The Committee's site visits included Ballarat, Bacchus Marsh, Shepparton and several locations in metropolitan Melbourne. In addition to social housing in the city, the suburbs visited by the Committee were Carlton, North Melbourne, Reservoir, Kensington and Footscray.

The site visits were conducted in March 2010 and enabled the Committee to see a range of public housing stock and to hear about some of the Victorian Government's new program and project directions.

Appendix 2 provides a table of the sites visited by the Committee.

The Committee sought to visit public housing sites that represented existing and new public housing stock, stand alone dwellings and medium and high rise public housing estates.

The Committee appreciated the willingness of tenants to open their homes to the Committee.

REQUESTS FOR ADDITIONAL INFORMATION

In May 2010, the Committee invited the Division of Housing and Community Building to respond to a request for additional information. This was provided in late June 2010 and was of valuable assistance to the Committee in its deliberations.

It also sought information from the Department of Planning relating to some issues relevant to planning processes used by the Victorian Government in developing new social housing. This response was received in mid July 2010.

The Committee also made a request to the Victorian Civil and Administrative Tribunal for additional data and information. Its response was received in mid July 2010.

REPORT OVERVIEW

The report is structured into six parts that relate to the Inquiry Terms of Reference and the Committee's findings and recommendations on the adequacy and future directions of public housing.

Part 1 discusses who lives in public housing and how the tenant profile of public housing has been changing over the past decade.

Chapter 1 outlines available information about who lives in public housing and the needs of specific groups.

Part 2 provides a background to public housing and an overview of the current policy context, key issues relating to the demand and supply for public housing.

Chapter 2 gives an overview of the concept of affordable housing and how it is influencing current policy.

Chapter 3 reviews the issues relating to demand for public housing and the shortage of supply.

Chapter 4 considers the background to public housing today and the policy context.

Chapter 5 provides an overview of the provision of public housing in Victoria.

Part 3 gives a comprehensive consideration to the policy of targeting access to public housing based on need.

Chapter 6 discusses the eligibility requirements and application processes for accessing public housing in Victoria, including reference to the Victorian Government's proposed changes to the waiting list.

Chapter 7 examines the waiting list and the trends in waiting times.

Chapter 8 provides a detailed overview of the impacts of long waiting times on people in housing need.

Chapter 9 considers the process of matching household to individual properties and outlines the process of offers, swaps and transfers to public housing properties.

Chapter 10 explores the broader policy issue of targeting access to public housing based on need and considers some alternative and future directions.

Part 4 considers the sustainability of tenancies, including factors that can lead to tenancy failure and supporting people to sustain their tenancy.

Chapter 11 examines rent collection, rental arrears, recovery and evictions.

Chapter 12 discusses the support programs to assist tenancies at risk of failure.

Part 5 examines issues relating to the adequacy and future directions of public housing services, stock and asset management strategies in Victoria.

Chapter 13 provides an overview of issues relating to quality of service, including the public housing workforce and systems for complaints and appeals.

Chapter 14 considers asset management in the context of existing public housing stock.

Chapter 15 explores the future directions for managing public housing assets, including financing, planning, design and location.

CHAPTER 1

WHO LIVES IN PUBLIC HOUSING?

OBSERVATIONS

- ▶ That information about who lives in public housing focuses specifically on age, income and household composition.
- ▶ That public housing tenants are generally older and single.
- ▶ That public housing tenants have very low incomes.
- ▶ That women represent a significantly higher percentage of new allocations to Victorian public housing.
- ▶ That specific groups have unique and different housing needs.

FINDINGS

- ▶ That in general, the majority of Victorian public housing tenants are satisfied with the conditions of their housing.
- ▶ That research has identified benefits for low income households who move from housing instability into public housing.
- ▶ That the occupancy profile is changing and people living in public housing are increasingly:
 - ▷ older
 - ▷ single
 - ▷ economically and socially disadvantaged.
- ▶ That the demand for public housing among older tenants is projected to increase by 75 per cent from 2001 to 2016, including 118 per cent for those over 85 years in the same period.
- ▶ That the Victorian Government has committed to increasing its understanding of the public housing tenant profile.
- ▶ That data collected about the changing needs and complexity of the Victorian public housing tenant profile is not made publicly available in annual reporting.
- ▶ That the Victorian Government does not have a strategic framework that informs its response to the changing public housing profile.

This chapter provides an overview of the individuals and families who live in public housing in Victoria.

The Committee considers that an understanding of who lives in public housing (and who needs to) is important for informing the management of public housing. This includes the management of assets (such as planning for future stock acquisitions), allocations (waiting list management and matching individuals to housing) and tenancy management (such as the dissemination of information on tenancy matters and the provision of support).

The Committee identified that the current approach to collecting data about public tenants by the Victorian Government means that information about those who live in public housing relates specifically to age, income, Aboriginal background and household type of public tenants.

The available data reveals that the tenant profile in Victorian public housing is changing. Tenants are ageing, they are more often single or single parent households and their needs are increasingly complex.

The Committee found that there is a need to ensure that information about the changing needs and complexity of public tenants contributes to strategic directions in public housing, particularly the delivery of programs and asset management.

The Committee identified that the housing needs of specific groups differ and potentially require different support programs and different types of housing. This includes women, seniors, refugees, people with a mental illness and/or disability and people from an indigenous background.

WHAT INFORMATION EXISTS ABOUT WHO LIVES IN PUBLIC HOUSING?

The Committee found that information made publicly available about people who live in public housing consists of a breakdown of some aspects of the tenant profile (age, income, household composition and Aboriginal background).

The Victorian Government provides an annual report on the operations of public housing provision in the *Summary of Housing Assistance Programs*. In addition it provides statistical information to Commonwealth bodies that measure national performance in the provision of social housing.

The Australian Institute of Health and Welfare (AIHW) produces national data on public rental housing and reports on public housing assistance every year. It relies on the same data sets that the Victorian Government uses for its *Summary of Housing Assistance Programs* reports.

The Productivity Commission also produces an annual review of government services, assessing government service provision against key performance indicators. This includes a chapter on housing services. The Commission relies on the national data collected by the AIHW.

Additional information is drawn from Census data, which is often time-lagged – generally using the 2006 Census, but sometimes drawing from the 2001 Census.

In 2004, in its strategic framework for public housing, *Partnerships for better housing assistance*, the Victorian Government made the following commitment:

To better meet the needs of our clients, we will improve our evidence base about the changing needs and profile of our prospective and current clients. Better knowledge of client groups and their range of needs will improve the housing assistance responses we and other government and non-government agencies deliver. Sophisticated mechanisms for updating our evidence base and for responding to emerging client requirements and partner considerations will be a priority.¹

In its response to the Committee's request for an update regarding this commitment, the Division of Housing and Community Building (HCB) advised that 'to assist in understanding the requirements and profile of current and prospective clients, an asset planning information tool (called the Composite Needs Distribution) has been developed by HCB'.²

The Committee was further advised that 'this information tool (the CND) is used in conjunction with other contextual considerations such as urban planning, economic conditions and community considerations. This approach ensures that priority is given to those locations where the greatest relative need is identified and that the stock best matches the client profile'.³

A SNAPSHOT OF PUBLIC HOUSING TENANTS

At 30 June 2009 there were a total of 61,002 households in Victoria's Rental General Housing program. The Rental General Housing program is the major form of long term housing provided by the Victorian Government and includes detached houses, medium density housing, and flats, including high rise towers. The tenant profile refers to those living in the rental general housing program.

AGE PROFILE

The data provided by the Division of Housing and Community Building (HCB) relating to the age profile of tenants in public housing reveals that at 30 June

¹ HCB, *Partnerships for better housing assistance, Housing and Community Building's strategic framework 2004-09*, 2004, p.19.

² HCB, *Response to Request for Additional Data and Information*, Correspondence to FCDC, 29 June 2010.

³ HCB, Correspondence to FCDC, 29 June 2010.

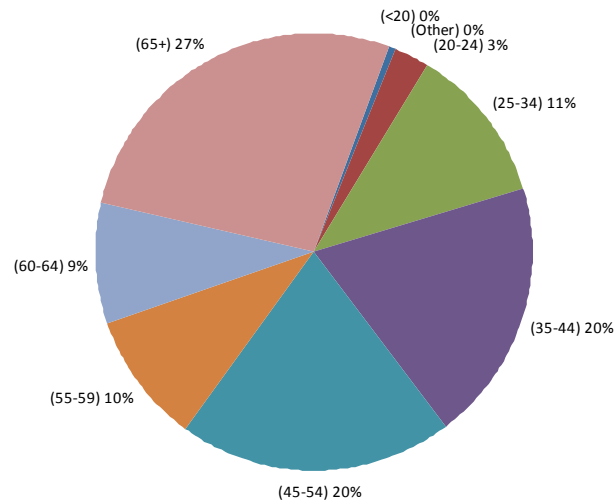
2009 they were generally older, with the majority (65.7 per cent) aged 45 years and above.⁴ The average age of public housing tenants is 53 years.

The figures reveal that a large percentage of people living in public housing are over 65 years, with nearly 30 per cent of people in this age group of households. Tenants aged between 45 and 54 comprise 20.2 per cent of the tenant population (12,324 tenants).

Tenants under 25 years, on the other hand, represent the smallest percentage of (3.2 per cent) of public housing tenants.

Figure 1.1 provides a breakdown by age of who lived in Victorian public housing at 30 June 2009.

Figure 1.1: Age profile of public housing tenants, 2008-09



Source: DHS, Summary of Housing Assistance Programs 2008-09

GENDER

The *Summary of Housing Assistance Programs* does not provide a breakdown of the gender of public housing tenants. Information is provided, however, regarding the breakdown of the gender of tenants allocated to public housing tenancies in 2008–09.

In 2008-09, women represented 61.6 per cent (3,406) of allocations to principal tenants, with men comprising 38.3 per cent (2,126).⁵

⁴ HCB, *Summary of Housing Assistance Programs 2008-09*, DHS, 2010, p.16.

⁵ The allocation figures in the *Summary of Housing Assistance Programs 2008-09* vary. The figure for total allocations on p.12 is 5,756 and the total figure on p.16 is 5,532.

HOUSEHOLD PROFILE

According to data issued by the Victorian Government, households are recorded based on household size and composition. This includes the status of the primary tenant, the composition of the household and the number of children.

Based on this information, it is evident that single households comprise the largest group in public housing. Single households are broken into three categories:

- ▶ single
- ▶ older single
- ▶ single parents

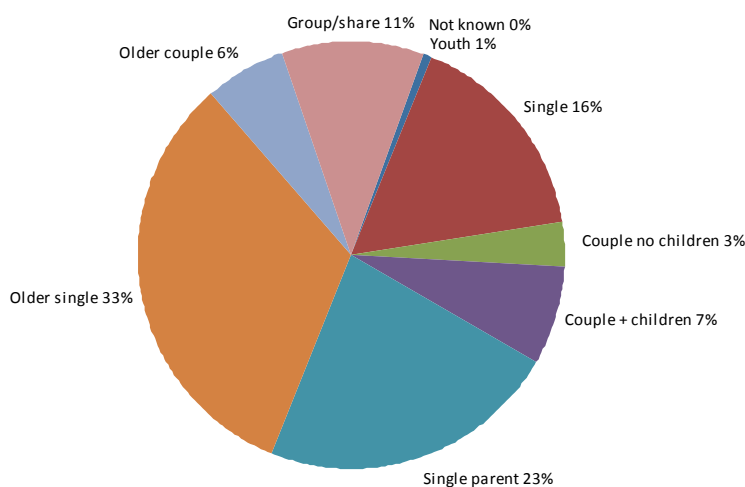
At 30 June 2009, older singles comprised the largest group of singles at 19,831 tenants (or 32.5 per cent of all tenants). Single parents form the next largest household group at 13,888 (or 22.8 per cent). Single households follow, comprising 9,993 (or 16.4 per cent).

Notably, the ratio of single person households with no children in public housing (in total, 48.9 per cent) is significantly higher than the Victorian average. Census figures from 2006 reveal that single households in Victoria represented 24 per cent of all households.⁶

One potential cause for differences in household composition in public housing is the high percentage of older tenants in the public housing system.

Figure 1.2 demonstrates the breakdown of household types at 30 June 2009.

Figure 1.2: Household compositions, 2008-09



Source: DHS, Summary of Housing Assistance Programs 2008-09

⁶ Australian Bureau of Statistics (ABS), ABS 3236.0 - Household and Family Projections, Australia, 2006-2031, 2010.

The chart demonstrates that those classified as group or shared households comprise 6,506 tenants. Couples with children are the next largest group, followed by couples with no children. The data also suggests that older couples with no children comprise a larger portion of the tenant population than couples under 54 years of age.

While the *Summary of Housing Assistance Programs* doesn't provide a definition of 'older' in the context of its household data, the *Program framework and funding guidelines 2009-12* provide a definition for one of the HCB programs that stipulates 'older' as 55 years and over.⁷

ABORIGINAL HOUSEHOLDS

The Aboriginal community can access public housing through the rental general stock provided by Housing and Community Building, or they can seek access to housing provided by Aboriginal Housing Victoria (AHV).

At 30 June 2009, the number of Aboriginal households in rental general stock was 1,345 (2.2 per cent of total households). The number living in AHV housing was 1,366. The total number of Aboriginal tenants assisted, therefore, was 2,724.

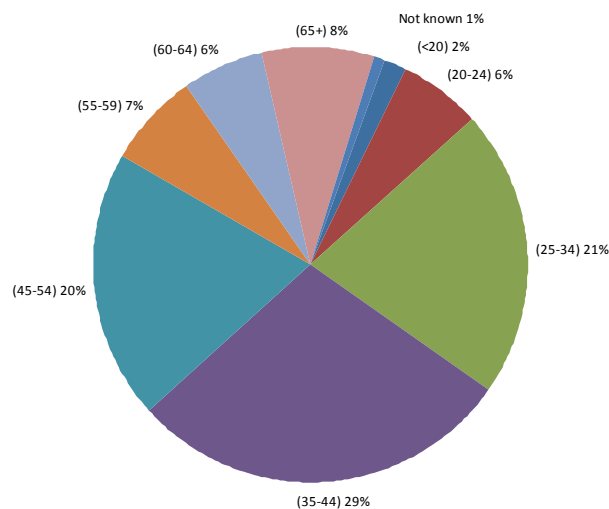
The data provided about Aboriginal households in the *Summary of Housing Assistance Programs* relates specifically to the 1,366 tenants in housing managed by AHV.

In regard to the age of Aboriginal households, there are noticeable differences to non-Aboriginal households in public housing. In particular, there are fewer older households (113 are over 65 years, which is 8.3 per cent) compared with 28.6 per cent (or 391) households in the 35 to 44 year old age group. These differences in composition for Aboriginal households are consistent with national data that indicates shorter life expectancy for Aboriginal people in Australia.⁸ Figure 1.3 demonstrates the age profile of Aboriginal tenants.

⁷ HCB, *Public Housing Infrastructure Program Social Housing Advocacy and Support Program (SHASP) Program framework and funding guidelines 2009-2012, Attachment 1: SHASP data collection - version 3*, DHS, 2008, p.5.

⁸ For example, see Steering Committee for the Review of Government Service Provision (SCRGSP), *Overcoming Indigenous Disadvantage: Key Indicators 2009*, Productivity Commission, 2009.

Figure 1.3: Age profile of Aboriginal tenants, 2008-09



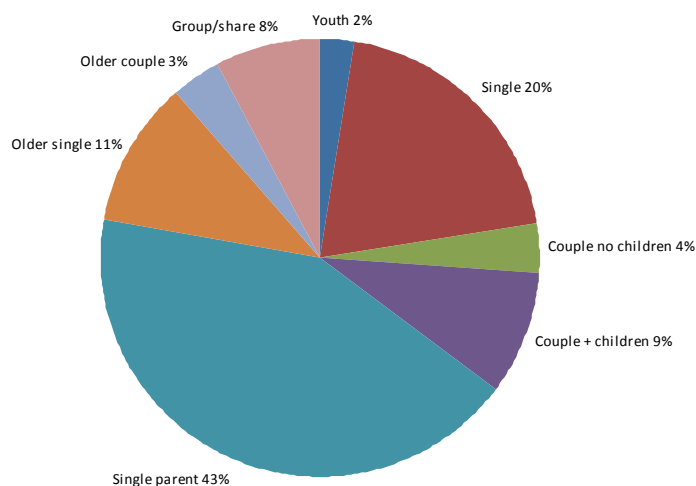
Source: DHS, Summary of Housing Assistance Programs 2008-09

The data reveals that at 30 June 2009, the majority of households were single parents. Single parents comprise 547 Aboriginal households (or 43 per cent). The next largest group is singles, who represent 20 per cent of households (or 257 households).

Accounting for the difference in age of Aboriginal households, the high representation of singles and single parent households is consistent with the general composition of non-Aboriginal households.

Figure 1.4 demonstrates the breakdown of household composition for Aboriginal households at 30 June 2009.

Figure 1.4: Composition of Aboriginal households, 2008-09



Source: DHS, Summary of Housing Assistance Programs 2008-09

INCOME

In view of the changing eligibility criteria for accessing public housing, public tenants are generally on very low incomes. As Chapter 6 will outline, the eligibility income for public housing is based on Centrelink benefits. The outcome is that the majority of public housing tenants are increasingly on very low incomes.

At 30 June 2009, only 33 households (0.05 per cent) received more than \$732 a week in income. There were only 4,555 tenants (7.5 per cent) who received just over \$700 per week. The data reveals that couples, with and without children, tend to have higher incomes. Single parents earned on average \$553.00 per week compared with \$705.00 for a couple with children. Those incomes are comparable with the minimum wage for a single person (\$543.78 in 2009⁹).

Young people and singles had the lowest incomes, with young people receiving \$233 a week and singles \$281. The incomes of young people, therefore, are clearly the lowest.

In view of the rising private rental costs in Victoria, due to historically low vacancy rates and other factors, many of these households would struggle to find and sustain private rental within their budget. In the March quarter of 2010 a three bedroom house in Melbourne was on average \$330 a week and \$240 in regional Victoria. In the same period, a two bedroom house was on average \$350 in Melbourne. Affordability of private rental housing is discussed in greater detail in Chapter 2.

For those tenants receiving rental concessions, incomes are lower again. Approximately 360 households receive less than \$200 a week and a total of 24,910 (40.9 per cent) have an income of less than \$300 a week. Those receiving less than \$300 per week represent 50 per cent of tenants accessing a rental rebate.

Table 1.1: Average wages by household: Rental General Housing Program 2008-09

	YOUTH	SINGLE	COUPLE NO CHILD	COUPLE WITH CHILD	SINGLE PARENT	OLDER SINGLE	OLDER COUPLE	GROUP/ SHARE	OTHER
Tenants at 30 June	406	9,993	1,967	4,555	13,888	19,831	3,823	6,506	33
Average weekly income	\$233	\$281	\$544	\$705	\$553	\$289	\$476	\$495	\$732

* not listed or reconciled

Source: Summary of Housing Assistance Programs 2008-09 p.16

⁹ Australian Fair Pay Commission, 2009 Commission, <www.fairpay.gov.au/fairpay/WageSettingDecisions/General/2009/2009decision.htm> Accessed on 25 June 2010.

If all rebated households up to \$499 are included, this cohort represents 76 per cent of all tenants on rebates and 60 per cent of all tenants.

For most tenants, therefore, achieving an income to exit to the current rental market is potentially challenging. For example, in Reservoir, generally considered an affordable suburb, the median rental price of a one bedroom flat was \$230 per week in 2009.¹⁰ On the figures cited above, this rental cost would represent a significant percentage of income for the majority of public housing tenants.

THE EXPERIENCE OF LIVING IN PUBLIC HOUSING

The Committee found that there are benefits for tenants who live in public housing and that tenants are generally satisfied with the conditions of their public housing. Despite the stigma increasingly associated with public housing, those in need of safe, affordable and secure housing do experience benefits following their move into public housing.

In *Australia's Welfare 2009*, the AIHW reported that 'nearly two-thirds (64%) of respondents to the 2007 National Social Housing Survey of public rental and community housing tenants said that their quality of life had improved since moving into social housing, with only 2% reporting that it had worsened'.¹¹

This is supported by an Australian Housing & Urban Research Institute (AHURI) study of the experience of new public tenants in 2005. It found a series of benefits for tenants.¹² In the first six months of their tenancy, the participants reported improvements to their health and wellbeing. The stability provided by public housing enabled them to cook at home, purchase more nutritious food and experience fewer hazards in their home environment.

In addition, these tenants reported feeling less stressed and more secure. Their new housing also had an impact on their employment, some were able to work fewer hours and devote more time to caring for children or improving their qualifications, others felt more able to look for work with their housing issues resolved.¹³

Over half of the parents in the survey reported that their children were performing better at school since moving into public housing, with only seven per cent feeling they were doing worse. Almost half reported that their children were now more motivated. The main reasons given for these improvements were that the children were happier (25 per cent) and things

¹⁰ *Submission 106* (Darebin City Council), p.8.

¹¹ Australian Institute of Health and Welfare (AIHW), *Australia's welfare 2009, Australia's welfare series*, 2009, p.267.

¹² P Phibbs & P Young, 'The health, employment and education benefits of public housing', *Research & Policy Bulletin*, Issue 54, AHURI, March 2005.

¹³ P Phibbs et al., 'The health, employment and education benefits of public housing', AHURI, 2005, p.1.

were better at home (24 per cent). A more motivated group of friends and better schools and teachers were also cited.¹⁴

Surveys of public housing tenants in 2007 found that 70 per cent of Victorian tenants expressed themselves satisfied or very satisfied with the conditions of their public housing.¹⁵ This was in line with the national average of 70 per cent.

Victorian tenants were particularly satisfied with the size of their dwellings and the ease of access.¹⁶ In its submission the Housing for the Aged Action Group (HAAG) noted that in comparison with private rental, public housing often worked better for ageing tenants. In particular, greater responsiveness to modifications enables tenants with a physical disability or medical condition to continue living at home.

At the same time, however, factors outlined throughout this report regarding the adequacy and quality of public housing have contributed to negative experiences for some public housing tenants. These experiences are discussed throughout the report.

CHANGING PROFILE OF TENANTS

Recent research has indicated that the profile of tenants in public housing has been changing over the past two decades. Participants in the Inquiry also emphasised the changing profile of those living in public housing. Key reasons for the shifting profile has been the policy response to increasing demand for public housing and the ageing population in Victoria.

Since the mid-1990s, governments across Australia have responded to the gap between supply and demand for public housing by targeting access according to people's needs. This has led to complex systems and processes for assessing these needs and determining eligibility for public housing. The mismatch between supply and demand has seen waiting lists grow over the past 20 years, particularly for tenants with high needs.

These policy changes have resulted in a gradual change in the tenant profile. With increasing numbers of allocations based on tenant's housing and special needs, people living in public housing have increasingly experienced homelessness, mental illness, disability, family violence and alcohol and/or drug dependence.

This section provides some general insights into what information is available about the changing tenant profile. In particular, the Committee has found

¹⁴ P Phibbs et al., 'The health, employment and education benefits of public housing', AHURI, 2005, p.1.

¹⁵ Australian Institute of Health and Welfare (AIHW), *Public rental housing 2008-09, Housing Assistance Data Development Series*, AIHW, 2010, p.18.

¹⁶ Roy Morgan Research, *2007 National Social Housing Survey Public Housing National Report*, The Australian Institute of Health and Welfare (AIHW), 2007 Executive Summary, Table 3.

that the tenant profile is ageing, increasingly comprises single households, and is made up of individuals and families on very low incomes, who are often socially disadvantaged with complex and high needs.

In view of the nature of the data available on public housing households, it is difficult to gain insight into how these 'needs' have translated into tenancies. There is no figure, for example, stating how many people with a mental illness live in public housing. There are no figures that provide information about the numbers of women who have experienced family violence that led to their need for public housing.

The Victorian Government, however, has identified the importance of understanding the changing tenant profile in public housing. For example, in a project on high risk tenancies in public housing it noted that

Data collected from other Department of Human Services programs reveals that although some programs collect information from clients about accommodation, there is no systematic department-wide approach to data collection about shelter – a fundamental determinant of health. Therefore, there was extremely limited capacity to match de-identified data from other programs regarding service supply to public housing residents. Better data collection about the client group and their support needs is required to plan appropriate service responses both at the housing office level and then into the broader service sector.¹⁷

PEOPLE LIVING IN PUBLIC HOUSING ARE GETTING OLDER

As noted, a large percentage of people in public housing are older.

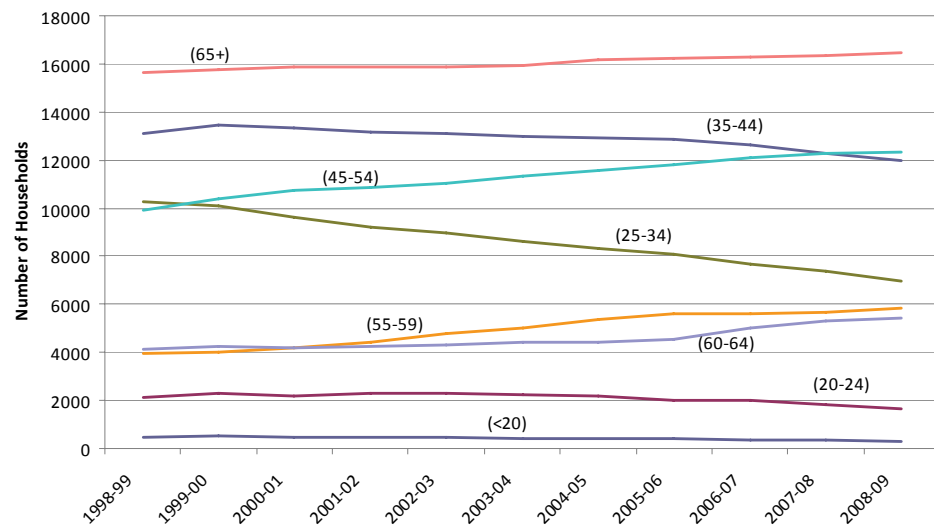
When looking more specifically at the data held by the Victorian Government, it is evident that Victoria's ageing population is being reflected in the profile of people who live in public housing. In 2003, the Victorian Government acknowledged that people aged over 60 years represented 1 in 6 Victorians and that this was projected to increase to 1 in 4 by 2021.¹⁸

The increasing number of older tenants in public housing can be identified by observing the trend of tenants aged between 45 and 54 years. The number of tenants in this age group is increasing. They currently number over 12,000 households, accounting for 20 per cent of the total households in public housing.¹⁹ If these tenants remain in public housing over the next 10 years, the proportion of tenants aged 65 years and over will continue to rise.

¹⁷ HCB, *Final report - Support for High-Risk Tenancies Strategic Project*, Portfolio Services and Strategic Projects Division, DHS, 2006, p.28.

¹⁸ Department of Health, *Population ageing in Victoria – a snapshot of Victoria's senior population aged 60 years and over*, <http://www.health.vic.gov.au/agedcare/publications/seniors_wallchart.htm> Accessed 10 Aug 10.

¹⁹ Even in the unlikely scenario of public housing growing by 15 per cent in the next ten years, and a high end mortality rate for tenants, the figure would still be over 34 per cent.

Figure 1.5: Age group of tenants, Rental General Housing, 1998-99 – 2008-09

Source: Summary of Housing Assistance Programs 1998-99 to 2008-09

This trend in older public tenants has also been identified in recent research. In a research project on older tenants in public housing completed in 2009, the researchers identified that demand for public housing for older people is projected to increase by 75 per cent from 2001 to 2016. For those over 85 years, the expected increase is over 118 per cent.²⁰ Supply, on the other hand is not projected to increase anywhere near these figures.²¹ Chapter 3 discusses issues relating to supply in greater depth.

HAAG further noted in its evidence to the Inquiry that older Victorians previously reliant on the private rental market have become a group that is now highly vulnerable to homelessness. Housing affordability has declined throughout the decade and rents have risen much faster than the relatively fixed incomes of older people. Thus more and more of them have been falling into homelessness. Indeed housing allocations for 2008–09 saw 1,061 new tenants over 65 years, as compared with 660 of those aged 25 years or under.

The age and ageing of the public housing population has important implications for future and current policy as regards stock building, stock allocation, stock refurbishment and design, tenant mix and support services.

The Committee noted that the Victorian Government has committed to developing an Ageing in Victoria policy framework. The 10-year plan is due to be released in 2010. In its 2008 discussion paper informing the plan, the Victorian Government highlighted the importance of housing to older Victorians.

²⁰ S McNelis, C Neske, A Jones, Assoc. Prof et al., 'Older people in public housing: policy and management issues', *Research & Policy Bulletin*, Issue 109, AHURI, February 2009, p.1.

²¹ S McNelis et al., 'Older people in public housing', AHURI, 2009, p.1.

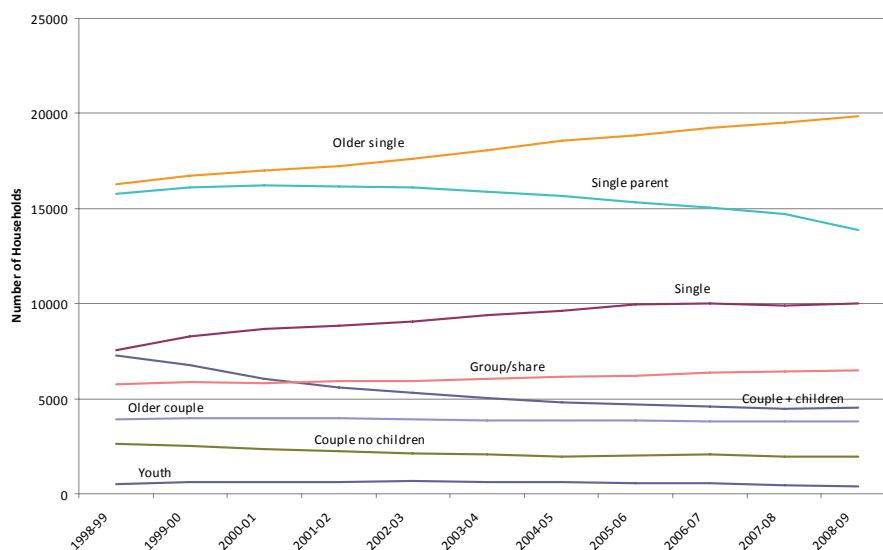
The Committee recommends that future planning of public housing takes into consideration the growing needs of older Victorians. These needs are discussed further below.

PEOPLE LIVING IN PUBLIC HOUSING ARE INCREASINGLY SINGLE

The data held by Housing and Community Building demonstrates that households in public housing are increasingly single in some form. When the percentage of singles, older singles and single parents are totalled, this figure amounts to 71.7 per cent of all households.

Single households comprise a diverse range of individuals. Many people with a mental illness and/or disability comprise single households. People recovering from alcohol and other drug issues are also often single households. In addition, single parents are often women. The housing needs of women are discussed in the next section.

Figure 1.6: Household composition, Rental General Housing 1998-99 – 2008-09

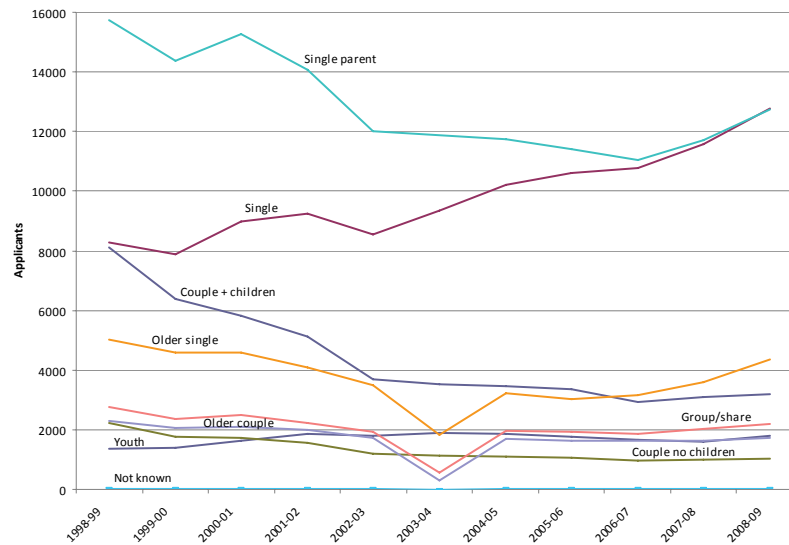


Source: Summary of Housing Assistance Programs 1998-99 to 2008-09

Notably both singles and older singles have increased as a percentage of households in public housing. Single parents on the other hand have declined as a percentage of households, yet continue to represent a significant proportion of the total number of public tenants.

When reviewing the waiting list data, however, the numbers of single parents applying for public housing has started to increase since 2006-07. This potentially represents a shift in the profile of public housing tenants.

Figure 1.7: New applicants for Public Housing, 1998-99 – 2008-09



Source: Summary of Housing Assistance Programs 1998-99 to 2008-09

When compared with trends in the household composition of the broader population, the number of single households in public housing is notably higher. The trends in household composition, however, do have some similar features. In a recently released report, the Committee for Melbourne noted that

In recent decades, Melbourne's household numbers have increased faster than population growth. This is largely due to an ageing population with more single-person households, more younger single people wanting residential independence, increased household separation rates and less intergenerational households.²²

ABS figures identify similar trends. In 2003–04, households composed of couple families with dependent children were the most common household type. They accounted for over a quarter (27 per cent) of all households in 2003–04. Similarly to the public housing tenant profile, however, couples with children are declining. In 1994–95 these households represented 30 per cent of all households in Australia.²³

Offsetting the proportional decline in couple families with dependent children in the past decade has been the increase in couple-only and lone-person households. Couple-only households comprised 26 per cent of all households in 2003–04 and single persons accounted for 25 per cent, up from 24 per cent and 23 per cent respectively in 1994–95.²⁴

²² The Committee for Melbourne 2010 Shaping Melbourne Taskforce, *Melbourne Beyond 5 Million, Getting Better As We Get Bigger*, vol. 2 - Density and Localised Economies, 2010, p.7.

²³ Australian Bureau of Statistics (ABS), *4102.0 - Australian Social Trends, Larger Dwellings, Smaller Households. Trends in Household Composition.* <<http://www.abs.gov.au/ausstats/abs@.nsf/0/8DD7826E7F7235D8CA25732C0020820B?opendocument>> Accessed 11 August 2010.

²⁴ Australian Bureau of Statistics (ABS), *4102.0 - Australian Social Trends, Larger Dwellings, Smaller Households. Trends in Household Composition.*

The large representation of single parent families is reflected in the broader population. In 2007, the Australian Bureau of Statistics identified that ‘over the last few decades, one-parent families increased as a proportion of all families with children. Consequently, a greater number of children spend at least some of their childhood with a lone parent; and many women and some men experience sole parenting, often in difficult financial circumstances’.²⁵

The Victorian Government has indicated its awareness of the vulnerability of single parent families in public housing in the context of high risk tenancies. In its project into high risk tenancies, it notes that ‘sole parent families ... are consistently over-represented across all public housing tenancies for arrears, breaches, evictions and abandonments’.²⁶

This highlights the importance of understanding the support needs of single parent families in public housing in sustaining tenancies.

PEOPLE LIVING IN PUBLIC HOUSING ARE INCREASINGLY ECONOMICALLY AND SOCIALLY DISADVANTAGED

As noted, policy responses to the growing gap between supply and demand have led to the introduction of systems that target access to public housing according to need. This has had significant consequences for the profile of public housing tenants.

The Victorian Government has recognised the changing tenant profile and its direct connection to the targeted approach to allocations. The Victorian Government targets its allocations using a segmented waiting list system, with four specific segments. Segments 1 to 3 are early housing segments and applicants are listed in priority order depending on the Segment approved for. Segment 1 is ‘recurring homelessness’, Segment 2 is ‘supported housing’ (including personal support and modifications) and Segment 3 is ‘special needs’ (including insecure housing, inappropriate housing, unsafe housing and urgent medical care needs). The segments are discussed in greater depth in Chapters 6 and 10.

In 2006, in a project on high-risk tenancies, it noted the following trends in the profile of public housing tenants:

- ▶ Allocations are increasingly likely to be made to households that require additional supports. The proportion of total public housing allocations to high need ‘early housing’ applicants increased from 14 per cent in 1993–94 to 72 per cent in 2003–04 (57 per cent Segment 3, 12 per cent Segment 1 and 3 per cent Segment 2).

<http://www.abs.gov.au/ausstats/abs@.nsf/0/8DD7826E7F7235D8CA25732C0020820B?opendocument> Accessed 11 August 2010.

²⁵ ABS, *4102.0 - Australian Social Trends, 2007, One Parent Families. Introduction.* <http://www.abs.gov.au/ausstats/abs@.nsf/0/F4B15709EC89CB1ECA25732C002079B2?opendocument> Accessed 10 August 2010.

²⁶ HCB, *Final report - Support for High-Risk Tenancies Strategic Project, 2006, p.12.*

- ▶ A growing base of households (currently 37 per cent) entered public housing through Segments 1 and 3, that target those who potentially need additional supports to sustain their tenancies but, unlike Segment 2, do not necessarily have these supports in place.
- ▶ Increasing allocations are to sole parents and non-elderly singles, which comprise the bulk of Segment 1 and 3 applicants.
- ▶ Increased numbers of households are dependent on statutory incomes rather than low wages or a combination of statutory and wage or other income. For example, since 1994–95 there has been a 70 per cent increase in the number of tenants who receive a disability pension and concurrent decrease in those on low wages.²⁷

In 2008, the AIHW released a bulletin on those receiving priority housing and the length of time they stay in public housing. It also indicated that the shift in targeting allocations to need was having an impact on the composition of households in public housing.²⁸

The AIHW highlighted that alongside Tasmania and the ACT, 'Victoria (67%) had a higher proportion of priority allocations than the other states/territories. They also had higher numbers of priority allocations for homelessness, with Victoria being responsible for over half of all priority allocations for homelessness nationally'.²⁹

National figures for how long households stay in public housing reveal that 66 per cent of those allocated priority housing in 2004–05 were still living in the same house after two years. The reasons these people sought priority public housing were:

- ▶ they were homeless
- ▶ their life or safety was at risk in their accommodation
- ▶ they had a health condition that was aggravated by their housing.

This suggests that the change in allocation towards higher need tenants will contribute to changes in the tenancy profile.

Research has also revealed that the tenant profile has been changing in public housing. For example, the concept of 'residualisation' has been increasingly used to describe this trend. 'Residualisation' refers to an increase in the concentration of the most disadvantaged households in public housing. This has also been identified in other countries, but research suggests that 'this process seems to be particularly acute in Australian public housing'.³⁰

²⁷ HCB, *Final report - Support for High-Risk Tenancies Strategic Project*, 2006, p.39.

²⁸ Australian Institute of Health and Welfare (AIHW), *Who receives priority housing and how long do they stay?*, Bulletin 63, AIHW, 2008.

²⁹ AIHW, *Who receives priority housing and how long do they stay?*, Bulletin 63, 2008, p.5.

³⁰ K Jacobs, R Atkinson, A Spinney et al., 'What future for public housing? A critical analysis', *Research Paper*, AHURI, February 2010, p.2.

Dr Jon Hall and Professor Mike Berry made similar findings, noting that targeting need in allocations has three key consequences:

- ▶ Accelerating the targeting of allocations to those in greatest need has meant that those on single and the very lowest incomes now dominate allocations.
- ▶ While the trend to priority allocations has been rapid, there is still room for a substantial increase in the proportion of total new allocations to households whose sole source of income is pension and benefits entitlements.
- ▶ Increasingly, households receiving priority allocations have non-housing-related problems that require service support.³¹

Research has also identified that ‘in 1981, 43 per cent of working age adults in public housing were not employed, while by 2006, the proportion had increased to 70 per cent’.³²

In 2008 a paper was presented to the Australasian Housing Researchers Conference based on the Australian Survey of Social Attitudes (AuSSA).³³ The research found that in general public housing tenants were disadvantaged on multiple indicators:

Public housing tenants experience a greater sense of social exclusion than homeowners, homebuyers and private renters. They have higher rates of unemployment, lower incomes, lower levels of education and poorer health. They are less trusting of other citizens and of people who are ‘different’, and they also have less confidence in institutions such as the police and banks.³⁴

The evidence heard by the Committee also identified that many prospective and existing public housing tenants have experienced social and economic disadvantage and that public housing has a key role to play in overcoming disadvantage.

The concentration of disadvantage in public housing, however, also has implications for the management of public housing more broadly. That is, ‘residualisation accentuates maintenance costs, concentrates high-need households in specific neighbourhoods and stigmatises further a sector that has struggled to generate political interest in an affluent social context’.³⁵

THE NEEDS OF SPECIFIC POPULATION GROUPS

The Committee was asked to consider whether public housing is currently meeting the needs of specific population groups. These include women, seniors, refugees, people from an Aboriginal background, people with a

³¹ J Hall & M Berry, ‘Public housing: shifting client profiles and public housing revenues’, *Final Report*, No. 108, AHURI, November 2007, p.2.

³² K Jacobs et al., ‘What future for public housing?’, AHURI, 2010, p.7.

³³ J Donoghue & B Tranter, ‘The Attitudes of Public Housing Tenants in Australia’, paper presented to Australasian Housing Researchers’ Conference 2008, .

³⁴ J Donoghue et al., ‘The Attitudes of Public Housing Tenants in Australia’, , p.9.

³⁵ K Jacobs et al., ‘What future for public housing?’, AHURI, 2010, p.2.

mental illness and/or disability, and people who have experienced alcohol and/or other drug issues.

To gain a sense of the needs of these groups, in addition to the evidence it received, the Committee sought information from a range of sources with varying research approaches.

Furthermore, during its Inquiry the Committee was also asked to consider a number of other groups that participants felt were excluded by the terms of reference. These were young people, offenders, children and people living in regional and rural communities.

SENIORS

As already outlined, older people represent a significant portion of public housing tenants with the numbers expected to grow.

Research reveals that for older tenants, the key aspects of housing that they value include its affordability, its security of tenure and its proximity to amenities. In addition, they 'are most satisfied when it is accessible, close to social support such as family and friends and has adequate maintenance and modifications. Many also prefer to be located with those of a similar age and not be collocated with those with demanding behaviours such as those with mental illness'.³⁶

The evidence received by the Committee supports these research findings.³⁷

The Committee heard that older people have been affected by the declining opportunities in public housing and other low rent housing. The Council on the Ageing (COTA) told the Committee that demand for public housing among older households is projected to increase by 75 per cent from 2001 to 2016. Demand for those over 85 years is expected to increase by 118 per cent. Yet actual supply over the same period was projected to increase by only 24 per cent.³⁸

While older people can only access public housing through the early housing priority system if they are homeless or have specific needs, as noted earlier, a large percentage of public tenancies are headed by someone over 65 years.

WOMEN

Many participants in the Inquiry were concerned with issues relating to women and their housing. As noted earlier, the number of allocations to women exceeds those of men quite significantly. Women have a diverse range

³⁶ S McNelis et al., 'Older people in public housing', AHURI, 2009, p.1.

³⁷ See: *Submission 89* (COTA Vic); *Submission 82* (HAAG); *Submission 103* (PILCH HPLC); *Submission 15* (Anne Sgro').

³⁸ *Submission 89* (COTA Vic), p.3.

of needs specific to their housing. The Committee identified two themes relating to women's housing needs.

A major theme was raised regarding the importance of public housing to women experiencing family violence and seeking safety. In particular, this led to specific public housing needs relating to safe location, safe housing and appropriate supports to live in the community.

In addition, as indicated earlier, it is likely that women are the principal tenants in the large percentage of public housing households known as 'single parent with children'.

There is little evidence on the needs of single parent families. Research conducted in 2002 revealed that single parent families are 'doing it tough', with 'almost 50% of those surveyed reported experiencing the practical manifestations of poverty, such as inadequate food and heating, problems in meeting bills, particularly utility bills etc.'³⁹

PEOPLE FROM ABORIGINAL COMMUNITIES

Securing housing for people from Aboriginal communities is particularly difficult. Discrimination against people from Aboriginal backgrounds is a major factor affecting the ability of many Aboriginal people to secure the housing they need.

The Committee heard that public housing, therefore, plays a particularly important role for people from Aboriginal communities.

Aboriginal Housing Victoria (AHV) explained that discrimination against Aboriginal tenants in the private rental market means that 'we have lots of middle-income earners and high-income earners who can sustain a successful private rental property but who have that barrier and that stereotype because they are Aboriginal, and they will not get access to that housing opportunity'.⁴⁰ The consequence is that some higher earning people from Aboriginal communities are seeking access to public housing.

Research findings also highlight the issue of discrimination. Case studies from one research project 'reveal histories of discrimination in the housing experienced by Indigenous people in need. Discrimination experienced by Indigenous people in housing leads to its own negative outcomes including a lack of dignity, self-worth and feelings of shame'.⁴¹

³⁹ B Birrell, V Rapson, T Burke et al., 'Sole parents, social well being, housing location and housing assistance', *Research & Policy Bulletin*, Issue 8, AHURI, June 2002, p.1.

⁴⁰ *Transcript of Evidence 7 (AHV)*, p.4.

⁴¹ P Flatau & L Cooper, 'Indigenous Access to Mainstream Public and Community Housing', *Research & Policy Bulletin*, Issue 65, AHURI, October 2005, p.3.

In addition, the research highlighted that ‘overcrowding problems in mainstream public housing are more prevalent among Indigenous tenants and Indigenous tenancies are shorter in duration than non-Indigenous tenancies’.⁴² Furthermore, access to public housing can be more difficult due to previous tenancy histories.

With the shift in Victoria to give tenants from Aboriginal communities the opportunity to access public housing through AHV, there is the potential for the specific housing needs experienced by Aboriginal tenants to be more effectively addressed.

REFUGEES

The Committee heard that housing is a critical need for refugees recently arrived in Australia, and that many experience homelessness due to the lack of housing options.

Research findings from an AHURI project reveal that there was a difference in experiences between temporary and permanent protection visa holders (TPVs and PPVs) with the former more likely to experience homelessness and insecurity. The survey found that three-quarters of those who were on TPVs and two-thirds of those on PPVs were reliant on either community housing or the private rental market and had to move frequently.

The TPV visa was abolished in August 2009. All those who established a claim for protection after this date were granted a PPV and those on TPVs were eligible for a Resolution of Status (RoS) visa that granted the same entitlements as a PPV. Differences remain for people processed off shore with a sponsor and people processed onshore without support networks.

Research has found that public housing is considered an important option for refugees who often experience discrimination from landlords, estate agents, neighbours and prospective employers.⁴³ These findings also reveal that for people who hold PPVs, there are challenges in securing accommodation, such as a house purchase or a public housing tenancy, that they could consider satisfactory or a long-term home.⁴⁴

One consequence of the lack of housing options for refugees is the resulting challenges in participating in the community.

HOUSING NEEDS OF PEOPLE FROM CALD BACKGROUNDS

The Committee also considered the representation of people from culturally and linguistically diverse (CALD) backgrounds in Victorian public housing.

⁴² P Flatau et al., ‘Indigenous Access to Mainstream Public and Community Housing’, AHURI, 2005, p.1.

⁴³ A Beer, Prof. & P Foley, ‘Housing need and provision for recently arrived refugees in Australia’, AHURI, , p.3; *Submission 53* (SMRC), p.6.

⁴⁴ Prof. A Beer et al., ‘Housing need and provision for recently arrived refugees in Australia’, AHURI, 2005, p.3.

While these figures are not made publicly available, they are reported on from time to time in reports produced by the Victorian Government.

For example, in 2006, in a report into high-risk tenancies, HCB noted that 'public housing is a culturally rich population with approximately 35.5 per cent of household heads born in countries other than Australia and 14.5 per cent of households having a preferred language other than English, spanning 91 different language groups'.⁴⁵

A range of projects undertaken reveal that the population of public housing tenants from CALD backgrounds in inner metropolitan Melbourne are quite high. This is consistent with findings by Professor Terry Burke and Professor Maryann Wulff who identified that submarkets exist in public housing and that 'demand for high-rise accommodation is significantly higher amongst Asian and African residents compared to those Australian born'.⁴⁶

Kensington

Urban Communities, who have a contract to develop and manage the Kensington public housing estate provided the Committee with an up-to-date profile of their 383 tenants. It noted that 18 per cent were from a non-English speaking background.

Carlton

In 2005 there were 2,099 public housing residents across the suburb. The residents living in the high-rise towers were primarily from Africa (particularly Somalia) (25.5 per cent), Australian-born (22.8 per cent), from Southern Europe (14.4 per cent), South and North East Asia (13.9 per cent) and the Middle East (5.4 per cent). Residents living in the 'walk up' flats were predominantly from Asia (particularly South East Asia) (40.3 per cent) and Africa (Ethiopia and Somalia) (24.9 per cent).⁴⁷

Ascot Vale

This estate had 1,333 residents in the mid 2000s and 31 per cent of these came from the Horn of Africa or Sudan. Another 12 per cent had a Vietnamese background. Three CALD groups made up between them a further 6 per cent of those living at Ascot Vale. Tenants born in Australia made up 27 per cent of the population.⁴⁸

Atherton estate

The Atherton Estate in Fitzroy had approximately 3,000 residents in 2001. The majority of CALD tenants were of Vietnamese background (17 per cent of all tenants), followed by residents from China and Turkey and then a smaller

⁴⁵ HCB, *Final report - Support for High-Risk Tenancies Strategic Project*, 2006, p.40.

⁴⁶ T Burke, Prof & M Wulff, Assoc. Prof, 'Do submarkets exist in public housing?', *Research & Policy Bulletin*, Issue 121, AHURI, September 2009, p.1.

⁴⁷ Becca Pty Ltd, *Carlton Community Infrastructure Plan - Report*, Prepared for HCB & City of Melbourne, 2006
<http://www.housing.vic.gov.au/_data/assets/pdf_file/0008/238175/CIP-Draft-Final-Report---v5-23-11-06.pdf>, p.23.

⁴⁸ Essendon Community Legal Centre (ECLC), *Community Awareness Campaign Report 2009, Reducing the Impact of Door to Door Utility Sales on the Office of Housing - Ascot Vale Estate within the City of Moonee Valley*, 2009, p.9. Data is drawn from DHS report from 2007.
<<http://www.mvls.org.au/index.htm/sites/default/files/Utilities%20Report%202009.pdf>>

proportion from Eastern Europe. There were smaller groups from the Horn of Africa and a distinct Hmong community from the hill tribes of Laos. Many of these CALD tenants came to Australia as refugees. Overall, it is clear the greater majority of residents came from CALD backgrounds with less than half reported as having English as their primary language.⁴⁹

Collingwood estate

The Collingwood estate had approximately 2,400 residents in 2001. As with the Atherton estate the majority of CALD tenants had a Vietnamese background. As an ethnic group they were followed by those hailing from Anglo-Celtic and Turkish cultures. Other groups on the estate included Chinese, people from the Horn of Africa (predominantly Ethiopia) and a sizable Indigenous community.⁵⁰

Richmond estate

The Richmond estate had approximately 6,000 residents in 2001. The majority of those who fell into the CALD category had a Vietnamese background. The next largest CALD group was from East Timor (predominantly Hakka speaking) and then there were smaller proportions of tenants with a Turkish or Anglo-Celtic background.⁵¹

PEOPLE WITH MENTAL ILLNESS

The Committee considered the housing issues experienced by people with a mental illness extensively in its *Inquiry into Supported Accommodation for Victorians with a Disability and/or Mental Illness*. It identified the significance of housing stability for people with a severe and enduring mental illness.

People with an enduring mental illness and an associated disability are often unable to maintain employment due to the episodic nature of their condition. Homelessness is a frequent outcome for people with a serious mental illness.

Participants in the Inquiry told the Committee that public housing is a key source of long-term, secure and affordable housing for people with a mental illness.⁵² Yet, people with a mental illness remain at risk of eviction from public housing as a consequence of the episodic nature of their illness.⁵³

This is supported by research findings which state that ‘with appropriate housing and support people with psychiatric disabilities can maintain stable housing, but it requires pro-active risk management by both support services and the individuals themselves’.⁵⁴

⁴⁹ <http://www.yarraweb.infoxchange.net.au/public_housing/main.html> ; <http://www.yarraweb.infoxchange.net.au/public_housing/stats_estates.doc> Accessed August 2010.

⁵⁰ <http://www.yarraweb.infoxchange.net.au/public_housing/main.html> Accessed August 2010.

⁵¹ <http://www.yarraweb.infoxchange.net.au/public_housing/main.html> Accessed August 2010.

⁵² See: *Submission 2* (Monash Alfred Psychiatry Research Centre.); *Submission 5* (EACH); *Submission 51* (Victorian Mental Health Carers Network).

⁵³ See: *Submission 104* (NEAMI); *Submission 79* (VICSERV); *Transcript of Evidence 21* (MI Fellowship).

⁵⁴ A Reynolds, S Inglis, & A O'Brien, ‘Stable housing for people living with a mental illness’, *Research & Policy Bulletin*, Issue 16, AHURI, February 2003, p.1.

PEOPLE WITH A DISABILITY

The Committee also touched on the issue experienced by people with a disability seeking to live independently in the community in their own housing in its *Inquiry into Supported Accommodation for Victorians with a Disability and/or Mental Illness*.

Issues for people with a disability vary considerably depending on the nature of their disability.⁵⁵ The housing needs of people with a physical or sensory disability can be very specifically related to the need for appropriately accessible housing. Yet the housing needs of people with a cognitive disability can relate more significantly to support requirements.

This is supported by research findings. A recent research project revealed that:

The housing transitions of persons with a disability vary significantly by type and severity but key issues include low participation rates in the formal labour market, reliance upon family support, and the impact of the way in which the disability was acquired;

Many persons with a substantial disability (referred to as a profound or core activity limitation ...) have extremely restricted housing transitions because of low incomes and the absence of options within the housing system.⁵⁶

Figures provided by HCB reveal that there was an increase of 70 per cent in the number of tenants receiving a disability pension between 1996 and 2006.⁵⁷

PEOPLE EXPERIENCING ALCOHOL AND OTHER DRUG ISSUES

The Committee heard that there are a range of challenges for people seeking to overcome issues associated with alcohol and other drug (AOD) use.

The Victorian Alcohol and Drug Association (VAADA) explained that housing is important to people seeking to overcome harmful substance use and that public housing is a key housing option. It also stated that 'AOD clients are particularly vulnerable during important life transitions such as exiting residential drug treatment'.⁵⁸

Research supports this and the findings suggest that 'social housing – including public housing – is the only realistic option for low-income dependent heroin users seeking secure and affordable housing because this group is systematically excluded from the private rental market'.⁵⁹

⁵⁵ See: *Submission 18* (Lesley Baker); *Transcript of Evidence 33* (NDS); *Submission 27* (OPA).

⁵⁶ A Beer & D Faulkner, '21st century housing careers and Australia's housing future', *Final Report*, No. 128, AHURI, February 2009, p.2.

⁵⁷ HCB, *Final report - Support for High-Risk Tenancies Strategic Project*, 2006^{p.16}.

⁵⁸ *Submission 11* (VAADA), p.5.

⁵⁹ J Bessant, H Coupland, T Dalton et al., 'Heroin use and housing', *Research & Policy Bulletin*, Issue 31, AHURI, November 2003, p.1.

Furthermore, the location of public housing is often important for people seeking to minimise the harms associated with AOD use, particularly given that ‘drug use and an endemic drug trade has led to some public housing estates becoming unpopular’.

CHILDREN

While figures are not made available regarding the total number of children in public housing, the figures from the *Summary of Housing Assistance Programs* suggest that just over 30 per cent of households in public housing include children.

A planning report for the suburb of Carlton pointed out that children under 18 living on the Carlton housing estates in 2005 made up approximately 28 per cent of those on the estate but 58 per cent of all children in the suburb.⁶⁰

In comparison with the wider population of Victorian households this is a lower mix of households with children.⁶¹ Without figures on the total numbers of children, however, the actual ratio of children to adults in the system cannot be ascertained.⁶²

The Committee heard from many participants that there is a lack of consideration of children in the context of public housing, but that their experience is equally as significant as that of any other population group.

Importantly, the Victorian Government has identified that children feature in tenancies that are at high risk. In its 2006 project into high risk tenancies, it noted that ‘of the 379 evictions for 2004–05, 185 were sole parent families with approximately 385 children’.⁶³

The resulting housing instability for children results in ‘living in difficult and insecure family environments. For these children, family life is affected by insecurity of housing tenure, conflictual family environments and parent(s) grappling with complex personal, social and financial issues’.⁶⁴

OFFENDERS

While offenders are not in the Committee’s Terms of Reference, the Committee heard from participants about the housing challenges they can experience. In particular, housing instability contributes to increased risk of

⁶⁰ Becca P/L, *Carlton Community Infrastructure Plan - Report*, 2006, p.24.

⁶¹ Analysis of ABS figures released in 2010 gives the ratio of all types of families with children as 47 per cent of the Victorian population in 2006. ABS projections were for this to slightly decline going into the future.

⁶² See: *Submission 76* (Centre for Excellence in Child and Family Welfare,); *Transcript of Evidence 2* (Hanover).

⁶³ HCB, *Final report - Support for High-Risk Tenancies Strategic Project*, 2006, p.12.

⁶⁴ HCB, *Final report - Support for High-Risk Tenancies Strategic Project*, 2006, p.13.

recidivism. Participants told the Committee that public housing plays an important role in preventing re-offending.

Approximately 5,000 adults exit Victoria's Department of Justice institutions each year.⁶⁵ From the moment of release housing is a major issue; beginning with requirement that a paroled prisoner provide authorities with an address as condition for parole.⁶⁶ Prisoners are only allowed to apply for public housing from six weeks before their release and are not eligible to apply in the recurring homelessness category.⁶⁷

Participants told the Committee that offenders and the families of offenders typically belong to the most disadvantaged groups in society. Those who have been in prison, and their family members, tend to have low levels of education, high levels of illiteracy and a history of reliance on income support.⁶⁸ Mental illness and mental disability are also prevalent among offenders, along with drug and alcohol problems. Histories of victimisation are also common. This is particularly notable for women, who are likely to have experienced high rates of family violence and abuse.⁶⁹ Members of the Indigenous community are overrepresented by a significant factor in Victoria's prison population.⁷⁰

The Committee also heard that housing instability is a key indicator reflecting both offenders disadvantage and the likelihood they will offend and reoffend. By the same token provision of stable housing is a primary building block for rehabilitation.⁷¹ Those who have been in prison are likely to face increased barriers in securing housing due to discrimination by employers, real estate agents and landlords. Public housing is in many cases the best or only option offenders may have for stable housing.

The Committee was told that failure to provide secure housing solutions for offenders and their families not only increased the likelihood of recidivism but in turn imposed larger social and economic costs upon the wider community.⁷² It also acknowledges, however, that the Victorian Government's tenancy management policy enables offenders to retain their public housing property for up to six months when they are in prison.

YOUNG PEOPLE

Participants suggested to the Committee that young people need to be considered in the context of public housing and their non-inclusion in the

⁶⁵ *Submission 63 (VACRO)*, p.9.

⁶⁶ *Submission 63 (VACRO)*, p.12. This is compounded for those with a mental illness, who as well as problems with parole also need a stable address to engage with area mental health services. See also: *Submission 93 (Forensicare)*, pp.4, 7-8.

⁶⁷ *Submission 73 (ACSO)*, p.11.

⁶⁸ *Submission 63 (VACRO)*, p.11.

⁶⁹ *Submission 63 (VACRO)*, p.11.

⁷⁰ *Submission 63 (VACRO)*, p.28.

⁷¹ *Submission 63 (VACRO)*, pp.12, 14, 27. *Submission 73 (ACSO)*, pp.5, 17. *Submission 93 (Forensicare)*, pp.3-5.

⁷² *Submission 63 (VACRO)*, p.9; *Submission 73 (ACSO)*, p.5; *Submission 93 (Forensicare)*, p.5.

terms of reference was an oversight. Young people are generally considered to be those aged from 16 to 24.

Young people in public housing are generally members of families. They are less commonly the primary tenant of a household. At 30 June 2009, the Victorian Government listed 406 households in its 'youth' category of the General Rental program.⁷³ If all households headed by people under 24 are included the number came to 1,994 or 3.2 per cent of the total.⁷⁴ This was just 0.67 per cent of all households in the program. Another 1,804 were on the waiting list making up 4.5 per cent of those waiting.⁷⁵

Many young people experiencing or at risk of homelessness require high levels of support and are often supported by specific youth programs, including access to transitional housing.⁷⁶ Access to public housing is an option sometimes considered when there are no alternatives, for example when reconnecting with family is not possible.

The Committee heard mixed views about the value of long-term public housing as an option for young people. Professor Terry Burke, for example, expressed the view that limited tenures for young people should be considered to prevent long-term dependency on public housing.⁷⁷ Participants also suggested other medium-term solutions, such as the Foyer model. This model is considered to be positive in assisting young people to make a transition from education to employment and self-sufficiency.⁷⁸

Some young people with specific needs benefit from more intensive support. The Inquiry was told that some young refugees faced barriers due to their CALD background, a traumatic history, disrupted schooling, and/or a lack of family. For these young people, long-term housing is an important alternative to a cycle of instability between homelessness and emergency accommodation.⁷⁹

Similarly, young people leaving care often need transitional housing support to assist them in moving to independence. Public housing has a role to play here since returning to the family home is generally not an option.⁸⁰

PEOPLE IN REGIONAL AND RURAL COMMUNITIES

A number of issues were raised before the Committee about the public housing needs of people in regional and rural communities. While this is not

⁷³ HCB, *Summary of Housing Assistance Programs 2008-09*, 2010, p.16.

⁷⁴ HCB, *Summary of Housing Assistance Programs 2008-09*, 2010, p.16.

⁷⁵ HCB, *Summary of Housing Assistance Programs 2008-09*, 2010, p.16.

⁷⁶ DHS, *Creating Connections, Youth Homelessness Action Plan Stage 2: 2006-2010*, 2006, pp.25ff, 35ff. Note: Young people in 2006 were identified as making up 40 per cent of those seeking help from homelessness services. p.iii.

⁷⁷ *Submission 90* (Prof. Terry Burke), p.5.

⁷⁸ *Transcript of Evidence 8* (BSL), p.5; *Submission 78* (BSL), p.24; *Submission 92* (Hanover), p.15; *Submission 56* (ISCHS), p.9.

⁷⁹ *Transcript of Evidence 15* (ECCV), p.3; *Submission 43* (ECCV), p.4.

⁸⁰ G Johnson, K Natalier, P Mendes et al., 'Pathways from out-of-home care', *Final Report*, No. 147, AHURI, April 2010, pp.8-9.

included in the Terms of Reference, the Committee considers it important to highlight these issues.

Public housing households in regional and rural Victoria make up approximately one-third of the public housing population for the state. Overall the numbers on the waiting list for housing in the regions is a slightly smaller proportion at 26 per cent.⁸¹

The Committee heard of a number of factors have impacted on the capacity of public housing to meet the needs of people in regional Victoria. These include: issues with the profile and location of dwellings;⁸² pressure on the local private rental market coming from those leaving Melbourne;⁸³ and an ageing population that needs not just housing but housing closer to services.⁸⁴ These issues are touched upon in the chapters on waiting lists and location.

The Committee also heard of concerns that with public housing already in short supply in some regions the increased waiting times in Melbourne might lead to overflow into the regions and reduce access for those already in the area.⁸⁵

Where it is the case that people are moving from Melbourne to housing in regional areas, or where people are moving across regional Victoria, a lack of access to jobs, support and/or general unfamiliarity with living in the regions can undermine their tenancy.⁸⁶

RECOMMENDATIONS

- 1.1 That the Victorian Government develops a strategic framework for social housing with clear objectives to inform:
- ▶ its data collection and improvements to its evidence base to increase understanding of the changing tenant profile.
 - ▶ its program delivery and asset management based on the changing tenant profile and support needs.

⁸¹ HCB, *Summary of Housing Assistance Programs 2008-09*, 2010.

⁸² *Submission 4* (Grampians Community Health), p.1; *Submission 102* (Hume City Council), p.20; *Transcript of Evidence 40* (RHN), p.5; *Submission 61* (RHN) pp.6, 8.

⁸³ 'Housing affordability worsens as rates bite', *The Age*, 18 May The article reported that housing affordability was down 16 per cent in regional Victoria, as opposed to 10 per cent for Melbourne in the March 2010 quarter. *Submission 87* (VCOSS), pp.2-3. VCOSS noted in its submission that the vacancy rate for rental properties in November 2009 regional Victoria was 0.8 per cent compared to 1.5 per cent for Melbourne.

⁸⁴ *Submission 82* (HAAG), p.14.

⁸⁵ *Transcript of Evidence 40* (RHN), p.3.

⁸⁶ *Submission 43* (ECCV), pp.6-7; *Submission 85* (CHP), p.9.

HOUSING IN CONTEXT

CHAPTER 2

AFFORDABLE HOUSING

OBSERVATIONS

- ▶ That housing that provides shelter, safety and security is a basic human need.
- ▶ That there is a shortage of affordable housing in Victoria.
- ▶ That shortage of affordable housing has direct consequences for demand for social housing (particularly public housing).

Affordable housing has become a key concept informing current housing policy in Victoria.

This chapter considers what is meant by ‘affordable housing’, the obligations of governments to provide affordable housing and the economic and social trends that have contributed to a context in which access to affordable housing is increasingly difficult.

Access to affordable housing has direct implications on demand for social housing, including both long-term public and community housing options.

THE ROLE OF HOUSING

Housing that provides shelter, safety and security is a basic human need. Housing also contributes to more than the basic necessities of shelter, safety, security and privacy. The Australian Institute of Health and Welfare (AIHW) has observed that housing which is affordable, secure and appropriate is ‘essential for decent health, education, employment and community safety outcomes’.¹ For example, where housing is poorly constructed, badly maintained, overcrowded or otherwise inadequate, it can affect health and educational outcomes, or place pressure on interpersonal relationships.

Appropriate housing can exist in various forms. It should, however, meet the needs of its residents. The next section considers the international standards which can inform an understanding of the elements of adequate housing, which is a human right. Whether housing is ‘appropriate’, however, will generally involve consideration of a number of factors, including:

- ▶ the quality of the housing stock
- ▶ where it is located in relation to employment, transport and services
- ▶ the way in which housing is supplied and managed
- ▶ suitability for the individuals who make up the occupant household
- ▶ the cultural needs of its residents
- ▶ its design and siting
- ▶ the degree of security and control residents have.

GOVERNMENT OBLIGATIONS

Expectations and understanding of what is considered adequate housing have changed over time. This shift is based on the growth of a rights-based and social inclusion approach to policy and services.

¹ Australian Institute of Health and Welfare (AIHW), *Housing Assistance in Australia*, 2008, p.2.

The right to an adequate standard of living, which includes the right to adequate housing, is recognised in international law instruments, to which Australia is a party.² Within this framework, adequate housing is not a privilege or to be considered as a commodity, but a human right. It also acknowledges the central role of housing in the development of individuals and society, rather than merely a commodity.

An integrated human rights approach takes into consideration the elements which determine the adequacy of housing in international human rights law, including:

- ▶ affordability
- ▶ security of tenure
- ▶ availability of services, materials, facilities and infrastructure, to ensure the health, security, comfort, and nutrition of a household
- ▶ habitability
- ▶ accessibility
- ▶ location
- ▶ cultural adequacy
- ▶ privacy and security
- ▶ access to remedies.³

The right to adequate housing is therefore more than ‘merely having a roof over one’s head’, but is a ‘right to live somewhere in security, peace and dignity’.⁴

There is currently no right to housing under Australian law. The national *Housing Assistance Act 1996*, however, aims to assist people to obtain access to housing that is affordable and appropriate to their needs, and to provide assistance for other housing-related purposes. States have residential tenancy legislation, which mediates the relationship between landlord and tenant, defining the circumstances under which eviction and possession can take place.

The Human Rights Law Resource Centre (HRLRC) and many other participants in the Inquiry recommended that human rights inform policy development and decision making in Victorian public housing. HRLRC, for example,

² *Submission 103* (PILCH HPLC), pp.9-11.

³ See: Office of the United Nations High Commissioner for Human Rights. Special Rapporteur on adequate housing as a component of the right to an adequate standard of living, and on the right to non-discrimination in this context. *The right to Adequate Housing*. <<http://www2.ohchr.org/english/issues/housing/index.htm>>; also, Office of the United Nations High Commissioner for Human Rights, Committee on Economic, Social and Cultural Rights - General Comments. Nos. 4 & 7. <<http://www2.ohchr.org/english/bodies/cescr/comments.htm>>. Accessed August 2010.

⁴ Office of the United Nations High Commissioner for Human Rights, Committee on Economic, Social and Cultural Rights - General Comments. No. 4, Paragraph 7.

Submits that the future direction of public housing requires a holistic rights-based approach from government, including the legislative entrenchment of the right to adequate housing. The Centre submits that the legislative protection of a right to adequate housing would provide a principled and workable framework in which to address the future of public housing and interconnected issues, such as homelessness, disadvantage and poverty.⁵

The Victorian *Charter of Human Rights and Responsibilities Act 2006* (Charter) formally establishes a set of rights and responsibilities for all Victorians. The Charter was introduced to play a legal, political, educational and symbolic role. It establishes a commitment that a shared understanding of human rights should be the underlying principle of civic life. The Charter aims to ensure that human rights are valued and protected within government and the community.

The Charter does not directly protect the right to adequate housing, as economic, social and cultural rights have not yet been incorporated within it. A number of the civil and political rights which are contained in the Charter, however, may indirectly impact on housing issues of people who are homeless, or at risk of losing their public or private tenancies. These include the right to life, the right to equality, the right to privacy, rights of children and the family, the right to security of the person and the right to a fair hearing, which extends to decision making.

The Charter places an obligation on all public authorities, including private sector organisations that perform functions of a public nature, to comply with the rights contained in the Charter. This applies to every facet of the work of government, including law making, policy development and service delivery. A public authority is defined broadly under section 4 of the Charter to include 'core' public authorities as well as those bodies exercising 'functions of a public nature'.⁶ As a ministerial department, the Department of Human Services (DHS) – and within it the Division of Housing and Community Building (HCB) – falls within the definition of a public authority.

The application of the Charter to HCB decisions has recently been tested in Victorian Civil Administration Tribunal (VCAT) hearings. The President of VCAT, Justice Bell, told the Committee that 'the question of the failure to consider the human rights of tenants when making a decision with respect to social housing is a question that is currently reserved before me'.⁷

⁵ Submission 10 (HRLRC), p.1.

⁶ P Lynch ed. *Human Rights Law Resource Manual*, Human Rights Law Resource Centre Ltd., 2006; Chapter 5 - The Victorian Charter of Human Rights and Responsibilities (Current as at 20 July 2007), p.71.

⁷ *Transcript of Evidence 3* (VCAT), p.8.

SUDI VS DIRECTOR OF HOUSING

Warfa Sudi, a Somalian refugee and his three-year-old son live in a home owned by the Director of Housing. The tenancy agreement for the home was originally made with Mr Sudi's mother, Qamar Ali, but Mr Sudi and his son continued to occupy the premises after Ms Ali died from cancer.

The Age explained that 'Mr Sudi's mother ... was the legal tenant and lived there from 1998 until her death from cancer at the age of 54 in 2008. Ms Ali had previously tried to transfer tenancy of the house to Mr Sudi - who had also lived there for a decade - but the application was denied because of rental arrears, a small debt subsequently repaid'.⁸

The Director of Housing subsequently made application under s 344(1) of the Residential Tenancies Act for a possession order to enable him to evict Mr Sudi.

Mr Sudi argued that the Director's decision to seek to evict him breached his human rights under s 13 (right to privacy, family and the home), s 17 (protection of families and children) and s 19 (cultural rights) of the Charter. Mr Sudi further argued that, by consequence of this unlawfulness, the Director was not entitled to seek to evict him.

The Director of Housing did not seek to justify the application for a possession order as a permissible limitation on human rights under s 7(2) of the Charter, but instead submitted that the Tribunal had no jurisdiction to consider the lawfulness of his actions under the Charter, that being a matter reserved to the Supreme Court.

Earlier this year, the Director of Housing lodged an appeal with the Supreme Court against the decision by VCAT. *The Age* reported that 'the department has not accepted that VCAT has authority to hear matters under the charter'.⁹

Sources: HRLRC, Caselaw Database, www.hrlrc.org.au, Accessed on 13 August 2010; C Egan 'Evict bid pits state against former refugee', *The Age*, 2 May 2010, p.8.

WHAT IS AFFORDABLE HOUSING?

'Affordable housing' relates to the affordability of dwellings and is also referred to as low-cost housing. 'Housing affordability', on the other hand, is when payments towards rent or mortgages are low enough to leave households with enough income to meet the costs of other basic needs in their daily life, such as food, clothing, transport, medical care and education.

⁸ C Egan, 'Evict bid pits state against former refugee', *The Age*, 2 May, p.8.

⁹ C Egan, 'Evict bid pits state against former refugee', *The Age*, 2 May, p.8.

There are a number of definitions that relate to affordability in the context of housing. The following box outlines these.

DEFINITIONS

Affordable housing

a generic term to cover any low cost housing (irrespective of tenure). Defined without reference to dwelling occupants but intended to meet agreed affordability benchmarks.

Housing affordability

a term usually denoting the maximum percentage of income which households should be expected to pay for their housing.

Housing stress

a generic term to denote the negative impacts for households with insufficient income to secure adequate housing (generally considered to be when households pay more than 30 per cent of their income in housing costs). It can also refer to other factors such as over-crowding and insecurity.

Housing need

a term denoting a defined standard which no household should fall below.

Source: M Gabriel, K Jacobs, K Arthurson et al, Conceptualising and measuring the housing affordability problem, National Research Venture 3: Housing Affordability for Lower Income Australians, Research Paper 1, AHURI, 2005.

The cost of housing is a major burden for many households in Australia. People who are excluded from full participation in society because of their low income, health status or discrimination find it particularly difficult to secure appropriate and affordable housing. For these reasons, all governments in Australia provide assistance to alleviate the financial and other burdens placed on these individuals and families purchasing or renting their home. Researchers have noted that

Existing evidence suggests the groups most affected by the increase in housing costs are low-income households in the private rental market and moderate-income owner purchasers.¹⁰

In the housing policy sector in recent years, the term ‘affordable housing’ has been used as an alternative to terms such as ‘public’, ‘social’ or ‘low cost’ housing. Some commentators have noted that this shift is based on a number of factors:

¹⁰ M Gabriel, K Jacobs, K Arthurson et al., ‘Conceptualising and measuring the housing affordability problem’, National Research Venture 3: Housing Affordability for Lower Income Australians, *Research Paper 1*, AHURI, May 2005, p.1.

- ▶ It represents a more appropriate description of the realities of housing policy today, with government assistance aimed at improving affordability not only through public and community housing, but also private rental assistance and to assistance to first homeowners.
- ▶ It reflects the recasting of policy debate away from funding of public housing investment and towards subsidies for private investors and the building industry.
- ▶ The notion of affordable housing accompanies a shift in social policy generally away from collective provision and more towards individual responsibility. Gabriel et al note that the term 'affordability' denotes an individual's capacity to exercise choice in the marketplace.¹¹

In addition, there are different measurements of housing affordability. Definitions generally centre on a household's income and expenditure on housing, and establish some standard after which the amount of income spent on housing is deemed 'unaffordable'.

Within the overarching Housing Agreements (discussed in Chapter 4) that govern public housing provision in Australia, 'affordability' is conceived as the ability of tenants to access suitable housing. These Agreements look to two measures of affordability:

- ▶ The average weekly rental subsidy per rebated household. This figure is derived by dividing the total rental rebate amount by the total number of rebated households.
- ▶ The proportion of rebated households spending less than 30 per cent of their income in rent.

In Victoria, the widely accepted measure of housing affordability is based on the National Centre for Social and Economic Modelling definition of housing stress when households in the lowest 40 per cent of disposable income are paying 30 per cent or more of that income on housing.

The Victorian Council of Social Service (VCOSS) also observes that the Housing Industry Association uses a Housing Affordability Index which is calculated on median first home prices, interest rates, average annual household income and qualifying annual income.

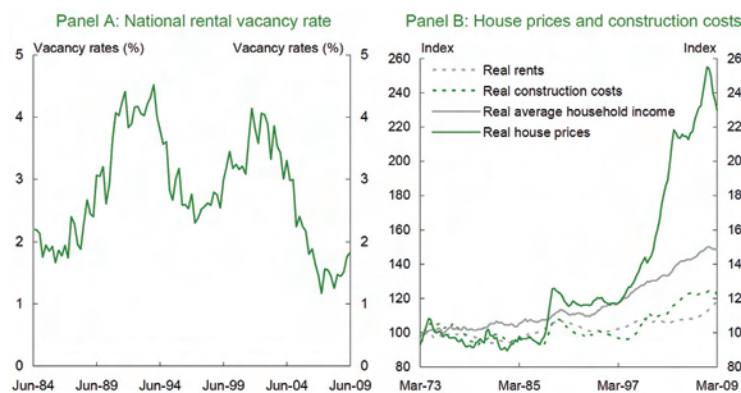
Overall reduced housing affordability has been a growing issue in Australia since the 1990s. A contributing factor has been the growth in population and the failure of housing supply to keep up. The Victorian Government has indicated its commitment to addressing issues relating to reduced housing affordability in its social policy statement *A Fairer Victoria*. The issue of supply and demand for public housing will be discussed further in Chapter 3.

¹¹ M Gabriel et al., 'Conceptualising and measuring the housing affordability problem', AHURI, 2005.

TRENDS IN HOME OWNERSHIP

The housing supply gap is a direct cause of the shortage of affordable housing Australia is currently experiencing. The impact of this gap has contributed to higher house prices and larger mortgages for Australians buying homes. This has implications for those whose income or life circumstances provide no capacity for home ownership, either at present or in the foreseeable future.¹²

In its submission to the Inquiry, the Tenants Union Victoria (TUV) pointed out that this mismatch between household formation, incomes and relative house prices has resulted in a shift within the Australian housing system, which has traditionally been based on majority home ownership, long-term public rental housing for low income households and transitional private rental.



Source: Review Panel Australia's Future Tax System Volume 2 December 2009 p.414

Australia continues to be a country where owner-occupiers dominate the housing market but most recent trends also show the percentage of those in private rentals rising and those in public housing falling. Figures from the National Housing Supply Council show that the number of Australians owning or buying their own home was almost 70 per cent in 2005–06.¹³ This figure was stable for 40 years.¹⁴

From 1996 to 2006, those households who owned their home outright reduced their share from 42.5 per cent of dwellings to 35.1 per cent. During the same period, households with a mortgage rose from 26.5 per cent to 34.7 per cent. Updated figures from 2007–08 continue these trends, with full owners dropping to a 33.2 per cent share of dwellings.¹⁵

Furthermore, home ownership has fallen over the past 30 years for younger generations. It dropped from 65 per cent in 1981 to 57 per cent in 2006 for

¹² Median house prices in capital cities increased by almost 100 per cent in real terms between 1996 and 2008. A house that had kept pace with the CPI would have cost \$220,000 in 2008; instead the cost was \$437,000. Australian Institute of Health and Welfare (AIHW), *Australia's welfare 2009, Australia's welfare series*, 2009, p.246.

¹³ National Housing Supply Council, *State of Supply Report 2008, 2009*, p.37.

¹⁴ K Henry, Dr, J Harmer, Dr, J Piggott, Prof et al., *Australia's future tax system, Consultation paper*, 2008, p.202.

¹⁵ National Housing Supply Council, *2nd State of Supply Report 2010, 2010*, p.138.

people aged 25-39. Those aged 25-34 years saw a larger drop in home ownership from 61 percent to just over 50 per cent.¹⁶

TRENDS IN THE PRIVATE RENTAL MARKET

The impact of house prices, combined with rapid population increase generally, has contributed to low vacancy rates in the private rental market. This has resulted in increased rents and reduced affordability for people on low incomes.

Rental vacancies reached record lows in 2008 and continued to decrease in 2009.¹⁷ In Victoria the past four to five years have seen vacancy rates of between 1.2 and 1.7 per cent, well below the preferred minimum of 3 per cent.

Rental costs have risen. In June 2009, the ratio of rents to average weekly earnings was at its highest level since the late 1980s.¹⁸ The weighted median cost of rent for a three bedroom house in major Australian cities was \$337 in March 2009. If rents had kept pace with inflation since 1996 the rent would have been just \$244. This means the cost of renting was almost 28 per cent higher in 2009 than it was at the end of 1996.¹⁹

In Melbourne real median rents increased by 31 per cent between the March quarter 1995 and the December quarter 2007.²⁰ During the same period maximum Commonwealth Rental Assistance (CRA) payments remained relatively static and thus the gap between assistance and real rent paid was continually growing.²¹

The private rental market now accommodates approximately 1.7 million households and houses the overwhelming majority of low-income households (except in the case of home-owning retirees). In Victoria, about 370,000 households (or 21 per cent of all households) live in the private rental market.²²

In 2009, a report on social housing revealed that one-fifth of people on low incomes in the private rental market were spending over 50 per cent of their incomes on rent. For those reliant on government income support, 80 per cent were in housing stress and almost one-third were spending over half of their income on housing.

¹⁶ J Yates, H Kendig, B Phillips et al., 'Sustaining fair shares: the Australian housing system and intergenerational sustainability', No. 111, AHURI, February 2008, p.32.

¹⁷ K Henry, Dr, J Harmer, Dr, J Piggott, Prof et al., *Australia's future tax system. Report to the Treasurer, Part Two Detailed Analysis*, 2009, p.412.

¹⁸ Dr K Henry et al., *Australia's future tax system. Report to the Treasurer - Part Two*, 2009, p.413.

¹⁹ There has been a general rate of increase for rents above the CPI rate since 1997 but they lift sharply after mid 2005. *Australia's Welfare* 2009, pp.246-7.

²⁰ R Ong, Dr, V Colic-Peisker, Dr, & G Wood, Prof, *Commonwealth Rent Assistance in the context of rising housing costs since 1995, Research Consultancy Report to Tenants Union of Victoria*, 2008, p.3.

²¹ Dr R Ong et al., *CRA in the context of rising housing costs since 1995*, 2008, pp.3-4.

²² *Submission 98 (TUV)*, p.6.

Table 2.1: Proportion of income spent on rent

HOUSEHOLD TYPE	ATTRIBUTES
Low income private renters	20% pay more than 50% of income on rent
Private renters on government income support	80% pay more than 30% of income on rent
Private renters on government income support	30% pay more than 50% of income on rent

Source: Powerhousing Australia, (2009) *A Vision and Plan for Social Housing in Australia*; Report prepared by SGS Economics & Planning Pty Ltd, Melbourne, p.11

IMPLICATIONS FOR SOCIAL HOUSING

One consequence of reduced housing affordability and lack of affordable housing options, has been an increasing demand for public housing. Market prices for houses and market prices for rents have both increased more than increases in earnings.

For those unable to buy a house, public housing can have significant appeal over private rental in view of its security of tenure. This has implications for demand on social housing in view of the pressures on house prices and the inability of many households to gain the security of tenure provided by home ownership. In evidence to the Committee, Professor Terry Burke suggested that security of tenure is a critical factor impacting on demand for public housing.²³

In addition, with demand for private rental accommodation high and vacancy rates low, with resulting impacts on rental costs, demand for public housing could be expected to grow. This can be seen in the dropping vacancy rates in all forms of social housing since 2005.²⁴

The reality, however, is that social housing cannot provide an alternative to private rental for large numbers of low income earners. In April 2010, social housing represented only 4.5 per cent of total Australian housing stock.²⁵ Public housing stock has been declining in real terms over a long period. The Executive Director of the Division of Housing and Community Building in Victoria, Ms Margaret Crawford, told the Committee that Commonwealth funding has decreased since 1994.²⁶ This was also outlined in *Towards an Integrated Housing Strategy*, which explained that funding has decreased by

\$900 million in real terms to the Commonwealth-State Housing Agreement (CSHA) since 1994–95. This has led to a loss of around 6,000 new homes at current replacement prices.²⁷

The Committee notes that the Commonwealth funding focus changed over this time and that there was a major shift toward funding CRA in line with a

²³ Submission 90 (Prof. Terry Burke).

²⁴ AIHW, *Australia's welfare 2009*, 2009, pp.257-8.

²⁵ Minister for Housing, *Regulation and Growth of the Not-For-Profit Housing Sector, Discussion Paper*, Commonwealth of Australia, 2009, p.3.

²⁶ HCB, *Response to Questions from Committee Briefing*, Correspondence to FCDC, 12 February 2010.

²⁷ HCB, *Towards an integrated Victorian housing strategy, A framework to address our future housing challenges*, 2006, p.14.

view that housing assistance should be based on need as opposed to establishing security of tenure.²⁸

The overall demand for rental homes is projected to increase by 21 per cent between 2008 and 2023 with the combined extra rental demand in Victoria and NSW amounting to over 270,000 dwellings.²⁹

²⁸ Parliament of Australia, Parliamentary Library, The Commonwealth-State Housing Agreement <www.aph.gov.au/library/intguide/sp/statehouseagree.htm> Accessed 1 September 2010; Steering Committee for the Review of Government Service Provision (SCRGSP), *Report on Government Services 2010*, vol. 2, Productivity Commission, Canberra, 2010. See also: Chapter 4, The Historical Context, (The mid-1990s to 2007).

²⁹ Minister for Housing, *Regulation and Growth of the Not-For-Profit Housing Sector - Discussion Paper*, 2009, p.4.

CHAPTER 3

HOUSING SUPPLY AND DEMAND

OBSERVATIONS

- ▶ That housing supply in Victoria, and in Australia more broadly, has not kept pace with population growth, changing demographics and subsequent demand for housing.
- ▶ That at 30 June 2009, the estimated shortfall of housing in Australia was 178,400 and in Victoria was 22,700.
- ▶ That social housing supply in Australia has decreased from 5.8 per cent of all dwellings in 1996 to 5.1 per cent in 2006.
- ▶ That social housing represents 3.8 per cent of housing in Victoria.

FINDINGS

- ▶ That recent state and Commonwealth initiatives have been an important first step in addressing the current social housing supply gap.
- ▶ That continued investment in social housing is critical in addressing the gap between demand and supply.
- ▶ That the preferred growth strategy for social housing in Victoria is to grow the supply of community housing through housing associations.
- ▶ That there is no growth strategy for public housing in Victoria.

Participants in the Inquiry strongly emphasised the issue of the mismatch between demand for public housing and the shortage of supply.

The Committee found that a number of factors have contributed to the increasing gap between demand and supply, particularly over the last eight years. These include the declining affordability of housing, no growth in public housing stock and changing demographics, including population growth. This chapter considers these factors.

It also examines some of the outcomes of the gap between supply and demand. Strategies that have been introduced to address the supply shortage are also considered.

HOUSING DEMAND AND SUPPLY

The extent of need for long term public housing is interlinked with broader availability of all existing housing and its ability to satisfy the housing needs and requirements of the population.

When market rents and housing prices are low, there may be less need for new social housing. When the cost of housing is expensive, due to shortages of stock or finance, or because of increased demand, the situation becomes more acute. The number of rental dwellings may need to be increased by building more private or social rental stock and government can play a role in this through a number of avenues.

The Australian Institute for Health and Welfare (AIHW) has defined housing demand as the amount of housing stock required to house all households.¹ This is driven by factors including:

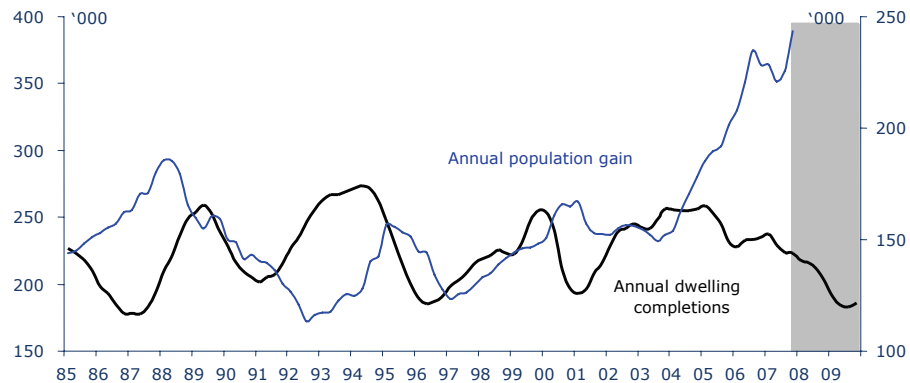
- ▶ the needs of households, as well as their economic capacity
- ▶ changes in population growth
- ▶ 'housing transition' (or the movement of people to different areas, types of housing or housing tenures).

Housing demand takes into account people who have the capacity to meet their own housing needs, as well as people who do not.

During the 20-year period from 1985 to 2005, the supply of dwellings in Australia kept pace with population growth. However, in the past few years the dwelling supply has significantly fallen behind the growth in population.

This is well illustrated in the graph provided by Women's Housing Limited (WHL) in its submission to the Inquiry (Figure 3.1).

¹ Australian Institute of Health and Welfare (AIHW), *Australia's welfare 2009, Australia's welfare series*, 2009, p.261.

Figure 3.1: Population growth vs dwelling completions

Sources: (Australian Bureau of Statistics; Economics@ANZ); Dr Owen Donald, Chairman of the National Land Supply Council presented to 2009 National Women Housing Conference.

At the end of this section, Figure 3.3 provides a comparison of the gap between demand and supply of housing across states and territories in Australia since 2001.

The AIHW reports that Australia currently has a housing shortfall, with housing demand exceeding supply.² The National Housing Supply Council (NHSC) estimated an overall shortfall of 99,500 dwellings in 2008.³ This was calculated on the basis of numbers of homeless as well as low vacancy rates in the private rental market.

It estimated the shortfall for June 2009 to be 178,400, which represents an increase of 78,900 (or almost 80 per cent) in one year.⁴ The NHSC predicts that the housing supply gap will continue to grow and projects it will reach 308,000 in 2014.⁵ This would make it three times the 2008 housing shortfall in just six years.

The AIHW reported that Australia's overall housing stock increased by 17 per cent in the 10-year period from 1996 to 2006. This has not succeeded in keeping up with increased demand, however, due to decreasing supplies of social housing and high levels of demand for private rental housing.⁶

The submission from the Brotherhood of St Laurence described this as a 'housing supply gap'.⁷ This gap, which has widened since 2006 (as illustrated in Figure 3.2), has impacted significantly on housing affordability and has increased the number of households under housing stress.

² AIHW, *Australia's welfare 2009*, 2009, p.261.

³ National Housing Supply Council, *2nd State of Supply Report 2010*, 2010, p.xiv.

⁴ National Housing Supply Council, *2nd State of Supply Report 2010*, 2010, p.xiv.

⁵ This figure is based on medium projections for population growth. National Housing Supply Council, *2nd State of Supply Report 2010*, 2010, p.xiv.

⁶ AIHW, *Australia's welfare 2009*, 2009, p.262.

⁷ *Submission 78 (BSL)*, p.8.

Figure 3.2: Housing supply gap

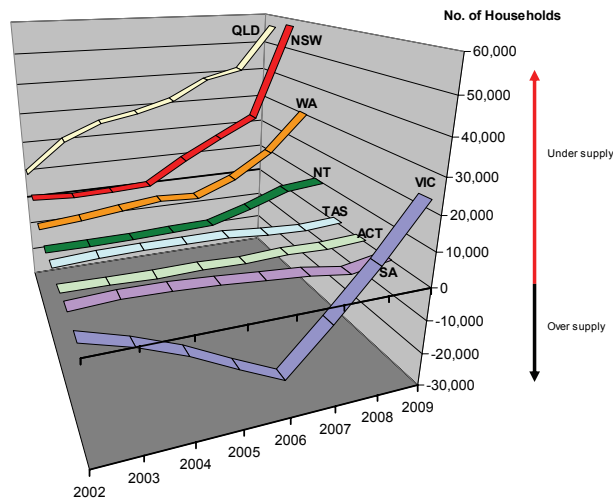


Source: Commonwealth Treasury Budget Papers 2008-09. Boosting housing supply

In its most recent report the NHSC noted that the gap between demand and supply was most likely to continue growing and may reach 308,000 dwellings in 2014.⁸

Between 2003 and 2007, apart from South Australia, Victoria was alone among the states in having a positive balance of housing supply. As demonstrated in Figure 3.3, however, the gap between demand and supply closed rapidly in 2007-08 and by 2009 the state had a net shortage of 22,700 homes.⁹

Figure 3.3: Cumulative gap between demand and supply and the cumulative increase in demand since 2001 for states and territories (Total households)



Source: Derived from National Housing Supply Council State of Supply 2nd State of Supply Report 2010 Table 7.3 p.132.

The NHSC has identified the following consequences of this widening gap between supply and demand:

⁸ National Housing Supply Council, *2nd State of Supply Report 2010*, 2010, p.xiv.

⁹ National Housing Supply Council, *2nd State of Supply Report 2010*, 2010, p.132.

- (1) Households with moderate income, who may previously have been able to access home ownership, are being forced into the private rental market.
- (2) As available rental housing then decreases, this pushes low-income households into unaffordable rental housing, or out of the private rental market altogether, putting increased pressure on social housing.¹⁰
- (3) The property market response to this will include increased investment in housing, as rents increase, and higher production of housing, resulting in the gap between supply and demand reducing over the long term.¹¹

CHANGING DEMOGRAPHICS

The Committee identified that demographic changes in Victoria will have an impact on the demand and supply for public housing. In 2008, both Australia and Victoria recorded their highest ever levels of population growth. According to *Victoria in Future 2008* (using Australia Bureau of Statistics data), Victoria's population grew by more than 100,000 due to:

- ▶ record numbers of babies (71,175) being born – the second-highest number of births since 1971
- ▶ comparatively low levels of population movement to other states
- ▶ overseas migration.¹²

Victoria in Future 2008 projects that Victoria's population will increase from 5.13 million in 2006 to 7.40 million by 2036, an increase of 2.27 million, or 44.2 per cent.¹³

The change will be different for different age groups. Victoria has an ageing population. The number of people aged less than 15 will increase by 250,000, 15–24-year-olds by 160,000, 25–34-year-olds by 212,000, 35–64 by 735,000 and people aged 65 and over by 910,000.¹⁴

In Victoria the average household size was 2.6 people in 2006 and this is projected to decrease to between 2.4 and 2.5 by 2031.¹⁵ Single person households in Victoria made up 24 per cent of all households in 2006 and these were estimated to rise to 25 per cent in 2016 and 26.5 per cent of all Victorian households by 2031.¹⁶

¹⁰ National Housing Supply Council, *State of Supply Report 2008*, 2009, p.xvi.

¹¹ National Housing Supply Council, *State of Supply Report 2008*, 2009, p.xvi.

¹² DPCD, *Victoria in Future 2008*, *Victorian State Government Population and Household Projections 2006-2036*, 2009, p.2.

¹³ DPCD, *Victoria in Future 2008*, 2009, p.2.

¹⁴ DPCD, *Victoria in Future 2008*, 2009, p.3.

¹⁵ Australian Bureau of Statistics (ABS), *3236.0 - Household and Family Projections, Australia, 2006-2031*. Chapter 4 Projection Results, States and Territories, Victoria. Average Household Size. <<http://www.abs.gov.au/ausstats/abs@.nsf/Latestproducts/2157F9F96F6166BCCA25773B0017CC1C?opendocument>> Accessed 8 July 2010.

¹⁶ Australian Bureau of Statistics (ABS), *3236.0 - Household and Family Projections, Australia, 2006-2031*. Chapter 4 Projection Results, States and Territories, Victoria. <<http://www.abs.gov.au/ausstats/abs@.nsf/Latestproducts/2157F9F96F6166BCCA25773B0017CC1C?opendocument>> Accessed 8 July 2010.

As household size continues to decline, mainly due to an ageing population, the number of households is expected to grow even faster – by 54.6 per cent between 2006 and 2036.¹⁷

Victoria in Future 2008 highlights that population growth in Victoria will not be spread evenly across geographic areas. It notes that while many areas will increase in population, some regional areas are projected to experience a decrease. Between 2001 and 2006, three local government areas accounted for half of the population growth in regional Victoria, those being the City of Greater Geelong, the City of Ballarat and the City of Greater Bendigo. In metropolitan Melbourne, the greatest growth is projected in outer suburbs.¹⁸

These changes are consistent with broader Australian demographic changes. They are anticipated to impact on the demand for housing in Australia and influence the features of housing required to meet demand.

- ▶ The number of households is expected to grow more rapidly. The Australian National Housing Supply Council (NHSC) has estimated that the demand in Australia is expected to increase to 11.8 million dwellings in 2028 compared with 8.6 million available in 2006. It estimated Australia had reached a supply of 9 million dwellings in 2009.¹⁹
- ▶ The composition of Australian households has changed in the past few decades. There have been an increasing number of smaller households, including a rising number of single person households. The average Australian household size fell from 3.3 people to 2.8 people between 1971 and 2006, while the proportion of single person households increased from 18.1 per cent to 24.4 per cent over this period.²⁰ The average Indigenous household is larger than the average non-Indigenous household.²¹
- ▶ Delays in household formation linked to, among other things, changes in the duration of education and higher house prices, have been combined with people living longer, with a rise in the number of very old people (older than 85 years). This ageing population is creating demand for smaller housing that allows older people to age in their communities and be close to transport, services and shops.
- ▶ Because the average number of people per household is falling according to available ABS population growth projections, the AIHW has concluded that the number of dwellings required nationally will grow more rapidly than the total population itself.²²

¹⁷ DPCD, *Victoria in Future 2008*, 2009, p.2.

¹⁸ DPCD, *Victoria in Future 2008*, 2009, pp.3-4.

¹⁹ National Housing Supply Council, *2nd State of Supply Report 2010*, 2010, pp.17, 26.

²⁰ Steering Committee for the Review of Government Service Provision (SCRGSP), *Report on Government Services 2010*, vol. 2, Productivity Commission, Canberra, 2010, p.16.4.

²¹ In 2006, the average non-Indigenous Australian household size was 2.6 people, whereas the average household with at least one Indigenous person was 3.4 people. SCRGSP, *Report on Government Services 2010 (vol. 2)*, 2010, p.16.5.

²² AIHW, *Australia's welfare 2009*, 2009, p. 253.

- ▶ The ratio of house prices to average household incomes is already at a historic high. At the same time, there has been a rise in the number of young people buying for the first time with assistance from family or friends.
- ▶ Immigration has been a significant factor in population growth in Australia. Social housing may also be indirectly affected by the rate of immigration, as new immigrants are likely to seek accommodation in the private rental sector, meaning that private rents may become higher than otherwise.²³ Settlement patterns may also be linked to employment opportunities and preferred retirement locations.

SOCIAL HOUSING – SUPPLY AND DEMAND

Professor Terry Burke emphasised to the Committee that Australia has one of the lowest proportions of social housing within the housing sector in comparison with standards of other advanced countries or their individual jurisdictions.²⁴

Table 3.1: Selected urban and housing characteristics, recent years

Country	Population ^a		Housing tenure ^b			
	Latest Census (millions)	Average annualised growth rate 2000-05 (%)	Owner occupation (%)	Social rental (%)	Private rental (%)	Other (%)
Ireland	4.0	1.12	77	7	11	5
NZ ^c	4.1	1.32	67	7	26	0
Denmark	5.4	0.24	53	19	18	10 ^d
Austria ^e	8.2	0.05	57	23	17	3
Switzerland ^f	8.1	0.05	35	6	59	NA
Belgium	10.4	0.21	74	7	16	3
Netherlands	16.2	0.50	53	35	12	0
Australia ^g	20.1	1.10	69	5	22	2.4
Canada ^h	31.6	0.77	66	6	28	NA
UK	58.9	0.31	70	20	10	0
France	61.5	0.47	56	17	21	6
Germany	82.5	0.07	43	6	51	0
USA ⁱ	291.6	1.03	69	2.5	28.5	NA

Notes:

- a. UNECE (2005). Growth rates reported may not reflect intraregional migration in Europe.
- b. CECODHAS (2005a)
- c. additional data Statistics NZ (2006)
- d. Includes not-for-profit housing associations in Denmark
- e. additional data Statistics Austria (2007)
- f. additional data Ball (2005), SFSO (2006)
- g. additional data ABS (2006)
- h. additional data Statistics Canada (2006) and Pomeroy, personal communication.
- i. additional data USCB (2005b)

Source: Edited table from AHURI, *International Trends in Housing and Policy Responses* (2007) p.20.

In June 2009, there were fewer than 336,500 public housing dwellings across Australia, of which 98 per cent were occupied.²⁵ At this time there were also approximately 40,000 community housing units and 12,000 State owned and managed indigenous housing dwellings.

²³ Alternatively, recently arrived people may be prepared to live in otherwise crowded conditions (although this may, in turn, put less pressure on the housing market).

²⁴ *Submission 90* (Prof. Terry Burke), p.1.

²⁵ Australian Institute of Health and Welfare (AIHW), *Public rental housing 2008-09, Housing Assistance Data Development Series*, AIHW, 2010, p.2.

Earlier figures from the ABS show that social housing stock comprised 393,000 dwellings in 2008, falling from 5.8 per cent of the total occupied housing stock in 1996 to 5.1 per cent in 2006.²⁶ According to figures in the NHSC's 2010 *State of Supply* report, this potentially fell further in 2008.²⁷ Its next report aims to focus more extensively on social housing.²⁸ Analysis of data from the 2006 Census also indicated the need for an additional 251,000 rental dwellings to be made available at an affordable cost for low income households.²⁹

The NHSC has pointed out that for Australia to have maintained the same proportion of social housing stock that it had in 1996, when social housing made up approximately 5.8 per cent of all dwellings, there would need to have been an additional 90,000 units of housing built by 2008 than was actually the case.³⁰

In 2008, a Senate Select Committee recommended that the pool of social housing stock in Australia be increased to at least 10 per cent of all housing stock by 2020, to facilitate the entry into social housing of a more diversified mix of low to medium income earners.³¹

The Government's response estimated that this may require purchase or construction of an additional 350,000 houses to the social housing pool, costing an amount in the order of \$100 billion, and carrying significant consequences for the construction industry, the financial sector and the shape of Australia's home ownership and rental housing markets.³²

The Australian Government has announced several responses to these supply shortages, which are discussed later in this chapter.

²⁶ National Housing Supply Council, *State of Supply Report 2008*, 2009, p.60.

²⁷ National Housing Supply Council, *2nd State of Supply Report 2010*, 2010, p.88.

²⁸ National Housing Supply Council, *2nd State of Supply Report 2010*, 2010, p.62.

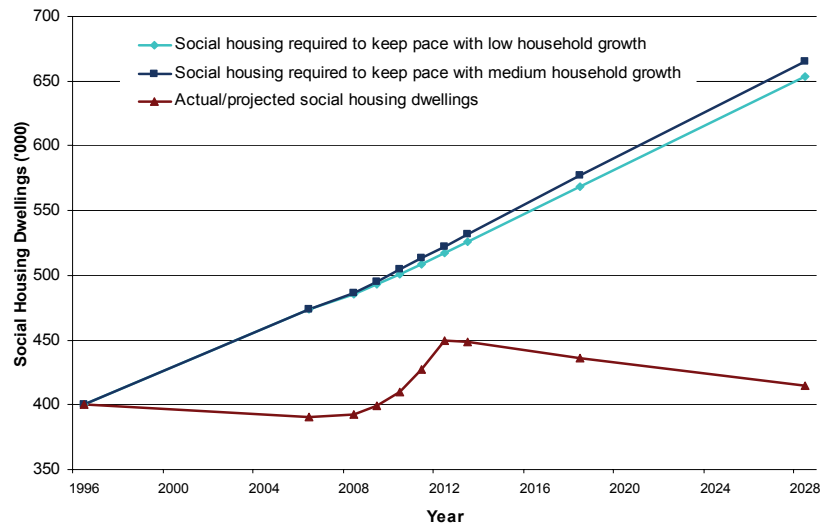
²⁹ National Housing Supply Council, *State of Supply Report 2008*, 2009, p.60.

³⁰ National Housing Supply Council, *State of Supply Report 2008*, 2009, p.34.

³¹ Select Committee on Housing Affordability in Australia, *A good house is hard to find: Housing Affordability in Australia*, Parliament of Australia, The Senate, 2008, Recommendation 10.6, p.167.

³² Australian Government, *Government Response to 'A good house is hard to find: Housing affordability in Australia'*, Report by the Senate Select Committee on Housing Affordability in Australia, 2009, p.21.

Figure 3.4: Social housing demand and supply projections



Assumptions for Figure 3.4:

- (1) Household growth projections are from the National Housing Supply Council's 2008 State of Supply Report.
- (2) 35,000 National Rental Affordability Scheme (NRAS) dwellings (based on an assumption that 70 per cent of 50,000 dwellings have not for profit organisations or endorsed charities as tenancy managers) and 19,300 Nation Building and Jobs Plan Social Housing Initiative dwellings are distributed across years 2009-2012.
- (3) 600 *A place to call home* dwellings are distributed across years 2009-2013.
- (4) 1,700 National Partnership Agreement on Social Housing dwellings are distributed across years 2010-2011.
- (5) The projection does not take into account the trend in actual stock from 1996 to 2006.
- (6) NRAS dwellings exit affordable housing stock as they leave the scheme.
- (7) The projection does not consider the proportion of NRAS dwellings tenanted by households eligible for social housing.

Source: Housing Ministers' Conference, November 2009

[http://www.coag.gov.au/coag_meeting_outcomes/2009-12-07/docs/](http://www.coag.gov.au/coag_meeting_outcomes/2009-12-07/docs/implementing_national_housing_reforms.doc)
[implementing_national_housing_reforms.doc](http://www.coag.gov.au/coag_meeting_outcomes/2009-12-07/docs/implementing_national_housing_reforms.doc) p.16]

VICTORIAN SOCIAL HOUSING

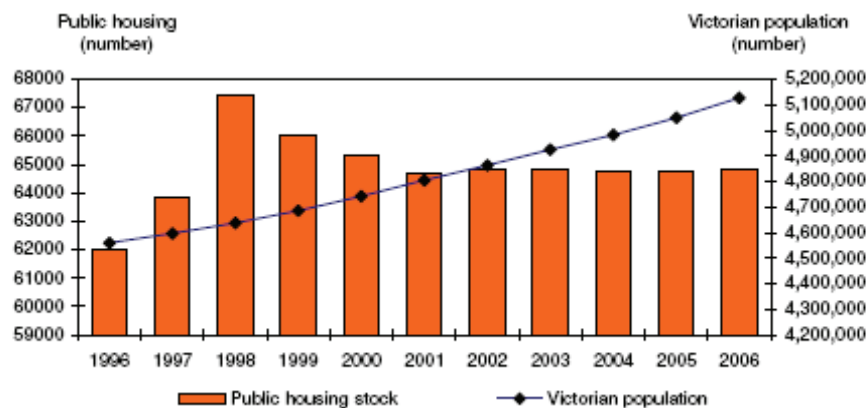
The size of the social housing sector in Victoria is relatively small. In June 2009, there were 65,207 public housing properties. There are a further 1,387 Aboriginal housing properties and 12,052 community managed housing properties with 8,347 targeted to long-term housing.³³ This means that only a small number of those on very low incomes are having their housing needs met by these last two sectors.

While Victorian stock represents 19 per cent of the total number of public housing dwellings in Australia, Victoria makes up 25 per cent of the total Australian population. Hanover Welfare Services provided data in its submission demonstrating that while the amount of public housing in Victoria has been relatively stable over the past ten years, Victoria's population has increased by 12 per cent.³⁴

³³ HCB, Presentation exhibited during testimony at Public Hearing, 17 February 2010. See also: HCB, *Summary of Housing Assistance Programs 2008-09*, DHS, 2010 p.46.

³⁴ *Submission 92* (Hanover), p.6.

Figure 3.5: Victorian public housing 1996–2006



Source: ABS 2006 Census; FaHCSIA 2005-06

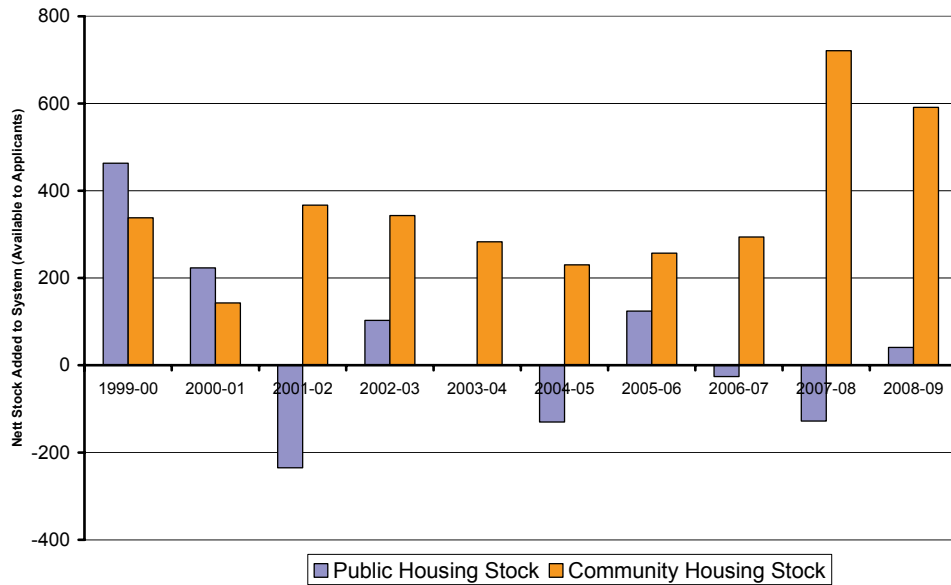
The Committee was informed that over the past 12 months, however, there has been a commitment to increase supply by nearly 2,300 social housing properties in Victoria, following increased government investment in the sector. The Victorian Government’s preferred method for growth of social housing is to grow the community housing sector through housing associations.

That growth in the community sector can be seen in the graphs below. Figure 3.6 shows that while net increases in the amount of public housing have been small and fluctuating there has been more consistent growth in the community sector. This is even more evident after the mid 2000s. This is when the Housing Registration system was established and in mid-2008, 575 units of public housing stock were transferred to housing associations to use for leverage in growing stock.³⁵ The figure also shows that growth in public housing has been relatively flat since 2000, reflecting an emphasis on replacing and re-profiling stock.

Figure 3.7 presents the total amount of long term social housing stock divided between public housing and other forms which include community housing, such as housing associations. The community housing sector’s long-term stock has grown by 75 per cent in the period (from 4,780 to 8,347) and that of Aboriginal Housing Victoria (AHV) by 37 per cent (from 1,011 to 1,387). It can be seen that while the ‘community and other sector’ remains a small proportion of social housing its share is growing. Community housing stock as a proportion of total social housing stock increased from 6.8 per cent in 1999 to 11 per cent in 2009.

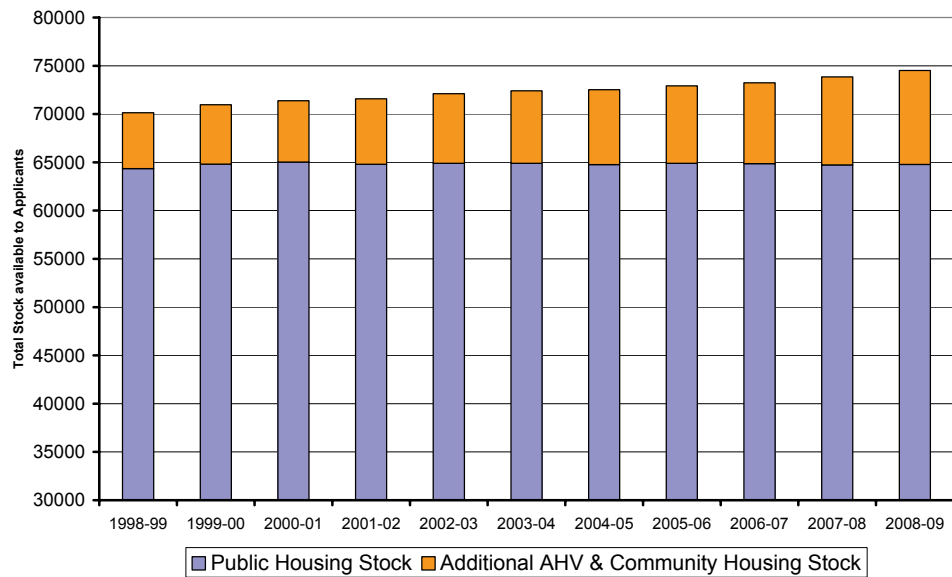
³⁵ This stock was already under management of the Community sector and so did not affect the balance of total public and community housing stock.

Figure 3.6: Net increases and decreases in Victorian public and community housing stock 1999-2009



Source: Derived from *Summary of Housing Assistance Programs 1998-99 to 2008-09*

Figure 3.7: Growth in Victorian social housing – public housing and other social housing (a) (b)



a) Note that other housing stock consists of community housing and Aboriginal Housing Victoria stock.
 b) Note that this figure starts from base of 30,000, this will have a foreshortening effect on the proportions between public housing and rest but throws the growth in the share of other social housing into more relief.

Source: Derived from *Summary of Housing Assistance Programs 1998-99 to 2008-09*

HOMELESSNESS AND THE HOUSING SUPPLY GAP

A key consideration regarding the gap between demand and supply for housing is the extent to which it contributes to homelessness. As discussed further in Chapter 8, the Committee found that large numbers of people in

need of housing and unable to access public housing are at risk of homelessness or existing in situations of homelessness.

The causes of homelessness are complex, varied and may overlap. Factors such as family violence, mental illness, substance use, unemployment or poverty may all contribute to homelessness. Underpinning this is often the difficulty in accessing affordable and secure housing.

The shortage of affordable housing can add stress to families leading to conflict and breakdown, increasing the risk of homelessness. The Australian Council of Social Service (ACOSS) has observed that there may also be increased costs of health and social support services in dealing with the social impact of a lack of affordable housing.³⁶

ACOSS argues that access to housing is therefore critical in the response to homelessness. Social housing can play a role in reducing homelessness by providing and managing secure and affordable housing; by acting as an exit point for people leaving supported accommodation services or housing crisis; and by providing an immediate, secure housing option with linkages to support services.

Public housing also has a key role to play in preventing homelessness by meeting housing needs of particular groups in the community who would otherwise be at risk of homelessness, including those exiting state care or mental health facilities, and those fleeing family violence.

In its projections for 2010–11, however, the Victorian Government indicated that people with a need for public housing will be likely to wait an average of eight months to be allocated a house.³⁷ Issues relating to waiting times for public housing will be discussed in Chapter 7.

RESPONDING TO THE SOCIAL HOUSING SUPPLY GAP

In responding to the gap between demand and supply of social housing, there are two broad strategies. These are:

- ▶ increased investment to grow social housing
- ▶ targeted access to existing public housing based on need.

Increasing investment in social housing currently focuses broadly on ‘social housing’ (which includes both public and community housing) over public

³⁶ Australian Council of Social Service (ACOSS), *Submission to the Senate Community Affairs Committee Inquiry into Appropriation (Nation Building and Jobs) Bill (No.2) 2008-2009 relating to the social housing program, Appendix A - Background Paper (National Housing Advocacy Day, Housing for a Fairer Australia, 24 September 2008)*, ACOSS, 2009 <http://www.aph.gov.au/Senate/committee/clac_ctte/approp_nation_build/submissions/sub02a.pdf>

³⁷ Treasurer of the State of Victoria, *Victorian Budget 2010-11, Budget Paper No. 3 - Service Delivery*, Victorian Government, 2010, p.115.

housing. In Victoria, recent policy has seen a specific focus on housing associations for growing the supply of social housing.

Targeting access to public housing is a demand management strategy. It is used to ensure those in greatest need have priority access. In Victoria, access is targeted through the segmented waiting list.

INCREASED INVESTMENT IN SOCIAL HOUSING

Data suggests there was a decrease in investment from about \$1.7 billion nationally through the Commonwealth State Housing Agreement (CSHA) in 1996–97 to \$1.3 billion by 2005–06.³⁸ This has translated into lower capital growth in stock and, as well as leading to some stock loss nationally.³⁹ Funding for the CSHA has been declining in real terms since 1992–93.⁴⁰ Between 1996 and 2005–06, the decline grew steeper and funding fell by 25 per cent.⁴¹ There was a further decline of almost 2.4 per cent between 2006 and 2007–08.⁴²

In 2008–09, Victoria's total budget for social housing was approximately \$967 million, with 36 per cent funded by the Commonwealth. In addition to investment from Commonwealth and State Governments, DHS funds its housing services with internally generated revenue which includes rental payments, home loan repayments and proceeds from asset sales.

Victoria spends less on public housing per dwelling, compared with other states and territories in Australia. Excluding the cost of capital, Victoria spent \$4,798 in 2007–08 per dwelling compared with the national average of \$6,064.⁴³ 'Net recurrent cost per dwelling' is defined as total recurrent expenses, including administration and operational costs, divided by the total number of dwellings. It measures the average cost of providing assistance per dwelling.⁴⁴

Many participants in the Inquiry have suggested that Victoria needs a long-term strategy to increase social housing stock as a percentage of total housing stock. The Tenants Union of Victoria (TUV) and the Victorian Council of Social Service (VCOSS) both recommended to the Committee that the Victorian Government aim to increase social housing from 3.8 to 5 per cent of total housing stock as an interim measure, with a view to increasing this percentage into the future.

³⁸ Steering Committee for the Review of Government Service Provision (SCRGSP), *Report on Government Services 2007*, vol. 2, Productivity Commission, Canberra, 2007, 16A Housing — Attachment, Table 16A.73.

³⁹ *Submission 92* (Hanover), p.8.

⁴⁰ *Submission 22* (BCH&WHCLS), p.8.

⁴¹ SCRGSP, *Report on Government Services 2007*, 2007, 16A Housing — Attachment, Table 16A.73.

⁴² Steering Committee for the Review of Government Service Provision (SCRGSP), *Report on Government Services 2009*, vol. 2, Productivity Commission, Canberra, 2009, 16A Housing — Attachment, Table 16A.79.

⁴³ Australian Institute of Health and Welfare (AIHW), *Public rental housing 2007–08, Commonwealth State Housing Agreement national data report*, AIHW, 2009, p.17.

⁴⁴ Steering Committee for the Review of Government Service Provision (SCRGSP), *Report on Government Services 2010*, vol. 1, Productivity Commission, Canberra, 2010, p.16.28.

In 2006 Victoria was estimated to contain 1.93 million households.⁴⁵ This is projected to increase to around 2.1 million in 2011 and 2.8 million in 2031.⁴⁶ To reach the 5 per cent target by 2031 a total of 140,000 social housing dwellings would be needed, which is an increase of about 65,000 on the stock at June 2009. This represents approximately 3,000 additional dwellings per year.

Furthermore, despite the Victorian Government's commitment to focus on growing social housing through the community housing sector, the Committee heard that this should not be at the expense of public housing stock.

In its 2007-08 Budget, the Victorian Government committed \$500 million to social housing over four years. Of this \$200 million was to be spent supplying 800 new public housing units, with another \$300 million committed to the community housing sector to grow its stock.

RECOMMENDATION

- 3.1 That the Victorian Government develops a strategic framework for social housing with clear objectives for:
- ▶ long-term investment in public and community housing.
 - ▶ increasing the supply of all forms of social housing to progressively reach a target of 5 per cent of total housing stock in Victoria by 2030.

RECENT NATIONAL INVESTMENT INITIATIVES

The NHSC considers that 'a substantial part of the response to the gap needs to lie with government policy'.⁴⁷ It advised that in addition to increased investment in social housing there needs to be alternative funding arrangements, including growing the community housing sector.⁴⁸

In February 2009 the Commonwealth Government committed \$42 billion to its *Nation Building: Economic Stimulus Plan*. Based on this, a Nation Building and Jobs Plan National Partnership Agreement was made at the Council of Australian Governments (COAG). This included provision of \$5.683 billion to state and territory governments over three-and-a-half years to boost the supply of affordable rental housing available for Australians on low to moderate incomes. This money, earmarked as the Social Housing Initiative, was to be spent on the construction of new social housing (\$5.283 billion) and repairs and maintenance to existing dwellings (\$400 million).⁴⁹

The policy had two aims: to stimulate jobs in the construction sector and to grow the amount of stock in not-for-profit housing.⁵⁰ For the purposes of this

⁴⁵ Australian Bureau of Statistics (ABS), *ABS 3236.0 - Household and Family Projections, Australia, 2006-2031*, 2010, Ch.4 Victoria.

⁴⁶ ABS, *3236.0 - Household and Family Projections, Australia, 2006-2031*, 2010, Ch.4 Victoria. Figures based on series 1 and 2.

⁴⁷ National Housing Supply Council, *2nd State of Supply Report 2010*, 2010, p.xv.

⁴⁸ National Housing Supply Council, *2nd State of Supply Report 2010*, 2010, p.xviii.

⁴⁹ <<http://www.economicstimulusplan.gov.au/housing/pages/default.aspx>> Accessed 17 May 2010.

⁵⁰ HCB, *Housing and Community Building Policy and Funding Plan 2009 to 2012*, DHS, 2009, p.19.

Inquiry the main point is that this Commonwealth initiative aims to increase the supply of social housing available in Victoria and other states, over and above that stemming from the NAHA.

Victoria's allocation under this agreement is \$1.26 billion over three years. Of this, \$1.167 billion is being used to build 4,500 new dwellings and the remainder used to extend the life of an existing 5,600 public and other social housing units.⁵¹ Approximately half of the 4,500 new dwellings will be for public housing and the other half will be delivered by community housing.⁵²

Notably, the commitment to build new social housing dwellings needs to be considered in the context of net annual growth of social housing stock. That is, in addition to new dwellings purchased or constructed, net growth will be affected by the sale, transfer or demolition of properties.

Funding of \$99 million within the package has been allocated to provide urgent repairs and refurbishment to existing social housing. The Division of Housing and Community Building (HCB) expects that the improvements will extend the lives of the homes by up to 15 years and enable about 1,600 homes that would otherwise be lost to be retained.⁵³ In August 2010 the Victorian Government announced that 9,100 public housing properties had been upgraded under this part of the package.⁵⁴

Of the new dwellings being built in Victoria under the Nation Building National Partnership – Social Housing Initiative around half are expected to be developed with Registered Housing Associations and Registered Housing Providers.⁵⁵

The housing is a mix of newly designed projects on under-utilised Director of Housing land or on new sites, and housing that has been purchased off the plan.⁵⁶ In its submission, AHV stated that the Victorian Government has committed a further 200 properties specifically for the Indigenous community from the Economic Stimulus Plan under Nation Building.⁵⁷

HCB developed additional selection criteria to guide the allocation of funds for stage two of the Stimulus Plan, with the highest priority being given to

⁵¹ HCB, Victoria working with the Australian Government on Nation Building <<http://www.housing.vic.gov.au/housing-and-community-partnerships/funding-initiatives/nation-building>> Accessed 6 August 2010.

⁵² HCB, *Response to Request for Additional Data and Information*, Correspondence to FCDC, 29 June 2010.

⁵³ HCB, Victoria working with the Australian Government on Nation Building, Maintenance, <<http://www.housing.vic.gov.au/housing-and-community-partnerships/funding-initiatives/nation-building>> Accessed 11 May 2010. See also: Treasurer of the State of Victoria, *Victorian Budget 2010-11: Budget Paper No. 3*, 2010, p.31.

⁵⁴ Minister of Housing, 'Victoria exceeds target on Public Housing improvements' Media Release, 19 August 2010. <<http://www.premier.vic.gov.au/component/content/article/11556.html>> Accessed September 2010.

⁵⁵ HCB, Correspondence to FCDC, 29 June 2010.

⁵⁶ HCB, Victoria working with the Australian Government on Nation Building, <<http://www.housing.vic.gov.au/housing-and-community-partnerships/funding-initiatives/social-housing-construction>> Accessed July 2010.

⁵⁷ *Submission 69* (AHV), p.4.

appropriate projects that will be ready for occupation by December 2010. Preference is also given to proposals located in 'high demand areas' (either regional country centres or metropolitan Melbourne), and which:

- ▶ are largely one and two bedroom properties suitable for lower income, one or two person households
- ▶ support existing local, regional or State Government priorities and strategies for development (such as such as, Melbourne 2030)
- ▶ are located where residents are able to access public transport, employment, amenities, schools, shops and services, and promote a mix of housing types and tenure.⁵⁸

The NHSC has observed that, although these measures will not fully address the shortage of affordable housing for low income renters, these initiatives are 'important first steps towards addressing needs that are not currently being met'.⁵⁹ Of the 4,500 units this was to provide to Victoria by 2012 a total of 746 had been delivered by June 2010.⁶⁰

The Stimulus funding was welcomed by many participants in the Inquiry. There were some doubts whether this would adequately underpin the sustainability of the social housing sector in the longer term.

The submission from Mind Australia, for example, observed that the 4,500 extra social housing dwellings would deliver only one quarter of the estimated shortfall of affordable housing in 2008, and would need to be repeated every year to reduce the supply gap to around 13,000 dwellings.⁶¹

Similarly, Women's Housing Limited (WHL) submitted that the stimulus provided 'a return – for one brief period – to the level of growth required to keep pace with population growth'.⁶² WHL recommended that both state and Commonwealth Governments establish ongoing capital funding at a level consistent with the current provision under the Stimulus Plan, to maintain the effectiveness and sustainability of social housing.⁶³

The TUV also observed that the Victorian Government's recent investments in 2006-07, and the Stimulus funding would provide a net increase in social housing stock, which, if efficiently allocated, would reduce the current public housing waiting list to about 35,000 households. It also told the Committee,

⁵⁸ HCB, Victorian selection criteria and priorities for Nation Building, <<http://www.housing.vic.gov.au/housing-and-community-partnerships/funding-initiatives/nation-building/victorian-selection-criteria-and-priorities-for-nation-building>> Accessed July 2010.

⁵⁹ National Housing Supply Council, *State of Supply Report 2008, 2009*, p.61.

⁶⁰ Parliamentary Debates (Hansard), Legislative Assembly, Fifty-Sixth Parliament, Questions without Notice, Langquiller; Wynne, *Housing: Government Initiatives*, 28 July 2010, pp.2745-6.

⁶¹ *Submission 71* (Mind Australia), p.10.

⁶² *Submission 26* (WHL), p.6.

⁶³ *Submission 26* (WHL), pp.6-7.

however, that this would ‘have a marginal impact on the overall number of low income renters in unaffordable housing’.⁶⁴

The TUV further pointed out that the Nation Building investment was initiated with ‘economic stimulus as the primary motive rather than the imperative for increased social housing’, and that social housing was the first element of the Stimulus Plan to be reduced in September 2009 with funds reallocated to other areas. The TUV warned of a potential risk of a return to the ‘long term pattern of under investment’ when the stimulus funding on social housing expenditure is exhausted.⁶⁵

The TUV also voiced some scepticism about the capacity of National Rental Affordability Scheme (NRAS) to deliver affordable rental housing to low income households:

Given existing slow growth in the development of new affordable housing, more policy innovation is needed. Government is right to seek policies which are responsive to institutional investors. Institutional investors have the capacity to outlay large funds with the potential to make positive and more immediate inroads into the housing affordability problem. Rental housing is currently not viable for investment by large banks, insurance companies and the superannuation funds for reasons such as low rental yields, a high risk market, high management costs, illiquidity of property assets and a lack of reliable market information. Governments need to find more ways to reduce the gap between the required and actual rate of return facing these investors.⁶⁶

The submission warned that NRAS is only likely to have a limited effect on private market rents overall, even if Victoria obtains its share, noting that ‘NRAS follows the market it doesn’t correct it’.⁶⁷

TARGETING ACCESS TO SOCIAL HOUSING

The Victorian Civil and Administrative Tribunal (VCAT) has held that is clear that a core function of the Director of Housing is to administer a waiting list to ensure the fair and equitable allocation of the scarce housing resources at its disposal.⁶⁸

Currently, to be considered for public housing in Victoria, a person must:

- ▶ not exceed the current general public housing income and asset limits
- ▶ not own or part own a house or flat
- ▶ live in Victoria and be an Australian citizen or permanent resident and
- ▶ repay any money that owed from a previous public housing tenancy or bond loan.

⁶⁴ Submission 98 (TUV), pp.13-16.

⁶⁵ Submission 98 (TUV), pp.13-16.

⁶⁶ Submission 98 (TUV), p.14.

⁶⁷ Submission 98 (TUV), p.14.

⁶⁸ *Cosic v. Director of Housing*, Supreme Court of Victoria, [2007] VSC 486 Paragraph 41.

If a person meets these basic eligibility criteria he or she may make an application for public housing. This is then assessed on the person's level of need. The current Victorian priority system involves a four-tier segmented waiting list and was introduced in 1999 to target vacancies to those with the 'greatest need'.⁶⁹

The targeting of access to public housing according to need is discussed in depth in Part 3, with Chapter 6 focusing on eligibility.

⁶⁹ HCB, Correspondence to FCDC, 29 June 2010.

CHAPTER 4

PUBLIC HOUSING POLICY

OBSERVATIONS

- ▶ That public housing has a long and varied policy history informing its initial and ongoing development.
- ▶ That the objective of public housing has changed over time from housing for people on low incomes to housing for people with housing and other complex needs.
- ▶ That the current social housing policy context is informed by broader policy directions relating to affordable housing and social inclusion.

FINDINGS

- ▶ That the Victorian Government has a focus on community housing (through housing associations) as its preferred strategy for growing social housing.
- ▶ That the Victorian Government does not have a clear vision or strategic framework to inform the future role of public housing within the broader social housing sector.
- ▶ That public housing and housing associations are increasingly considered interchangeably, despite their different roles in the provision of social housing.

This chapter considers the policy and legislative background to public housing in Victoria. In doing this, it looks more broadly at the national context and provides a brief history about how public housing evolved in Australia.

The Committee recognised that the context in which public housing operates is changing in Victoria. The development of housing associations and the policy commitment to supporting their growth has implications for the future of public housing.

The Committee found that a feature of this period of transition is an emerging ambiguity in the roles of social housing providers (that is, both public housing and community housing). This includes a lack of clarity in the terminology used to describe the various forms of housing and an increasing tendency to combine statistical information relating to public and community housing assets.

THE HISTORICAL CONTEXT

Public housing in Australia has a long history. This section takes a brief look at how public housing evolved through the 1900s.

BEFORE 1945

In the 1930s, social reformers and the labour movement became increasingly concerned about the housing conditions of workers. Growing numbers of people were living in poor conditions and inner city slums had evolved.¹ Poor housing conditions were considered to contribute to poor health outcomes. Concerns also emerged about the potential for the broader community to be affected by the outbreak of disease.²

The response in many states was the establishment of state housing authorities. In Victoria, the Housing Commission was established in 1938.

The Commonwealth Government established its own Housing Commission in 1943. It reported that there was a major shortage of housing and made a decision to intervene.³ This set the stage for the first Commonwealth-State Housing Agreement (CSHA) in 1945, which became the foundation for the Commonwealth-State policy mix applied to public housing for the next 63 years.

¹ K Jacobs, R Atkinson, A Spinney et al., 'What future for public housing? A critical analysis', *Research Paper*, AHURI, February 2010, p.20.

² D Hayward, 'The Reluctant Landlords? A History of Public Housing in Australia', *Urban Policy and Research*, vol. 14, no. 1, 1996, p.7.

³ D Hayward, 'The Reluctant Landlords?', *Urban Policy and Research*, 1996, p.11ff.

Under this model the Commonwealth Government assumed major financial responsibility for the supply of public housing while the states took on responsibility for construction and administration of the sector.

FROM 1945 TO 1969

The introduction of a substantial public housing sector after 1945 arose alongside a general growth in the role of government and the post-war economic boom. It was expected by most Australians that the state had a role to play in the economy in promoting growth and social equity.

The priority of the CSHA was in building up rental stock and in the period from 1945 to the mid 1950s public housing went from being non-existent to providing five per cent of all Australian dwellings, a total of 96,292 were built.⁴

Public housing was open to all Australians who could show themselves in need of housing and rents were based on cost minus rebates for those with low incomes. The rent minus rebate formula, in different forms, was to be a consistent policy tool in the administration of all subsequent public housing.

In Victoria some housing was also built to replace, and thus eradicate, inner city 'slums' and the problems perceived with them.⁵

There was another shift in emphasis in the 1960s. The post-war housing shortage eased and home ownership was reasserted as the preferable housing option. A relaxation of rules in the 1956 CSHA meant that it was now easier for states to sell off public housing at concessionary rates.

Between 1955 and 1969, 81 per cent of all houses built by the Victorian Housing Commission were sold. This policy left a legacy in the reduced size of the social housing sector today.⁶

THE 1970S

In the 1970s concern about poverty increased. This influenced housing policy. Funding for public housing was increased in the early 1970s, but stricter means testing was introduced in 1973.

Overall, investment in new stock began to decrease over the decade and targeting of those in need was introduced. In addition, a limit of 30 per cent was introduced on the amount CSHA housing that could be sold to tenants.

⁴ K Jacobs et al., 'What future for public housing?', AHURI, 2010, p.21; also, D Hayward, 'The Reluctant Landlords?', *Urban Policy and Research*, 1996, p.16.

⁵ K Jacobs et al., 'What future for public housing?', AHURI, 2010, pp.21-22.

⁶ K Jacobs et al., 'What future for public housing?', AHURI, 2010, pp.29-30. AHURI reports that as a result of this only 3 per cent of Victoria's housing stock in the late 1970s was public housing and by 1996 it was only 3.8 per cent, which was below the national average.

This represented two policy shifts that have informed the contemporary policy framework. Firstly, public housing was becoming primarily an instrument of social security policy, a safety net rather than a step up. It focused on low-income households that were often in receipt of benefits or pensions. This in turn affected the diversity in socio-economic make-up of tenants in public housing states.⁷

Secondly, the actual level of investment in housing stock was falling in favour of supporting lower-income households in the private market through rent assistance. These shifts were further consolidated under the CSHA of 1978 that introduced more targeting in eligibility for public housing.

THE 1980S AND EARLY-1990S

In the mid-1980s there was a brief increase in funding to public housing. By the late 1980s, this had again decreased. The most pertinent changes during the mid to late 1980s were:

- ▶ the replacement of grants targeted to specific groups to funding for programs aimed at specific groups or segments of the housing market
- ▶ increasing emphasis on the policy tool of rent assistance
- ▶ the phasing out of Commonwealth loans to the states and their replacement solely with grants in 1989. These grants required states to match funding by at least 50 per cent.

The first can be seen in retrospect as another move towards a more integrated and holistic approach towards public housing clients, one with a social welfare perspective that incorporated a high concern for effectiveness.

The second is a reinforcement of the trend that started in the 1970s and represents a shift in faith towards the private market as a supplier of housing stock.

The third change demonstrates a shift in financial responsibilities between the Commonwealth and states and territories.

THE MID-1990S TO 2007

The 1996 CSHA extended Commonwealth interests in the provision of housing while also giving the states more flexibility in the use of Commonwealth funds. The Agreement introduced a series of performance measures for the states to meet in their management and provision of housing assistance. Among the areas now liable to Commonwealth scrutiny were:

⁷ SGS Economics and Planning Pty. Ltd., *A Vision and Plan for Social Housing in Australia*, Commissioned by PowerHousing Australia, 2009, p.6. <<http://inara.instanthosting.com.au/~powe2023/uploads/file/20082507-%20final%20report.pdf>>

- ▶ the standard of rental housing,
- ▶ the levels of overcrowding and under-use of rental housing,
- ▶ timeliness of assistance and
- ▶ consumer satisfaction.

States were required to report annually on their performance against key performance measures, thus providing a level of accountability and transparency in housing operations.

The issue of growing numbers of those seeking housing, in particular public housing, led to policy shifts. These included increased rent assistance for the users of private and community rental housing, more targeted programs, and segmented waiting lists.

In 1997, a national agreement to introduce segmented waiting lists in all jurisdictions led to tighter targeting through more restrictive eligibility criteria and implementation systems that rank households by the complexity and urgency of their 'housing need'. This gives priority to highest needs households when allocating properties.

In the mid 1990s, there was a shift in policy focus towards funding rent assistance over investment in sustaining and growing public housing as a strategy for assisting people on low incomes in housing stress.⁸ From this period total outlays for rent assistance exceeded those provided by the CSHA. In 1998-99 they were \$317 million more and in 2007-08 there was \$940 million difference.⁹ Commonwealth Rent Assistance (CRA) grew by nine per cent over this period.¹⁰

This shift away from public housing took place within a decline in total Commonwealth funding for housing (CSHA and CRA) of six per cent between 1998-99 and 2007-08.¹¹ The number of Australian public housing units fell by 23,134 between 1996 and 2006.¹²

THE COMMONWEALTH POLICY CONTEXT

In 2008, a new National Affordable Housing Agreement (NAHA) replaced the CSHA. This has informed future Australian policy and funding directions for social housing.

Funding in addition to that provided by NAHA has been provided through the Nation Building and Jobs Plan National Partnership Agreement. The

⁸ Parliament of Australia, Parliamentary Library, The Commonwealth-State Housing Agreement. <www.aph.gov.au/library/intguide/sp/statehouseagree.htm> Accessed 1 September 2010.

⁹ Steering Committee for the Review of Government Service Provision (SCRGSP), *Report on Government Services 2009*, vol. 2, Productivity Commission, Canberra, 2009, Table 16A.79. Figures are in 2007-08 dollars.

¹⁰ Derived from Table 16A.79 SCRGSP, *Report on Government Services 2009 (vol. 2)*, 2009.

¹¹ Derived from Table 16A.79 SCRGSP, *Report on Government Services 2009 (vol. 2)*, 2009.

¹² K Jacobs et al., 'What future for public housing?', AHURI, 2010, p.28.

Agreement is part of the *Nation Building – Stimulus Plan* produced by the federal government in February 2009 as a fiscal response to the Global Financial Crisis.

These partnership arrangements have lifted the share of Commonwealth funding allocated to Victoria, with its Housing and Community Building budget growing from 6 per cent in 2008-09 to over 66 per cent in 2009-10.¹³

In addition, key areas of housing policy are the National Rental Affordability Scheme (NRAS) and Housing Affordability Fund (HAF).

THE NATIONAL PARTNERSHIPS

As noted, there are five national partnership agreements that currently inform the policy developments and the direction of public housing in Victoria.

THE NATIONAL HOUSING AGREEMENTS

National Affordable Housing Agreement

This agreement provides \$6.2 billion across Australia over five years from 2009 and is the framework for the Commonwealth, State and Territory Governments to work together to improve housing affordability and homelessness outcomes for Australians, and auspices the following four agreements.

National Partnership Agreement on Social Housing

This agreement provides \$400 million for a Social Housing Growth Fund to address the critical shortage of social housing across Australia. Under the agreement, the states and territories will increase the supply of social housing, provide opportunities to expand the not-for-profit housing sector and support initiatives that will improve the ability of people who are homeless or at risk of homelessness, as well as families on low incomes, to move to secure, safe and long-term housing that meets their needs.

National Partnership Agreement on Homelessness

Through this agreement, the Commonwealth, State and Territory Governments will work together to significantly reduce homelessness by 2013. The agreement provides \$800 million across Australia to improve support and services for homeless people, increase prevention and early intervention and break the cycle of homelessness. The agreement also implements the Place to Call Home Initiative.

¹³ HCB, *Housing and Community Building Policy and Funding Plan 2009 to 2012*, DHS, 2009, p.26.

National Partnership Agreement on Remote Indigenous Housing

This agreement provides an additional \$1.9 billion across Australia to improve housing outcomes for Indigenous Australians by reducing overcrowding, homelessness, poor housing conditions and severe housing shortages.

Nation Building and Jobs Plan

The Social Housing Initiative under this agreement provides \$5.6 billion to boost social housing stock and upgrade existing public housing across all Australian States and Territories. The *Victorian Integrated Housing Strategy* also includes specific initiatives that will contribute to agreed national reform directions in the housing sector.

Source: Victorian Government, *Victorian Integrated Housing Strategy*, 2010

Overall, the NAHA and its associated National Partnership Agreements (NPAs) have committed to delivering approximately \$1.7 billion in Victorian and Commonwealth investment over the five years from 2008–09 to 2012–13.¹⁴ That is, \$1.3 billion is provided by the Commonwealth and the Victorian contribution brings the total amount to \$1.7 billion.

The NAHA is the main source of funding for the delivery of long term rental housing services and homelessness services delivered by HCB. It provides agreed directions, outcomes, benchmarks and performance indicators for the expenditure of funds and commits \$1.3 billion in base funding over the five years. In 2009–10 HCB's annual allocation from NAHA was to be \$265.8 million.¹⁵

Funding for the NPA on Social Housing is allocated according to the number of successful proposals a state submits. Victoria has been allocated \$99.1 million to deliver approximately 488 new social housing units over 2008–09 and 2009–10.¹⁶

The funding for the NPA on Homelessness has matched funding between the Commonwealth and the states. Funding is allocated in a flexible manner aimed directly at meeting agreed outputs. The Victorian Government has been allocated \$104.8 million over four years. Of this, \$29.53 million is funding for *A Place to Call Home* which will deliver 118 housing units.¹⁷

Victoria's participation in the NPA on Remote Indigenous Housing is limited because Victoria has no Indigenous communities defined as 'remote'. As part of the broader national reforms, Victoria will assume responsibility for the Community Housing and Infrastructure Program (CHIP) which consists of

¹⁴ DPCD, *A Fairer Victoria (2010), Real support - real gains*, State Government of Victoria, 2010, p.76.

¹⁵ HCB, *Housing and Community Building Policy and Funding Plan 2009 to 2012*, 2009, p.27.

¹⁶ HCB, *Housing and Community Building Policy and Funding Plan 2009 to 2012*, 2009, p.27.

¹⁷ HCB, *Housing and Community Building Policy and Funding Plan 2009 to 2012*, 2009, p.27.

over 500 properties owned by Indigenous Community Housing Organisations (ICHOs).

Funding under the agreement aims to provide ICHOs the opportunity to build organisational capacity, benefit ICHOs through repairs and maintenance work, and facilitate the transition of responsibility for CHIP from the Commonwealth to the Victorian Government.¹⁸ As part of this 10-year strategy Victoria will receive a total \$30.35 million. Over the first five years, Victoria will receive \$17.85 million. The remaining amount will be allocated in the five years following.¹⁹

HOUSING AFFORDABILITY FUND

The Housing Affordability Fund (HAF) was developed in 2008 and opened its first round in September of that year. It provides \$512 million over five years to improve the supply of housing by encouraging, resourcing and rewarding local authorities and developers to obtain improvements in planning and the provision of infrastructure. It aims to reduce land supply blockages and the costs of opening up new land.

The Victorian Government was successful in 2010 in obtaining \$175.3 million from the HAF for urban renewal projects that will supply 547 new affordable rental dwellings on public housing estates in Richmond, Prahran and Fitzroy. These will be provided as a mix of public and community housing units. In addition the funds will facilitate some Neighbourhood Renewal style projects on these estates.²⁰

NATIONAL RENTAL AFFORDABILITY SCHEME

The National Rental Affordability Scheme (NRAS) is a further national policy direction that aims to increase affordable housing options. Initiated in 2008, its objective is to provide solutions through an intervention in the private market that stimulates the supply of private rental housing.

The goal is to increase the supply of affordable rental dwellings by 50,000 by June 2012. It works by giving a National Rental Incentive to providers of new dwellings on the condition that they are rented to eligible low and moderate income households at 20 per cent below market rates.²¹

¹⁸ HCB, *Housing and Community Building Policy and Funding Plan 2009 to 2012*, 2009, p.20.

¹⁹ HCB, *Housing and Community Building Policy and Funding Plan 2009 to 2012*, 2009, p.27.

²⁰ Minister for Housing and Minister for the Status of Women, 'Major urban renewal project in inner Melbourne', Media Release, 17 May 2010.
<http://www.tanyaplibersek.fahcsia.gov.au/mediareleases/2010/Pages/urbanrenewal_17may10.aspx> Accessed July 2010. See also: HCB, News and Events, Fitzroy, Prahran and Richmond estates
<<http://www.housing.vic.gov.au/news-and-events/fitzroy,-prahran-and-richmond-estates>> Accessed 8 September 2010.

²¹ 'Information about National Rental Affordability Scheme', Introduction
<http://www.fahcsia.gov.au/sa/housing/progserv/affordability/nras/Pages/nras_info.aspx> Accessed July 2010.

The National Rental Incentive is comprised of a refundable tax offset from the Commonwealth Government and a cash payment or in-kind support from the relevant State or Territory. For the 2010–11 year the Commonwealth contribution is valued at \$6,855 and the State contribution is valued at \$2,285. Both contributions are paid per dwelling per year for ten years.²²

THE CURRENT POLICY CONTEXT IN VICTORIA

Since 2007, developments in social policy at both the state and national level have informed the policy framework for social housing in Victoria. These policies have been formulated in response to issues of disadvantage and housing affordability.

These policies have committed to increasing the availability of affordable housing, both through the provision of social housing and through incentives to grow the private rental market. This section briefly outlines some of these policy initiatives.

A FAIRER VICTORIA

The Victorian Government's social policy, *A Fairer Victoria* (2005–2010), is a broad, whole-of-government policy statement aimed at addressing disadvantage in the state. It outlines the government's commitment to principles of social inclusion, support for vulnerable members of society, and the integration of services to improve responses to inequity and disadvantage.

The policy framework aims to increase social inclusion. Many submissions to the Committee noted the importance of the social inclusion framework for public housing policy. The submission from St Vincent de Paul Society (SVDP) Aged Care and Community Services, for example, stated that:

We endorse the provision of public housing (as with community housing) being embedded in a framework of social inclusion. The advantage of social inclusion is its focus on the interconnectedness of issues and the need for responses to be equally interconnected. Public housing provision cannot and should not be seen in isolation as merely the provision of roofs over heads. While it is a critical foundation stone it requires a range of supports in order to address other social needs. In this instance, public housing - as with community housing - can and should be an effective tool for social inclusion.²³

The inadequate response of mainstream housing markets to the needs of specific groups means that special needs housing can also be an important factor in social inclusion, by offering design or support services to accommodate households with particular needs or requirements.

²² National Rental Affordability Scheme, Background
<http://www.fahcsia.gov.au/sa/housing/progserv/affordability/nras/Pages/nras_info.aspx> Accessed July 2010.

²³ *Submission 100* (SVDP ACCS), p.11.

A Fairer Victoria aims to address the need for affordable homes for a range of groups including young families and single people on low incomes, and recognises that there is a 'clear link between the affordability of housing in the private sector and the pressures placed on social housing'.²⁴ In *A Fairer Victoria 2009*, the Government highlighted its approach in taking a 'place-based' focus to reducing long-standing disadvantage in particular locations across Victoria, through the Neighbourhood Renewal and Community Renewal programs.

One of the initiatives relating to the Victorian Government's commitment to increasing the availability of affordable housing was the 2007–08 budget allocation of \$500 million over three years to provide new public and social housing by 2,350 units.

The funding demonstrated an increasing emphasis on growing the community sector in Victorian government housing policy. Not-for-profit Registered Housing Associations (RHAs) were allocated the largest share of the funding. \$300 million was allocated to RHAs to build 1,550 new units of housing. The remaining \$200 million was allocated to the re-profiling of public housing in line with the changing needs of public tenants.

In July 2010, Victoria had nine registered housing associations that manage around 6,500 tenancies. These were estimated to be increasing their portfolios by approximately 650 new tenancies each year. The Committee noted that the Victorian Government considers this a strong base to enable these organisations to move to a scale in which they can self-generate future growth and operate sustainably.²⁵

The Victorian Government's commitment to increasing access to affordable housing has led to a number of initiatives over a five year period.

HOUSING INITIATIVES

- (1) An increase in social housing stock through provision of over 4,300 new units²⁶
- (2) Major renovations to over 3,000 units of existing public housing stock and a program of 19 neighbourhood renewal projects in areas with high densities of public housing

²⁴ DPCD, *A Fairer Victoria (2006), Progress and Next Steps*, State Government of Victoria, 2006, p.46.

²⁵ HCB, *The Victorian Integrated Housing Strategy, Affordable, Accessible and Sustainable Homes*, DHS, 2010, p.19.

²⁶ It should be noted that these were 'new built' but not necessarily additional stock since some would be replacing older stock. The figure includes 2,000 new social housing units provided in the two years between 2005–06 and 2006–07 and the 2,350 planned from the \$500 million committed in the 2007 budget over the period 2007–08 and 2010–11. 1,450 were acquired in 2008–09. DPCD, *A Fairer Victoria (2007), Building on our commitment*, State Government of Victoria, 2007, p.8, 34; also, HCB, *Summary of Housing Assistance Programs 2008–09*, DHS, 2010, p.35.

- (3) An increase in the provision of social housing provided by housing associations through grants for property purchases, institutionalised co-operation through regulatory regimes
- (4) Provision for people from Aboriginal communities to switch their tenancies to Aboriginal Housing Victoria
- (5) A growing focus on the integration of service provision to improve the effectiveness and efficiency of the social housing sector in providing sustained tenancies
- (6) Initiatives to improve support for those experiencing, or at risk of, homelessness.
- (7) The introduction of the Social Housing Advocacy and Support Program aimed at improving outcomes for social housing tenants and public housing tenants

Source: Victorian Government, *A Fairer Victoria*, (2005-2010)

Many of the Victorian Government's policy and program directions have been enhanced by recent Commonwealth Government policy initiatives introduced following the move from the CSHA to the NAHA in 2008. This represents a shift towards the focus on the provision of affordable housing through 'social' housing provided by community housing organisations, with reduced emphasis on government-managed public housing.

The Victorian Government has explained that 'a number of initiatives included in the *Victorian Integrated Housing Strategy* are being delivered in partnership with the Commonwealth Government or as part of new national agreements being overseen by the Council of Australian Governments'.²⁷ It also highlights that the national approach has already provided additional funding to the states and territories and will continue to do so.

THE VICTORIAN INTEGRATED HOUSING STRATEGY

The *Victorian Integrated Housing Strategy* was released in March 2010 in response to challenges for Victoria, particularly strong population growth, an ageing population, and climate change.

The overarching objective of the Strategy is to put in place 'a broad agenda to provide housing for all Victorians that will be more affordable, more accessible and more sustainable'.²⁸ It contains five strategic directions, which are aimed at home buyers, tenants in private rental, tenants in social housing, homeless Victorians and developing better homes.²⁹

²⁷ HCB, *Victorian Integrated Housing Strategy*, 2010, p.5.

²⁸ HCB, *Victorian Integrated Housing Strategy*, 2010, p.iii.

²⁹ HCB, *Victorian Integrated Housing Strategy*, 2010, p.26.

Direction 3 of the Strategy has four broad goals. These are to improve social housing, to provide pathways for social housing tenants, to develop housing associations and to decrease Indigenous housing disadvantage. More specifically, it outlines five key priorities to achieve these goals:

- (i) building better social housing
- (ii) improving the way social housing operates
- (iii) helping social housing tenants through improved pathways
- (iv) improving housing opportunity for Indigenous Victorians
- (v) improving housing options for people with a disability.³⁰

These directions are commented on throughout the report.

PARTNERSHIPS FOR BETTER HOUSING

The Victorian Government's strategic framework for housing provision in Victoria from 2004 to 2009 is outlined in *Partnerships for better housing assistance*. The framework focuses on partnerships with other parts of government, local government, communities, the non-government sector and local community organisations to achieve better housing and wellbeing for our social housing tenants. The framework identified four priority outcomes:

- ▶ Better housing assistance to better meet client need through housing assistance, including through new public housing and the *Strategy for growth in housing for low income Victorians* and *Building more homes together*.
- ▶ Strengthened communities: improving the wellbeing of Victorians living in circumstances of disadvantage. This will be achieved through broader application of neighbourhood renewal principles and practice and substantial improvements in the response to Victorians experiencing homelessness, people with a disability and Indigenous Victorians.
- ▶ Better services and business practices: improving the way DHS delivers services, strengthens partnerships and builds a sustainable business; including through improved funding and administrative arrangements for social housing.
- ▶ A supportive work environment, through measures such as better information technology and communications; inclusive planning and review processes; and more systematic responses to training needs.

In 2009, the strategy reached its conclusion. The Victorian Government has integrated its strategy for housing provision and program delivery into the broader strategic framework established by the Department of Human Services – *Better Services, Better Opportunities*. Under this strategy there are four broad goals for social housing:

³⁰ HCB, *Victorian Integrated Housing Strategy*, 2010, p.26.

- ▶ reduce homelessness and family violence by 2020
- ▶ improve the quality of life of people experiencing homelessness
- ▶ improve and extend the range and choice of affordable housing options for people to maximise their social and economic participation in the community
- ▶ support the growth of the not-for-profit housing sector to increase the supply of affordable housing.

The Committee considers that to achieve its goals relating to growth and sustainability of social housing, the Victorian Government needs to establish a more comprehensive strategic framework with clear objectives and an implementation plan.

RECOMMENDATION

4.1 That the Victorian Government develops a strategic framework for the provision of social housing, including a clear vision for the provision of future public housing in Victoria.

SOCIAL HOUSING

The Committee found that there is ambiguity around what constitutes social housing. The distinctions in reporting by policy makers between public housing and community housing are decreasing, with data increasingly reporting on the provision of social housing generally.

The Committee found that the Victorian Government's broader vision for public housing has not been articulated. Beyond the general statements in the *Victorian Integrated Housing Strategy*, there is no strategic direction for the future of public housing in Victoria.

Over time, public housing in Victoria has become a 'safety net' for people at risk of or experiencing homelessness. It is unclear if public housing will continue to perform this role and, if so, how this will inform the future strategic direction for public housing.

The Committee identified a need for a clearer demarcation between the role of housing provided by housing associations and housing provided by the Victorian Government. It is unclear that they are in a position to provide the housing to the same people using the same criteria.

CHAPTER 5

PUBLIC HOUSING IN VICTORIA

OBSERVATIONS

- ▶ That public housing is the major provider of long-term social housing in Victoria.
- ▶ That community housing organisations also provide a range of crisis and transitional housing programs to people at risk of or experiencing homelessness.
- ▶ That the Victorian Government has a range of programs to assist Victorians on low incomes in private rental or seeking to purchase a home.

FINDINGS

- ▶ That there is considerable confusion regarding the terminology used to describe Victorian social housing.
- ▶ That the Victorian Government has determined that not-for-profit housing organisations, such as registered housing associations, are the preferred approach for increasing the supply of social housing.
- ▶ That the Victorian Government does not have a growth strategy for public housing.

To assist in understanding the context in which public housing operates in Victoria, this chapter outlines the key participants in the provision of social housing in Victoria.

As previously noted, social housing includes the provision of public housing and the range of housing provided by community housing organisations. Community housing includes crisis and transitional housing and recent forms of longer-term housing offered by housing associations.

The Committee identified that there is growing ambiguity regarding what comprises social housing and an increased tendency to use the term ‘social housing’ in reference to housing provided by housing associations.

TERMINOLOGY

The Committee identified significant confusion regarding terminology. In Victoria ‘social housing’ refers to both public housing and housing owned or run by the not-for-profit community sector. Participants called for greater clarity.¹

Reference to an increase in social housing can include an increase in public housing and/or an increase in not-for-profit community sector housing.

Use of the terms ‘affordable housing’ and ‘housing affordability’ further contributes to the confusion.

- ▶ ‘Housing affordability’ considers the affordability of housing for an individual or family. That is, they can reasonably afford their housing within their budget, which is generally viewed as less than 30 per cent of income paid on rent or mortgage repayments.
- ▶ ‘Affordable housing’ relates to the dwelling and is a generic term to cover any low cost housing (irrespective of tenure). For example, rental properties that fit within the bottom 20 per cent of rent levels for all rental housing.

Reference to increases or decreases in social housing is often used interchangeably with an increase or decrease in affordable housing.

All social housing is affordable but not all affordable housing is social or public housing.

The Committee considers there is a need for increased clarity and transparency in government statements and reporting in regard to the use of the terms ‘social’ and ‘affordable’ housing.

¹ Submission 54 (Margaret Ryan).

HOUSING ASSISTANCE IN VICTORIA

The Victorian Government operates its housing assistance through the Division of Housing and Community Building (HCB) within the Department of Human Services (DHS).

The housing assistance programs provided by the Victorian Government include:

- ▶ homeless assistance
 - including crisis accommodation, advocacy and related support services
- ▶ transitional housing and support
- ▶ Indigenous housing and support
- ▶ family violence accommodation and support services, including brokerage services
- ▶ moveable units for older persons
- ▶ property inspection and maintenance services
- ▶ information on housing and support options and referral to relevant service providers
- ▶ community building activities.

In 2008–09, the total number of Victorian households receiving some form of housing assistance from the Victorian Government was 81,363. Of this total, 78,385 were recipients of housing assistance through the social housing sector and 61,002 of these were tenants in long-term public housing.²

The Committee found that publicly available figures relating to the HCB budget are inconsistent and difficult to reconcile. Different sources provide different figures. For example, the Victorian budget papers referring to the housing assistance budget for 2008–09 and 2009–10 give figures of \$367 million and \$770 million respectively.³ However, figures provided in the HCB *Summary of Housing Assistance Programs* state that in 2008–09 the funding available was \$895.6 million, compared with \$925.4 million in 2007–08. Figures provided directly to the Committee from HCB stated that funds were \$966 million in 2008–09.

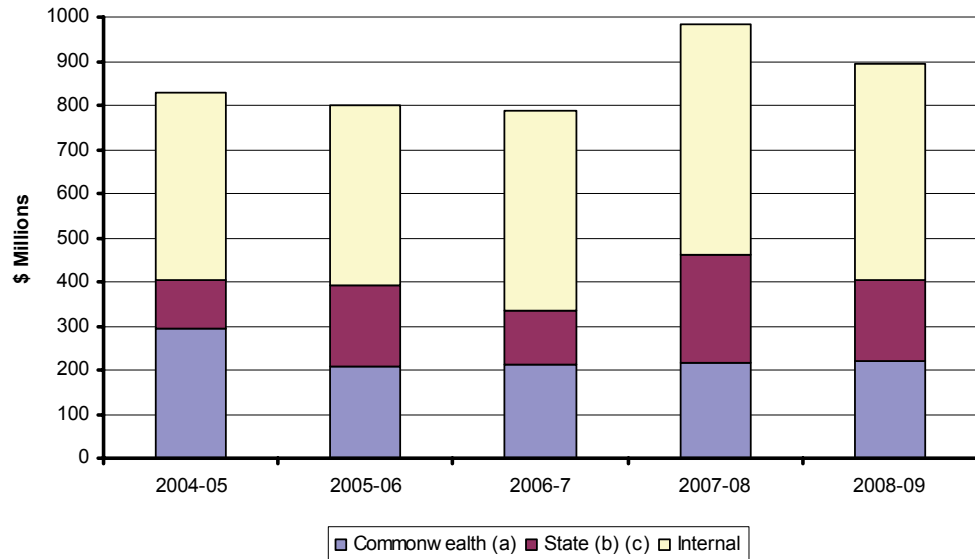
Figure 5.1 gives percentage shares of funding for HCB using figures provided in the *Summary of Housing Assistance Programs*. These figures appear to only include base funding from the Commonwealth under the CSHA and then NAHA schemes. Funds from the Social Housing Initiative of the Nation Building Jobs Stimulus Plan and other national partnerships are not included

² HCB, *Summary of Housing Assistance Programs 2008-09*, DHS, 2010, p.5.

³ Treasurer of the State of Victoria, *Victorian Budget 2010-11, Budget Paper No. 3 - Service Delivery*, Victorian Government, 2010, Table 3.3, p.103; also, Treasurer of the State of Victoria, *Victorian Budget 2009-10, Budget Paper No. 3 - Service Delivery*, Victorian Government, 2009, Table 3.2, p.84. It is unclear from the budget papers to what degree, if any, the difference in figures between the two years is attributable to changes in accounting practices though that changes have occurred is noted.

in the total. The figures relate to funding for all HCB activities outside of these programs.

Figure 5.1: HCB funding by share, 2004-05 to 2007-08 (in \$Millions)



Notes:

- 1) The figures given in this data set appear to be the CSHA or its NAHA replacement funding only. They do not include additional Commonwealth funding from National Stimulus or National Partnership agreements.
- 2) Includes funds required by agreement with Commonwealth plus funds on specific projects such as Support for High Risk Tenancies, Bushfire relief and Neighbourhood Renewal.
- 3) In 2006-07, 300 million was earmarked for expenditure over four years. For this year any amount spent this year is not recorded in the figure. Figures of expenditure are given and included in following years where applicable

Source: HCB, *Summary of Housing Assistance Programs, 2004-05 to 2008-09*.

In general, it can be seen that HCB generates around half its funding through its own activities, including rental revenue, and the other half has been provided from broadly equal amounts from Commonwealth and State sources.

If the additional funds provided through the Nation Building and Jobs Plan National Partnership Agreement and other National Partnerships were included, this would expand the Commonwealth and State share of the HCB budgets since 2008. This is not ongoing funding, however, in the same way that NAHA base funding is. The Committee considers the above provides the clearest possible picture, from the information made available, about the ongoing share of funds in the provision of social housing in Victoria.

In terms of ownership and management of stock, HCB held 87 per cent of the long-term social housing in Victoria in 2009.⁴ This share had slid somewhat from June 2008 when 575 units were transferred to the community sector. The transfer was in return for the sector's commitment to leverage the units to grow the social housing portfolio.

⁴ This remains the rounded figure whether it is calculated including or excluding moveable units and direct tenure held by HCB. It factors in Community owned and managed stock and stock run by Aboriginal Housing Victoria.

Table 5.1: Long-term tenure Social Housing in Victoria regional and Melbourne

	PUBLIC ⁽¹⁾	COMMUNITY ⁽²⁾
Melbourne Metro	42,861	2,260
Regional	20,237	3,580
Total	63,098	5,840

Notes:

(1) Does not include moveable units and other tenure stock, including stock managed by the Community sector

(2) Total community owned and managed long-term tenure stock is 8,347. A breakdown of Community managed stock by region was not provided in the *Summary of Housing Assistance Programs 2008-09*.

Source: Derived from HCB, *Summary of Housing Assistance Programs 2008-09*

PUBLIC HOUSING

Public housing refers to the government provision and administration of publicly-owned dwellings formerly funded through the Commonwealth State Housing Agreement (CSHA) and now funded under the National Affordable Housing Agreement (NAHA). It provides appropriate, affordable and accessible shelter for low to moderate income families unable to access the private market or those otherwise in housing need for the duration of their need. Public housing programs, funded under the agreement, are administered by state and territory governments.

In Victoria, direct tenure public rental housing consists of the major public rental housing program the Rental General Housing Program, and the Movable Units Program. It provides long-term rental housing assistance and is available to low-income households that meet eligibility limits as specified in the individual programs.

The Rental General Housing Program is the major form of long-term rental assistance offered to low-income people in need of public rental assistance. It includes separate houses, medium-density dwellings and flats.

In June 2009, the total number of housing units owned or managed by HCB was 72,806. Not all Director-owned stock is managed by the housing director, some is leased to other providers in the community sector. The number of units managed as public housing by HCB at this time was 64,741, of which 62,561 were occupied at the time, giving an occupancy rate of 96.6 per cent.⁵

The amount of stock that was available for direct tenure through HCB was 65,207 units, of which 63,098 dwellings were available as rental general stock.⁶ The bulk of these were being used by the Rental General Housing program. It had 61,002 tenanted households at this time.

⁵ It should be noted the vacancy rate figures suffered some inflation due to inclusion in the calculation of stock that was undergoing upgrade and redevelopment work and thus not available for occupancy. Stock includes 1,680 movable units, properties leased by HCB, emergency Bushfire housing and rooming house rooms. Australian Institute of Health and Welfare (AIHW), *Public rental housing 2008-09, Housing Assistance Data Development Series*, AIHW, 2010, p.20.

HCB, *Summary of Housing Assistance Programs 2008-09*, 2010, p.3, 46.

⁶ HCB, *Summary of Housing Assistance Programs 2008-09*, 2010, p.13 (derived).

With some Director-owned units already managed by the community sector and current Commonwealth and State policy preferring social housing growth through housing associations, the decline in HCB owned stock will be likely to continue. On the other hand, given the significant percentage of housing operated through public housing programs and the slow growth of new housing in the community sector, public housing can be expected to be the dominant form of social housing in the short and medium-term future.

ABORIGINAL HOUSING

Aboriginal applicants are eligible for both public rental housing and Aboriginal housing managed with the assistance of Aboriginal Housing Victoria (AHV).

In December 2007, Aboriginal housing tenants in the Aboriginal Rental Housing Program managed by the then Office of Housing (now HCB) were given the opportunity to transfer the management of their tenancies from the Office of Housing to AHV. The CEO of AHV, Ms Sharon Paten, told the Committee that

Our anecdotal evidence, and I guess from our waiting list demands, is that Aboriginal Housing Victoria seems to be the preferred choice of housing provider for prospective tenants from the Aboriginal community, including tenants who are already housed in public housing or are back on the public housing waiting list and could potentially be in public housing.⁷

In its most recent *Summary of Housing Assistance Programs* report, the Victorian Government supported the observation made by Ms Paten, stating that:

The progress of the transition has proven exceptional and during 2008–09; by year’s end, 80% of tenants within the program had chosen to transfer.⁸

From the AHV’s perspective, the ‘transfer of these properties has enabled AHV to provide a more comprehensive and culturally appropriate service to Indigenous people across Victoria’.⁹ The Victorian Government agrees with this view, stating that ‘transferring tenancy management to AHV ensures that tenants have access to an Aboriginal landlord and a more personalised and culturally sensitive service’.¹⁰

COMMUNITY HOUSING

Community housing is rental housing provided for low to moderate income or special needs households. Community housing is generally fully or partly

⁷ Transcript of Evidence 7 (AHV), p.3.

⁸ HCB, *Summary of Housing Assistance Programs 2008-09*, 2010, p.19.

⁹ Submission 69 (AHV), p.4.

¹⁰ HCB, *Summary of Housing Assistance Programs 2008-09*, 2010, p.19.

funded by governments, and managed by not-for-profit organisations, and in some cases local governments.

In Victoria, a range of community-managed housing options provide affordable accommodation for a wide range of client groups. These client groups include low income and disadvantaged singles, youth, people with disabilities, older persons and families, people experiencing crisis and people requiring transitional housing. These programs are managed by registered housing agencies, community-based organisations and local government authorities.

Support services may be delivered by agencies funded under various support programs provided by DHS. Formerly, community-based housing assistance was administered through a range of management arrangements, including:

- ▶ The Rooming House Program
- ▶ The Group Housing Program
- ▶ The Long-term Community Housing Program
- ▶ Rental Housing Co-Operatives
- ▶ Joint Venture Programs
- ▶ Common Equity Rental Co-Operative.

In 2007–08, HCB began simplifying and standardising management arrangements for long-term community housing to the following three management streams:

- ▶ Housing Providers
- ▶ Housing Associations
- ▶ Joint Venture Partners.

In addition, short term and crisis supported accommodation and associated support is delivered by community service organisations through the:

- ▶ Crisis Supported Accommodation program
- ▶ Transitional Housing Management program.

The community housing sector made up 11 per cent of the long-tenure social housing sector with 8,347 dwellings under its ownership (5,840) and management (2,507).¹¹ The vast remainder of such dwellings in Victoria were under the management and ownership of HCB.

¹¹ This percentage does not include Aboriginal Housing Victoria (AHV) which is counted as a standalone landlord. It had 1,387 units of stock, or 1.8 per cent of the total, under its control. HCB, *Summary of Housing Assistance Programs 2008-09, 2010*, p.46.

REGISTERED HOUSING AGENCIES – ASSOCIATIONS AND PROVIDERS

In Victoria registered housing agencies are not-for-profit organisations that provide affordable rental housing for low and moderate income households, and must be registered as either housing associations or housing providers under the *Housing Act 1983*.¹² All such agencies must comply with performance standards approved by the Victorian housing minister in 2005. As such, these organisations make up the bulk of the non-public housing social sector.

Registered housing agencies:

- ▶ own, manage and develop affordable rental housing
- ▶ provide a range of housing support and assistance to clients
- ▶ are viable businesses partnering with both government and the community
- ▶ have met registration criteria and meet ongoing regulatory compliance against performance standards.

REGISTERED HOUSING ASSOCIATIONS

Registered Housing Associations (RHAs) are expected to grow social housing by leveraging government funding and existing property portfolios. They must be companies limited by shares or guarantee and must meet government performance standards including the production of an annual business plan.

Housing Associations have the capacity to borrow against the properties they own and are considered well-placed to attract support from other partners, such as private investors, philanthropic trusts and local government. Under current policy, they are able to purchase new stock with government capital grants but must supply at least 25 per cent of the funds from their own resources, either through loans, revenue or other sources.

Currently, for every dollar spent by the government, housing agencies attract an extra 25 to 30 per cent from private, philanthropic and local government sources.¹³ Chapter 15 details some of the challenges that housing associations experience in securing grants and servicing debts.

In the case of housing where government funds are involved, RHAs are expected to take at least 50 per cent of their new and subsequent tenants from the public housing waiting list. The eligibility rules for other tenants are more relaxed, allowing a better measure of return on capital and cross-subsidisation to take place.¹⁴ This in turn is intended to create the capacity for

¹² Housing Registrar, Registered Housing Sector <<http://www.housingregistrar.vic.gov.au/registered-housing-sector>> Accessed 22 April 2010.

¹³ HCB, Housing Associations, <<http://www.housing.vic.gov.au/social-housing>> Accessed 22 April 2010.

¹⁴ The income limits are roughly in line with Commonwealth Rent Assistance (CRA) entitlements to full assistance. Asset limits are broadly the same as those for public housing. Income in 2009 could range from \$41,000 for single person through to \$91,000 for households with three or more.

the associations to grow their portfolio. It is the stated intention of HCB that these relaxed limits facilitate both a wider social mix of tenants and a broader revenue base.¹⁵

There are currently nine RHAs and they have over 5,000 properties owned or leased in a range of locations throughout Victoria.¹⁶ Two-thirds of the RHAs (six) were involved in representations to this Inquiry, either through attending hearings, making a submission or both.

REGISTERED HOUSING PROVIDERS

In addition to managing Director of Housing properties, Registered Housing Providers (RHPs) may also manage and/or own other properties sourced from outside of government funds. Housing providers can be companies limited by shares or guarantee, incorporated associations or co-operatives. While they primarily manage long-term and short-term rental housing portfolios they also provide other services including:

- ▶ short-term housing-focused crisis support
- ▶ housing information and referral services for people who are homeless or at risk of homelessness
- ▶ outreach programs to provide long-term support to people with complex needs and long histories of homelessness
- ▶ support to and advocates on behalf of people living in public and social housing to help them successfully establish and sustain their tenancies.¹⁷

At 31 July 2010 there were 31 RHPs in Victoria.

TRANSITIONAL HOUSING PROGRAM

According to information provided in the *Summary of Housing Assistance Programs 2008-09*, the broad aim of transitional housing is to:

- ▶ provide housing assistance to individuals and families in crisis as a result of homelessness or impending homelessness; and
- ▶ assist individuals and families in housing crisis to establish and/or maintain appropriate, secure and sustainable housing through the provision of transitional housing, information and referral services, and support where required.

Transitional housing programs also provide tenancy administration for both transitional and crisis housing. There are 20 organisations that provide transitional housing programs in Victoria.

¹⁵ HCB, *Eligibility, targeting and rent affordability framework for properties funded by the Office of Housing*, 2009, p.2.

¹⁶ HCB, Housing Associations, <<http://www.housing.vic.gov.au/social-housing>> <<http://www.housingregistrar.vic.gov.au/registered-housing-sector>> Accessed 22 April 2010.

¹⁷ HCB, Housing Providers, <<http://www.housing.vic.gov.au/social-housing>> Accessed 22 April 2010.

Some of the challenges faced by transitional housing programs in the context of the shortage of long-term social housing are outlined in Chapter 10.

CRISIS HOUSING PROGRAM

Crisis accommodation services help people who are homeless or in crisis and are generally provided by non-government organisations. Sources of government funding include the Crisis Supported Accommodation Program and Homelessness Support Program (formerly, the Supported Accommodation Assistance Program – SAAP).

Clients assisted include young people, singles, families and women and children escaping family violence with services provided generally through a case management system. The types of accommodation include youth refuges, family violence refuges and crisis supported accommodation, and provide up to six weeks, short-term accommodation.

For individuals and families that cannot access accommodation through the crisis housing program, the alternative options are often motels, caravan parks, couch-surfing and sleeping rough. Services can use Housing Establishment Funds (HEF) to assist clients to find overnight accommodation in emergency situations.

PRIVATE MARKET ASSISTANCE PROGRAMS

Private market assistance is available to people on low incomes either purchasing their own home or renting accommodation in the private rental market. The major avenues for provision are home purchase or ownership assistance and private rent assistance:

- ▶ Home purchase assistance includes direct lending, deposit or interest rate assistance, mortgage relief, counselling and advice services on home purchase, and other assistance, such as modification grants, discounts from purchase price and stamp duty concessions. It is Commonwealth funded and administered by states and territories, and provided to people who wish to purchase a house but need assistance with financing, including purchase of public rental housing dwellings by tenants.
- ▶ The Australian Government established grants to first home buyers on 1 July 2000 to compensate for the introduction of the Goods and Services Tax (GST). The grant scheme is non-means tested and it is administered through state and territory governments.
- ▶ Rent assistance is available to those on low incomes who are experiencing difficulty in securing or maintaining private rental accommodation, through Commonwealth Rent Assistance (a non-taxable income supplement payable to some government benefits recipients) or private rent assistance in the form of bond loans, rental grants and subsidies, relocation expenses or other one-off assistance payments or services.

ACCESSING PUBLIC HOUSING

CHAPTER 6

ELIGIBILITY AND APPLICATION PROCESSES

FINDINGS

Eligibility for public housing

- ▶ That a system of targeted prioritisation is broadly supported in view of the high levels of demand and shortage of supply.
- ▶ That eligibility has been tightened and focused over the past two decades.
- ▶ That applicants often have difficulty proving eligibility in a system of growing complexity and inflexible criteria.
- ▶ That asset limits for applicants can exclude some people in need, such as people with a disability and older people.
- ▶ That eligibility requirements and changes to policy are not well communicated.
- ▶ That expansion of eligibility requirements will have implications on the size of the waiting list and further contribute to the need to increase public housing supply.

Application processes

- ▶ That current application processes are complex, onerous and time consuming.
- ▶ That current definitions used in application processes lack clarity.
- ▶ That the experience of applying for public housing is often negative for applicants.
- ▶ That the process is overly bureaucratic and requires support to navigate.

Victorian Government proposed changes

- ▶ That the Victorian Government has acknowledged the pressures on the system and has proposed changes to the segmented waiting list.
- ▶ That Inquiry participants broadly support the proposed changes.
- ▶ That some participants had reservations about the 'possible further adjustment' proposed.
- ▶ That the proposed changes to the segmented waiting list are specific to application processes and do not address broader concerns with the system.

This chapter considers the initial stage of targeting access to public housing. The primary focus of the chapter, therefore, is on the Committee's findings in relation to determining eligibility for public housing and the application processes for households to be approved for the public housing waiting list.

Many Inquiry participants expressed views relating to eligibility processes in the context of income and assets, residency, previous tenancy history and the system of ranking applicants based on level of need. The highly administrative nature of applications, particularly early housing applications, was put before the Committee by participants. An overview of the evidence received is provided in this chapter.

The Committee recognises that the Victorian Government has proposed changes to application processes that aim to address these concerns. This chapter therefore considers the proposed changes to the segmented waiting list and the objectives of these changes. It also explores the extent to which the changes address the issues raised by Inquiry participants. The Committee heard numerous views from participants regarding the changes – both in support of the changes and expressing some reservations.

ELIGIBILITY CRITERIA

The Committee heard considerable evidence regarding eligibility for public housing and application processes. Participants described what they perceive is a context of tightening eligibility, increasing prioritisation and complex, onerous application processes to prove eligibility.

These perceptions are consistent with experiences across Australia where all jurisdictions introduced systems in the late 1990s to target access to public housing in response to supply shortages. In 2005, a research project into social housing allocation systems in Australia noted that 'up until the mid-1990s, the eligibility criteria for access to public housing were more generous than currently, reflecting its broader role at the time'.¹ The move away from public housing for all Australians on low incomes to an approach that targets access for those most in need was discussed in Chapter 4.

One outcome of these shifts is that some prospective tenants in housing stress are unable to prove their eligibility for public housing for a range of reasons. The Committee heard that, while this may assist with suppressing the waiting list, it also means that some people in housing crisis with high level needs are unable to qualify for public housing or are excluded from public housing. The Committee recognises, however, that any expansion of eligibility could have implications for the size of the waiting list and add additional pressure to increase the supply of public housing.

¹ K Hulse & T Burke, 'The changing role of allocations systems in social housing', *Final Report*, No. 75, AHURI, March 2005, p.42.

Inquiry participants also suggested that eligibility requirements and the systems of prioritisation contribute to high concentrations of disadvantage and employment disincentives. These impacts are discussed in Chapter 8.

Eligibility for public housing in Victoria is based on four broad elements:

- ▶ income and assets
- ▶ residency status
- ▶ previous tenancy history
- ▶ age limits.

For members of the Aboriginal community in Victoria, there are two avenues to access public housing. Public housing can be applied for and accessed through the Housing and Community Building (HCB) Division general rental program or through housing directly managed by Aboriginal Housing Victoria (AHV). At the end of 2008–09, AHV was the largest Aboriginal housing agency in Victoria with a portfolio of over 1,100 properties under its direct tenancy management.

Appendix 3 outlines the eligibility requirements for Victorian public housing in detail. Eligibility requirements vary depending on the nature of the application and are based on a detailed set of criteria for each category. These requirements are complex, often lengthy and frequently difficult to understand. These requirements are discussed later in the chapter. The Victorian Government has considered some of these issues in its proposed changes to the segmented waiting list.

Following an assessment of eligibility on these criteria, the second stage of the application process involves evaluating and ranking applicants according to their level of need. Once approved, applicants are placed in one of four segments on the public housing waiting list. The system of ranking applicants on need is discussed later in this chapter. The waiting list is detailed in the next chapter.

INCOME & ASSET LIMITS

INCOME LIMITS

To be eligible for public housing, an applicant must have an independent income that does not exceed income levels that are broadly the equivalent to Centrelink benefits. In view of this particularly low income level, the Committee heard that many people on low incomes cannot qualify for public housing in Victoria.

Prior to 2007, different income and asset levels existed for different segments of the waiting list. From September 2007 income limits for all segments were made the same. There remains confusion, however, about the income levels used to assess eligibility and these are not clearly outlined in the policy and procedure manuals.

The general view of participants was that income levels are too low. This was seen to prevent people on low working incomes from accessing public housing and to prevent people on benefits in public housing from seeking employment. These issues are discussed further in Chapter 8.

ASSET LIMITS

Limitations to asset levels, on the other hand, continue to be different across the categories for applicants. According to its *Allocations Manual*, HCB:

determines the value of the realisable assets for the entire household to determine if they are eligible for rental housing. If households have assets that would enable them to afford other forms of long term housing, eg renting in the private market for a ten year period, they are not eligible for rental housing.²

The Committee noted that the general asset limit for all households is \$30,000. The asset limit for households that require specified disability modifications is \$60,000. For early housing applicants, however, there are tighter asset limits and they vary according to property type or requirements for disability modifications. Table 6.1 outlines these asset limits.

Table 6.1: Asset limits for early housing households

SEGMENT	PROPERTY REQUIREMENTS	ASSET LIMIT
Segment 1	1 & 2 bedrooms	\$1,300
	3 + bedrooms	\$2,100
Segment 2	No property mods	\$30,000
	Property mods	\$60,000
Segment 3	1 & 2 bedrooms	\$1,300
	3 + bedrooms	\$2,100

Source: Derived from HCB, *Allocations Manual*.

According to the HCB *Allocations Manual*, the asset limits are based on:

The estimated costs of securing appropriately sized housing in the private rental market.

Such costs include the bond, one month's rent in advance based on rents at the bottom quarter of the private rental market, removalist and utility connection and/or transfer charges.³

² HCB, *Allocations Manual, Chapter 2 - Applications and Eligibility*, 2010, p.2-14.

³ HCB, *Allocations Manual, Chapter 8 - Special Housing Needs*, 2010, p.8-7.

These asset limits, however, have not been reviewed for nearly 10 years, despite changes to the costs of private rental and the associated cost of moving house.

The Committee heard that the tight eligibility criteria relating to assets can, at times, exclude people in housing crisis from accessing housing. Some referred to a ‘one size fits all’ approach that provides limited flexibility. This lack of flexibility was particularly highlighted in the context of asset levels. The Australian Association of Social Workers (AASW), for example, stated that:

Many Victorians in housing need face extremely stringent and outdated asset and income levels within the current Victorian Public Housing policy parameters. There is a critical need to review the current asset levels in particular for Early Housing-Segment 3 (Special Housing Needs). For example one and two person households face assets eligibility limits of \$1300 and \$2100. These amounts have been at same level since 1997 and were originally based upon ‘the costs of securing appropriately sized private rental housing’.⁴

The AASW told the Committee that these asset levels have not been reviewed since September 2001. Port Phillip and Stonnington Housing Information Network (PPASHIN) supported the views of the AASW, further commenting that ‘the assets limit of \$30,000 for general waiting list applicants is a barrier for many people being eligible for public housing and the original rationale “based upon the equivalent costs of maintaining private rental for 10 years” has not been reviewed to reflect current rental costs’.⁵

Other participants went on to explain the implications of asset limits for people in housing stress. The Council to Homeless Persons (CHP) expressed concern to the Committee that women in family violence situations who co-own property can be discouraged from leaving a violent relationship.⁶ In these situations, Inquiry participants suggested that women’s joint asset levels can make them ineligible for public housing opportunities.

This experience of many women has also been identified nationally by researchers in the field. For example, in research into social housing allocations, Terry Burke and Kath Hulse noted that the:

Guidelines tend to be drawn very tightly to ensure minimum ambiguity for workers, but with the result that many people in desperate need may be excluded. For example, a narrow asset eligibility guideline may exclude many women presenting for priority because of domestic violence, given that they may have an interest in a shared asset, even though it cannot be realised.⁷

⁴ Submission 41 (AASW), p.9.

⁵ Submission 49 (PPASHIN), p.7.

⁶ Submission 85 (CHP), p.6.

⁷ T Burke & K Hulse, ‘Allocating Social Housing’, *Positioning Paper No. 47*, AHURI, February 2003, pp.17-18.

In responding to these concerns, in March 2007 the Victorian Government revised the policy regarding unrealised assets to ensure 'that applicants who own real estate and are unable to realise their asset can be approved and housed by the OOH'.⁸ A qualification was made, however, that 'after they are housed, they will be reassessed for eligibility for rental housing every six months'.⁹ The Committee found this revision to the policy is not widely understood by individuals and organisations seeking to access public housing.

Other participants told the Committee that the asset requirements for Segment 2 can discriminate against people with a disability and that the costs associated with disability are not accounted for in asset limitations. The Housing Resource and Support Service (HR&SS) explained that:

People who acquire their disability through an accident ie. acquired brain injury, spinal cord injury, are sometimes financially compensated. The purpose of this compensation is generally to provide them with funds to go towards their life-time support needs. For many it is not enough compensation to both purchase accommodation or to comfortably rent privately as well as meet all their long-term support needs.¹⁰

The HR&SS highlighted that the asset limits for public housing eligibility mean that for many people who have received compensation for their disability are ineligible for public housing. It suggests that the consequence is that 'many are falling into the gap between subsidised housing with its income/asset set limits and the capacity to find and manage independent and affordable housing. Falling between these gaps is for many a path into hidden homelessness or to living in unhealthy, unsafe and insecure private rental situations'.¹¹

Action for Community Living (ACL) supported this view and highlighted further issues associated with the cost of disability, providing the Committee with an example of a man who:

has epilepsy and a mild intellectual disability. He is 60 years of age. He lived with his mother for most of his life. His mother passed away and the funds from the sale of the property were divided between several siblings. John's portion is not enough to purchase anything in the area he has always lived. The funds he now has are greater than the cut off point to qualify for public housing. Through advocacy support he has been able to rent a run down property. He is now at the mercy of the owner of the property and has no security of tenure.¹²

ACL recommended that 'eligibility for public housing, including the income and assets test, should allow for the additional costs associated with disability

⁸ HCB, *Allocations Manual, Front Information & Revision History*, 2010, p.xxi.

⁹ HCB, *Allocations Manual: Ch. 2 - Applications and Eligibility*, 2010, p.2-16.

¹⁰ *Submission 77 (HR&SS)*, p.3.

¹¹ *Submission 77 (HR&SS)*, p.3.

¹² *Submission 72 (ACL)*, p.4.

and the significant need for extra support that people with a disability may have'.¹³ Many people in these circumstances will never be in a position to secure an independent income through employment. The asset levels for people with a disability are specific to property modifications with no consideration of other costs associated with disability, such as purchasing support services and transport (such as taxis).

The Committee heard that older people often faced similar situations when their assets exceeded the \$30,000 limit for general wait turn applications or for Segment 2 applications. The organisation Housing for the Aged Action Group (HAAG), told the Committee that many clients seeking its assistance 'are just over the current \$30,000 limit yet require some financial reserves if they are to survive for a period of time in the private rental market and leave enough for emergencies, funeral plans and other vital needs'.¹⁴

The Committee makes recommendations regarding increased costs associated with private rental and the cost of disability, which can be found in *Recommendation 6.1*.

RESIDENCY STATUS

An additional criterion for eligibility relates to residency status. This is a complex component of the eligibility requirements. Applicants for public housing must be residents of Victoria and hold Australian citizenship or permanent residency. HCB requires that an applicant has an independent income to be eligible for public housing.

For many newly arrived migrants, the capacity to secure an independent income is not possible through employment or through Centrelink benefits. Employers have residency requirements and Centrelink has a two-year waiting period for newly arrived migrants in Australia to be eligible to apply for entitlements. The outcome of these restrictions on receiving income is that most newly arrived migrants are not eligible for public housing in Victoria.

There are exceptions to the general rule regarding residency. Section 2.1.5 of the HCB *Allocations Manual* explains that 'newly arrived migrants with permanent residency status who are subject to the Centrelink two-year waiting period ... may be placed on the waiting list'.¹⁵ The reality, however, is that they cannot actually be *offered* housing until in receipt of an independent income. St Vincent de Paul (SVDP) Aged Care & Community Services told the Committee that it considers this approach creates a false sense of hope for refugees.¹⁶

¹³ Submission 72 (ACL), p.4.

¹⁴ Submission 82 (HAAG), p.9.

¹⁵ HCB, *Allocations Manual: Ch. 2 - Applications and Eligibility*, 2010, Section 2.1.5, p.2-8.

¹⁶ Submission 100 (SVDP ACCS), p.28.

These eligibility restrictions were referred to by service providers in the housing sector, particularly in the context of refugees and asylum seekers with housing needs. For example, the Salvation Army Eastcare and Uniting Care Community Options told the Committee that ‘housing options are limited for this group as asylum seekers are not eligible for Public Housing or Transitional Housing’.¹⁷

However, the situation for refugees changed in August 2008 when temporary protection visas (TPVs) were abolished and all individuals and families newly offered refugee status were given permanent protection visas (PPVs). Those on TPVs were now eligible for Resolution of Status (RoS) visas. These confer the same rights as PPVs.¹⁸

PPVs award permanency and immediate entitlement to several Centrelink benefits. According to the policy outlined in the HCB *Allocations Manual*, receipt of an independent income means that refugees can then be eligible for public housing in Victoria and the problems raised in the submissions no longer apply.¹⁹

The March 2010 version of the HCB *Allocations Manual* makes no mention of PPVs and still contains references to TPVs. Of the policy and procedure provided by HCB, only the *Rental Rebates Manual* makes a note of the change.²⁰

Asylum seekers on bridging visas, awaiting confirmation of their status, have the right to work and access Medicare but would not meet the eligibility criteria required by HCB. Bridging visas are not referred to in the policy manuals.

Overall, the evidence received by the Committee demonstrated that there is confusion regarding the eligibility requirements relating to residency. It heard several calls to extend eligibility to refugees and asylum seekers, yet it was unclear if any of the groups they referred to might already be eligible under some of the old TPVs or if it was widely known that refugees’ circumstances, and therefore eligibility, had changed.²¹

The Committee considered that the complexity of policy and procedures relating to residency requirements for newly arrived migrants, particularly refugees, needs to be made more transparent and easy to understand for applicants, service providers and housing workers.

¹⁷ *Submission 42* (SAEC & UCCO), p.19.

¹⁸ See: Dept. of Immigration & Citizenship, Visas, Immigration and Refugees, Resolution of Temporary Protection Visa and Temporary Humanitarian Visa Caseload <http://www.immi.gov.au/refugee/tpv_thv/abolition/resolution.htm>; Fact Sheet 68 - Abolition of Temporary Protection visas (TPVs) <http://www.immi.gov.au/media/fact-sheets/68tpv_further.htm>; Fact Sheet 61 - Seeking Asylum within Australia <<http://www.immi.gov.au/media/fact-sheets/61asylum.htm>> Accessed 18 August 2010.

¹⁹ For example, see: HCB, Applying for housing <<http://www.housing.vic.gov.au/applying-for-housing>> Accessed 18 August 2010.

²⁰ Search of HCB website conducted 18 August 2010. HCB, *Rental Rebate Policy & Procedures Manual*, 2009 Special Circumstances, p.4-16.

²¹ For further example of such calls see: *Submission 43* (ECCV) and *Submission 52* (NASA VHC).

RECOMMENDATION

- 6.1 That the Victorian Government reviews its eligibility processes with a focus on:
- ▶ the asset limits for early housing segments 1 and 3 to reflect increased costs associated with living in private rental.
 - ▶ the asset limits for Segment 2 to account for the cost of disability, including costs associated with property modifications, transport and support services.
 - ▶ updating information relating to visas and eligibility for newly arrived migrants and refugees.

PREVIOUS TENANCY HISTORY

Previous tenancy history is also a factor in determining eligibility to public housing. This relates to history of outstanding debts and breaches of tenancy legislation (often in the context of what is referred to as ‘anti-social behaviour’). These histories can have implications for people with a history of drug use, family violence and/or mental illness seeking to access public housing and to create new life pathways.

HISTORY OF OUTSTANDING DEBTS

Eligibility requirements stipulate that offers of housing will be made only to those applicants with no outstanding debts. The HCB *Allocations Manual* states that ‘an offer of housing cannot be made until the household’s outstanding charges have been paid in full’.²²

Yet there are variations and exceptions to these rules depending on the segment category an applicant has been ranked in. The Committee heard that these variations and exceptions often lead to confusion regarding the extent to which previous debts (including bond loans for those who have sought to access private rental) influence eligibility for public housing. Some participants were of the view that a lump sum had to be paid in all instances or the full debt repaid before any offer of housing would be made. Table 6.2 provides an overview of the different requirements based on the different segments.

²² HCB, *Allocations Manual: Ch. 2 - Applications and Eligibility*, 2010, Section 2.1.10, p.2-18.

Table 6.2: Outstanding debt and offers of housing

	SEGMENT 1	SEGMENT 2	SEGMENT 3	SEGMENT 4
Outstanding debt repayment requirement	Agreement made and maintained	\$200 lump sum payment and 3 month agreement	\$200 lump sum payment and 3 month agreement	All outstanding debt must be paid in full
Implications for offer of housing	Offer of housing made as soon as possible	Offer of housing made following 3 months of repayments and lump sum paid	Offer of housing made following 3 months of repayments and lump sum paid	Offer of housing made following lump sum payment

Source: Derived from HCB, *Allocations Manual*, Section 1.1.13, p.1-9.

Concern was expressed by some participants about the implication of outstanding debts and previous tenancy histories for people trying to re-start their lives, yet constantly reminded of their past. The Advocacy and Rights Centre in Bendigo explained the impact of outstanding debts on people applying for housing:

Some 80 per cent of our clients have issues with paying rent. It is a challenge for them. They are on pensions or earning \$400 a fortnight. Sure, they are only paying 25 per cent of that to the Office of Housing, so the rent is cheap, but they have got to survive. They have to pay for their children, they have to pay for internet support, they have to pay for food and they have to pay for everything else. Being able to manage their lives is extremely challenging on the amount of money they have...

I think the step is that when that person gets into debt issues, that is when we should ask whether it is fair for that individual, rather than changing the rule up-front. For example, if we have a client who misses one rental or two payments, it is probably \$150 or maybe \$200. To get them to pay that back, when their pension is \$400 a fortnight, is challenging for those people to have to sacrifice, and it has a snowball effect...

Every time they talk to the Office of Housing they know they have that debt. It is that feeling that we are punishing people for not being able to handle their affairs correctly, when from my point of view we should have supported them to do better in the first place. We should have given them some counselling, given them some education or something else to support this person before they got into the debt.²³

In its housing policy manuals, the Victorian Government acknowledges the need to balance 'the provision of equitable and affordable rents to tenants while ensuring that sufficient rent revenue is received by the Department to cover costs not met by grant funding through the CSHA... replaced by the National Affordable Housing Agreement in January 2009'.²⁴ It also explains that its objective is to reduce and prevent further arrears to both maximise its revenue for housing assistance programs and to assist tenants to maintain

²³ Transcript of Evidence 36 (ARC), pp.4-5.

²⁴ HCB, *Rental Rebate Policy & Procedures Manual*, 2009 (Introduction), p.xx.

their tenancy. The Victorian Government's debt management policy is further discussed in Chapter 11. The financial sustainability of public housing is considered throughout the report.

The Victorian Government does provide some supports to assist tenants experiencing financial difficulties that are impacting on their rent payments. These include rent deduction schemes and encouraging regions to develop local strategies with other DHS programs to assist tenants early in the rental arrears recovery process. A clear objective is to identify mutual clients of DHS early to ensure support is provided 'to assist clients to meet their rental responsibilities and avoid legal proceedings, which could lead to their eviction'.²⁵

Based on the evidence received by the Committee, however, there are numerous examples and stories of applicants for public housing who have a history of outstanding debt that limits them from applying for public housing. A range of reasons were provided for these experiences, including mental health issues, alcohol and other drug issues and family violence.

A cycle of tenants moving in and out of public housing and holding a history of outstanding debt is emerging as a potential issue. Allocation figures reveal that in July 2009, nearly 73 per cent of all allocations were made from the early housing waiting list (an increase of almost 3 per cent from the previous year). This suggests that increasing numbers of public housing tenants will have an experience of recurring homelessness, poor tenancy histories and evictions.

In view of the changing tenant profile, it is increasingly likely that public tenants will be in a position where they have a history of outstanding debt with HCB. The capacity of future tenants of Victorian public housing to meet their rental responsibilities without intensive financial support will potentially decrease in view of the high allocations to early housing applicants.²⁶ Using the rental deduction scheme will not be an adequate support mechanism to assist tenants to manage their finances and prevent them from accumulating debt. Part 4 discusses these issues in greater depth, and the need for improved support to assist public housing tenants to sustain their tenancies.

Complexities arise, however, when housing people with complex needs. The consequences need to be seriously considered by the Victorian Government. For example, a person with a history of mental illness or recurring homelessness will have a higher probability of outstanding debts and/or previous anti-social behaviour.

²⁵ HCB, *Debt Management Manual, Rental Arrears Policy and Procedures*, DHS, 2006, p.1-6.

²⁶ For example, see: Dr Jon Hall & Prof. Mike Berry, 'Operating deficits and public housing: policy options for reversing the trend: 2005/06 update', *Final Report*, No. 106, AHURI, October 2007.

RECOMMENDATION

6.2 That the Victorian Government explore the feasibility of introducing an option for waiving or reducing outstanding debts in specific circumstances, such as a history of family violence, mental illness and/or disability.

HISTORY OF TENANCY BREACHES

In addition to recovering rental arrears, the Victorian Government has specific requirements relating to tenant responsibility, which are outlined in its housing policy and procedure manuals for *Tenancy Responsibility and Tenancy Breaches & Dispute Resolution*. The responsibilities of tenants in public housing are largely pursuant to the *Residential Tenancies Act 1997* (RT Act). Broadly, the general duties of tenants include that a tenant must:

- ▶ not use premises for illegal purposes
- ▶ not cause nuisance or interference
- ▶ avoid damage to premises or common areas
- ▶ give notice of damage
- ▶ keep rented premises clean
- ▶ not install fixtures etc. without consent.

Breaching any of these duties can provide grounds for a landlord to take action to remedy the breach. In the event that a suitable remedy is not achieved, the tenant may be subject to legal action and ultimately evicted from their housing.

The Victorian Government notes its responsibilities as a landlord under the RT Act and states that ‘in order to satisfy the requirements of the RTA and meet obligations as a landlord, the OOH investigates and attempts to resolve all problems that affect a tenant’s quiet enjoyment, health and safety’.²⁷

Some tenants eligible for entry into public housing can be restricted due to a history of tenancy breaches and/or ‘anti-social behaviour’. Anti-social behaviour is defined and discussed in greater detail in Chapter 12.

In summary, breaches relating to damage, use of premises for illegal purposes and dangerous behaviour can all lead to a history of anti-social behaviour with HCB.

In September 2009, the Victorian Government developed a framework for piloting anti-social behaviour management initiatives.²⁸ Some of these initiatives relate specifically to housing allocations. They include strategies for identifying and addressing tenancy support requirements, fixed-term tenancies and the discretion to defer offers of housing in specific instances to

²⁷ HCB, *Tenancy Management Manual, Chapter 2 - Tenancy Breaches & Dispute Resolution*, DHS, 2010, p.11-2.

²⁸ HCB, *Anti-social behaviour initiatives, Application and tenancy management framework for Pilot Offices*, DHS, 2009.

minimise negative housing outcomes. There is yet to be an evaluation to determine the effectiveness of the pilot.

This initiative is discussed further in Chapter 12.

RANKING APPLICANTS & TARGETING NEED – SEGMENTED WAITING LIST

As noted earlier, in Victoria the national reform of the public housing system in the late 1990s led to the introduction of the segmented waiting list that continues to operate and target access to the waiting list based on people’s needs. This section provides a brief overview of the system as it currently operates.

Broadly, there are four categories in the Victorian segmented waiting list, which are currently under review by HCB. Segments 1 to 3 are classified as early housing segments and Segment 4 is general wait-turn. Table 6.3 outlines these segments.

Table 6.3: Victorian Segmented Waiting List

SEGMENT	CATEGORY	TARGET GROUP
Segment 1	Recurring homelessness	Households which have a history of recurring homelessness, or are at risk of recurring homelessness
Segment 2: Supported Housing	Modifications	People who require housing with major or full disability modifications as a matter of urgency.
	Significant personal support	People in receipt of formal support through one of 15 designated DHS & DOH funded programs where that support is ongoing, long term or permanent.
Segment 3: Special Housing Needs	Insecure Housing (Homelessness)	People who demonstrate some significant issues with homelessness but do not have the high need required to access the Recurring Homelessness category.
	Inappropriate Housing	Families or groups whose current housing is severely overcrowded Families in housing that is having a detrimental effect on them due to the lack of sufficient bedrooms for children or lack of independent cooking/bathroom facilities. Families whose current housing is preventing the reunification of parents with their dependants.
	Unsafe Housing	People who are unsafe due to domestic violence and are in need of urgent housing. People who are unsafe due to actual or serious threat of physical violence, who are in need of urgent housing.
	Urgent medical	People who have a serious medical condition and urgently require alternative housing as a result of their condition.
Segment 4:	General Wait Turn	Targets households which are not in urgent housing need but may benefit from public housing.

Source: HCB, New Segmented Waiting List Proposal, p.2.

There are additional categories that HCB can use to prioritise households into public housing. These categories are for very specific purposes, which are discussed intermittently through this report. They are often linked to specific programs and/or particular protocols with other areas of the Victorian Government. Appendix 3 outlines the following categories in greater detail:

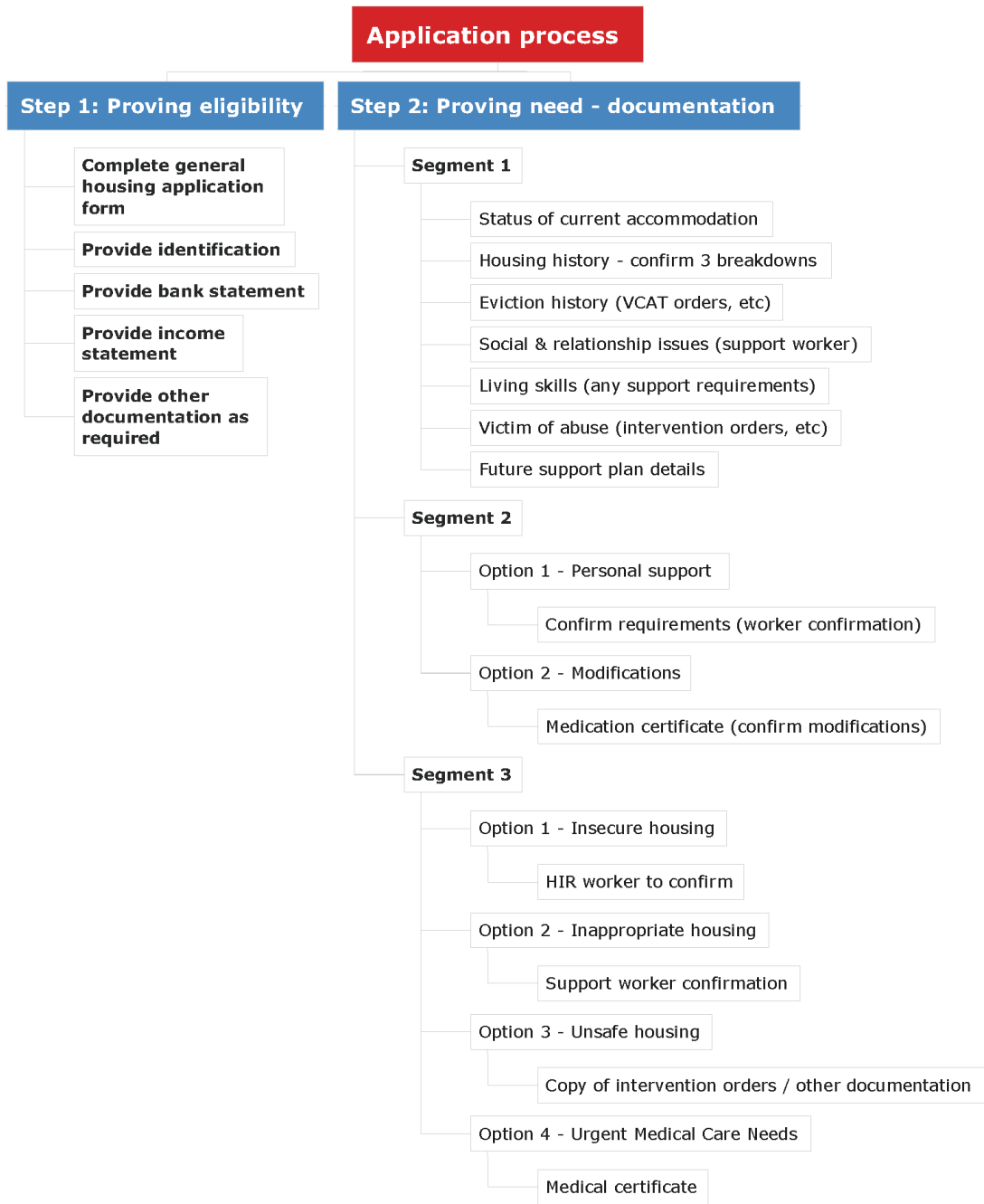
- ▶ Police Witness Protection Program
- ▶ Victorian Emergency Management Procedures (VEMP)
- ▶ Corrections Locational Transfers
- ▶ Relocation Transfers
- ▶ Temporary Absence
- ▶ Property Management Transfers
- ▶ HOLS Conversion Program.

Appendix 4 identifies the order of prioritisation.

APPLICATION PROCESSES

In regard to the current segmented waiting list, the Committee heard that there are issues regarding the process for proving need and eligibility for the early housing segments. The system of targeting need is clearly complex. It is no surprise, therefore, that the process for proving eligibility and need for early housing is equally complex. Figure 6.1 provides a simple overview of the range of documentation required by applicants for public housing.

Figure 6.1: Application process for proving eligibility and need



Source: Derived from HCB, *Allocations Manual & Application for Public Housing*, General Housing form

There were four broad areas of concern raised by Inquiry participants relating to the processes associated with the current segmented waiting list system and the documentation required for applications. In particular, these related to:

- (1) complex processes for proving eligibility
- (2) lack of clarity regarding definitions for eligibility
- (3) negative experience for applicants
- (4) the bureaucratic nature of the process.

As outlined later in this chapter, the Victorian Government has acknowledged that there are concerns with these processes and in December 2009 it released proposed changes to the list. While the Victorian Government has proposed changes, it is not yet clear how these changes will look in practice and how they will address all areas of concern regarding the application process.

The following concerns, however, need to be considered in the context of the proposed changes. These changes are explained following the outline of concerns raised by Inquiry participants.

COMPLEX PROCESSES FOR PROVING ELIGIBILITY

The Committee consistently heard that completing applications for public housing is onerous, time-consuming and complicated. Concerns about application processes were raised by many participants in the Inquiry. The issues experienced by prospective tenants and service providers providing support included confusion caused by lack of transparency in the application process, the onerous nature of applications, the challenges in providing documentation for transient households and the tendency for complex processes to deter households from applying for public housing.

A key factor raised relates to the complexity of the system and, as Women's Housing Ltd (WHL) told the Committee, 'concerns about the lack of transparency about the allocation processes'.²⁹ These concerns were put before the Committee by several Inquiry participants.³⁰ In its submission, Domestic Violence Victoria (DV Vic) suggested that:

Accurate information on wait times for location and property size would enable case managers and clients to make educated decisions as to where housing is applied for. This lack of information leads to clients applying for properties that may not become available for years resulting in lengthy stays in transitional housing.³¹

²⁹ *Submission 26* (WHL), p.14.

³⁰ See also: *Submission 3* (NDS), *Submission 27* (OPA) & *Submission 81* (Carers Vic).

³¹ *Submission 96* (DV Vic), p.6.

Greater transparency and reduced complexity in the processes were suggested to make it easier for people to make decisions when seeking to access public housing and alleviate their housing stress as quickly as possible.

As Figure 6.1 demonstrates, the extent of documentation required for a Segment 1 Recurring Homelessness application is extensive. The Committee heard from SVDP Aged Care & Community Services that:

The onerous nature of Segment One approvals ... has meant that some households eligible for this priority have not sought this, and rather have applied through Segment Three, thus 'masking' the true number of homeless and at risk households eligible and desiring/requiring public housing.³²

Rural Housing Network similarly remarked that the Segment 1 category is under-utilised and that 'many clients who would meet eligibility for Seg 1 do not ever get to the stage of lodging a Seg 1 application. Some of these may instead lodge a Seg 3 or General/wait turn, however this still raises the issue of the current system not ensuring that those with the most need get housed first'.³³

The Committee also heard that specific population groups can be particularly affected by the processes for applying for Segment 1. Some groups, such as people with a mental illness, have a particular need for public housing due to their inability to sustain employment and are frequently living in inappropriate housing. Yet for many, qualifying for public housing through the segmented waiting list can be extremely difficult. For example, Neami Ltd advised the Committee that:

In our experience many people who have been homeless or in unstable accommodation arrangements for extended periods have been unable to satisfy the criteria due to the lack of continuity of care by support providers or their itinerancy.³⁴

VICSERV told the Committee that as a consequence of these barriers, 'anecdotal evidence suggests many people do not apply due to the complexity of the assessment process and beliefs about the unlikelihood of ever getting a suitable property'.³⁵

Other groups, such as refugees and asylum seekers, found that their particular circumstances often meant they were unable to be recognised for the Segment 1 category. Spectrum Migrant Resource Centre (SMRC) informed the Committee that:

Our experience of working with clients to secure public housing has proved that it is often difficult for our clients in the Segment 3 category to be

³² Submission 100 (SVDP ACCS), p.27.

³³ Submission 61 (RHN), p.2. See also: Submission 73 (ACSO), p.11 & Submission 92 (Hanover), p.10.

³⁴ Submission 104 (NEAMI), p.5.

³⁵ Submission 79 (VICSERV), p.2.

prioritized to Segment 1 category, despite highly insecure housing situations and regular breakdowns into homelessness. SMRC caseworker's experience suggests that the difficulty with our clients being prioritized to Segment 1 relates to the 'unofficial' nature of their housing insecurity. Unlike many mainstream clients, refugee and migrant clients have extended community and family networks they call upon for short term housing solutions.³⁶

The Network of Asylum Seekers Agencies (NASA) Victorian Housing Coalition (VHC) similarly commented that:

Destitution, transience, barriers to accessing private rental and the mental health problems are all indicative of the exceptional circumstances that asylum seekers face. Furthermore these factors would place many asylum seekers, who meet OoH eligibility, in the highest priority segment of public housing; Segment 1 – Recurring Homelessness. Despite this, there appears to be limited understanding of the experience of seeking asylum in the public housing sector leading to inappropriate segment applications.³⁷

The Australian Community Support Organisation (ACSO) informed the Committee that their clients who have been incarcerated are often considered ineligible for Segment 1 applications for reasons specific to their circumstances:

In ACSO's experience many of its clients are eligible for Segment 1 Early Housing but are on Segment 3 or Wait Turn waiting lists because the application process is easier. ACSO's case workers report that ACSO clients often struggle to complete Early Housing applications due, not to their lack of eligibility, but due to their institutionalization. For example clients frequently don't remember and have no record of previous housing history, housing breakdowns or records of transitional or emergency accommodation that they have stayed in prior to prison.³⁸

RESTRICTIONS REGARDING DEFINITIONS FOR ELIGIBILITY

A second area of concern related to a perceived lack of clarity in the descriptors used to define key terms that can influence the outcome of a person or household's application for early housing. Terms used in application forms, such as 'disability' and 'unsuitable housing', were highlighted as lacking clarity. The Committee heard that the discretion used in determining the meaning of these terms can potentially affect whether someone is approved for early housing or not.

Carers Victoria suggested that the lack of clarity relating to terminology could be an underlying cause for the low numbers of individuals and families approved for Segment 2 in particular:

³⁶ *Submission 53* (SMRC), p.1.

³⁷ *Submission 52* (NASAVHC), p.4.

³⁸ *Submission 73* (ACSO), p.11.

The very low numbers of people with a disability and/or a mental illness eligible for prioritization through Segment 2 (Supported Housing) and Segment 3 (Special Housing Needs) may also have been in part due to unclear definitions and descriptors which have a large bearing on whether someone applies, and then whether the application is accepted. Examples include, ‘unsuitable housing’ and whether this applies to people housed inappropriately in Supported Residential Services, ‘urgent medical’ and ‘in receipt of formal support’.³⁹

According to the *Summary of Housing Assistance Programs*, since the introduction of the segmented waiting list, allocations to Segment 2 have not exceeded 300 in any year. In 2008-09, allocations to Segment 2 were only 9 per cent of all early housing applications. VICSERV informed the Committee that its members have many clients who, on the surface, appear eligible for Segment 2 in view of their long-term, ongoing support needs and current housing circumstances. Yet it has found ‘the reality is that very few of the participants in our members’ programs have their applications accepted for those segments’.⁴⁰

Similarly to Carers Victoria, VICSERV ‘has recommended that there be greater clarity around terms like “in receipt of formal support” and “unsuitable housing”’.⁴¹ In its *Allocations Manual*, HCB states that ‘Unsuitable Housing refers to housing that has a long-term detrimental effect on one or more members of the household’ and it lists a number of specific instances in which a household would be considered to live in ‘unsuitable housing’.⁴²

The Committee heard that ‘the criteria for Segment 2 are narrow: for eligibility, a person must need urgent home modifications, and/or receive formal support from a list of government funded programs and be living in “unsuitable” housing. These criteria exclude many people with a disability, particularly intellectual disability, and/or mental illness’.⁴³

The challenges for people exiting prison were also highlighted to the Committee. The links between housing and recidivism were emphasised. ACSO, for example, told the Committee of the ‘increased risk of re-offending for ex-offenders in unstable accommodation’.⁴⁴ Similarly, VACRO advised the Committee that ‘housing instability is also one of the major indicators for re-offending or recidivism’.⁴⁵

A key issue raised by both groups is the challenges that people exiting prison experience in applying for public housing. The application processes generally mean that people in prison re-enter the community with no secure housing. VACRO sought to emphasise to the Committee that:

³⁹ Submission 81 (Carers Vic), p.7.

⁴⁰ Transcript of Evidence 20 (VICSERV), p.2.

⁴¹ Transcript of Evidence 20 (VICSERV), p.2.

⁴² HCB, *Allocations Manual: Ch. 8 - Special Housing Needs*, 2010, pp.8-14-15.

⁴³ Submission 81 (Carers Vic), p.6.

⁴⁴ Submission 73 (ACSO), p.5.

⁴⁵ Submission 63 (VACRO), p.9.

Given the cost burden of crime in Australia (estimated conservatively at 36 billion per year), the cost of keeping people incarcerated (estimated at between \$80,000 – \$100,000 per person per year on average) and the association between homelessness and crime, the issue of public housing is more than a question of human rights or equity but is also a question of public safety and social cohesion.⁴⁶

As noted above, the Victorian Government has acknowledged that there is room for improvement in the segmented waiting list and many participants were of the view that this will resolve the issues they have raised concerns about.

EXPERIENCE FOR APPLICANTS

A further issue raised by participants in the Inquiry was the negative experience of individuals and families going through the process of submitting an application for public housing. The focus on negativity and the intrusive nature of the application process was highlighted by several applicants.

Common Equity Housing Ltd (CEHL) was particularly concerned about the application process focusing on negative aspects of a person or family's experiences. It told the Committee that this has implications for their sense of dignity:

The process of needing to prove your eligibility by demonstrating particular needs or failings such as a history of evictions in itself strips applicants of dignity and turns the public housing sector into self fulfilling service of last resort rather than an opportunity for improvement that it was once considered.⁴⁷

EACH Social and Community Health expressed a similar view. It had concerns about the focus on the negative over the positive, noting that 'proving and exaggerating a persons illness is often what is required to access housing through a Segment, rather than a focus on wellness and recovery'.⁴⁸

The level of disclosure of personal information was also raised as a negative and demeaning experience for many applicants. Inner South Community Health Service (ISCHS) told the Committee that 'a recurring theme amongst ISCHS clients who are eligible to make a Segment 1 application for public housing is that the application process is made difficult by the requirement to disclose personal trauma that they may not have articulated to anyone before'.⁴⁹

⁴⁶ Submission 63 (VACRO), p.9.

⁴⁷ Submission 59 (CEHL), p.5.

⁴⁸ Submission 55 (EACH SCH), p.3.

⁴⁹ Submission 56 (ISCHS), p.19.

The extensive documentation required (particularly for Segment 1 applications) often prevents people continuing with an application. The Committee heard for specific groups this is a particular issue. For example, people with a mental illness can be reluctant to provide information required to complete a public housing application. The Mental Illness Fellowship told the Committee that people with a mental illness are under-represented on the public housing waiting list and fear participation:

People with a mental illness have enough anxiety about disclosing the contents and the issues surrounding their mental illness to their own treatment teams. They are exceptionally concerned about making that material much more available.⁵⁰

ISCHS also highlighted the challenges for people with a mental illness seeking access to public housing:

The level of disclosure is too confronting for some. For some new clients navigating the system for the first time, the amount of documentation required is overwhelming (bank statements, identification, housing history, support letters, etc). Often there are many services and agencies involved in pulling this information together.

Consequently, some homeless applicants choose to apply for public housing under another category that doesn't require the same level of background information (which therefore bumps them further down the list). Alternatively, they do not apply for public housing at all, which puts additional pressure on community housing and providers of short-term crisis accommodation, supported residential services and rooming houses, all of whom have little or no capacity to soak up extra demand.⁵¹

Similarly, the Committee was advised by Aboriginal Housing Victoria (AHV) that 'the process by which the family or individuals needed to be case managed was seen as highly intrusive and frequently Aboriginal individuals or families would drop out of the process.'⁵² AHV has adapted its tenancy policies to suit the needs of Aboriginal individuals and families. Advocates for refugees and asylum seekers made similar points. WAYSS explained to the Committee that:

we have refugee families who come from backgrounds where their interaction with authority has not been particularly positive, and that group particularly show an enormous reluctance to participate in a segment 1 process and disclose the level of information we require to get them that outcome.⁵³

The Committee also heard that for people with health conditions, such as HIV, can be deterred from applying for public housing due to the nature and level

⁵⁰ *Transcript of Evidence 21 (MI Fellowship)*, p.3.

⁵¹ *Submission 56 (ISCHS)*, p.19.

⁵² *Submission 69 (AHV)*, p.5.

⁵³ *Transcript of Evidence 22 (WAYSS)*, p.3.

of information required. The AIDS Housing Action Group (AHAG) told the Committee that:

The current Segment 1 application is intrusive and can be humiliating for people to have to complete. At AHAG the experience is that some people will choose not to complete one, despite being homeless, because of the amount of extremely personal and often distressing information the client has to reveal in order to complete the application. In 2009 a number of AHAG clients chose not to submit Segment 1 applications after they saw the kind of information that was required to be submitted. The process of completing a Segment 1 application is practical, not therapeutic, so it can actually be harmful for the person who would be required to raise these issues for documentation on a form.⁵⁴

BUREAUCRATIC NATURE OF THE PROCESS

The Committee heard that in addition to the application process being complex and difficult to understand for many, that it is also highly bureaucratic and administrative. These factors combined mean that for many applicants there is a need to engage a support worker to assist in navigating the system and providing the necessary supporting documentation. Participants told the Committee that not all individuals and families are in a position to secure this type of support, or that if they do housing workers might be unable to provide the level of support needed due to excessive workloads.

This was captured in a statement made by the Public Interest Law Clearing Housing (PILCH) Homeless Persons Legal Clinic (HPLC), which explained to the Committee that ‘people seeking access to public housing need considerable assistance to navigate the system, and that this assistance is often insufficient’ due to the heavy caseloads of many support workers.⁵⁵ Moonee Valley City Council agreed, stating that ‘the current system is also highly bureaucratic and relies on strong advocacy from the relevant agencies’.⁵⁶

EACH Social and Community Health explained that having a support worker can be the difference between successfully completing an application or remaining in housing crisis: ‘If a person does not have an advocate or access to someone who understands the system, then they are not likely to achieve a place on the segmented wait list, yet may be in more need than others’.⁵⁷

PRIORITISING SPECIFIC GROUPS

The Committee heard claims from many participants that specific groups need to be given greater consideration for priority access to housing. Some

⁵⁴ *Submission 60* (AHAG), p.4.

⁵⁵ *Submission 103* (PILCH HPLC), p.20.

⁵⁶ *Submission 67* (MVCC), p.5.

⁵⁷ *Submission 55* (EACH SCH), p.3.

suggested people with a disability who exhibit behaviours of concern need to be given greater priority.⁵⁸ Others suggested that single-parent families who are at greater risk of tenancy failure in public housing need to be given greater consideration.⁵⁹ The needs of other more specific groups were also emphasised.⁶⁰

A range of people commented on the needs of families with children and young children.⁶¹ Others suggested that older people require increased priority.⁶² A number of advocates supported greater priority for women and children experiencing family violence.⁶³ The housing needs of refugees were considered to require greater emphasis in priority systems. Similarly, participants suggested that offenders leaving prison required improved options in early housing policy.⁶⁴ The needs of other more specific groups were also emphasised.

In consideration of prioritising specific groups, Professor Tony Burke advised the Committee that he could:

see little ability for public housing to improve the wellbeing of specific groups, such as women, seniors, the homeless, indigenous Victorians, refugees, etc, without substantial increases in stock. To improve access for any one group will only deny access for another.

Of course for some groups better support (not just housing) is needed but this in turn raises questions about the level, degree, and type of support, an issue which could be dealt with more effectively if specific housing agencies emerged with the programs and appropriately skilled staff to deal with them.⁶⁵

The Committee supports this view and considers it important to continue prioritising the housing needs of individuals and families. It does consider, however, that there is greater room for defining ‘housing need’, as discussed in Chapter 10.

PROPOSED CHANGES TO THE SEGMENTED WAITING LIST

The Victorian Government has acknowledged that the process for completing applications for early housing, particularly Segment 1, is onerous and complicated. When appearing before the Committee, the Executive Director of HCB, Ms Margaret Crawford, acknowledged that ‘it is quite complicated and people do need quite a lot of help sometimes, particularly those in the very high-need categories’.⁶⁶

⁵⁸ See: *Submission 3* (NDS) & *Submission 27* (OPA).

⁵⁹ See: *Submission 14* (SCRA).

⁶⁰ *Submission 16* (CLAN).

⁶¹ See: *Submission 30* (Megan Richards et al.) & *Submission 47* (YMCA Vic).

⁶² See: *Transcript of Evidence 19* (COTA Vic); *Submission 30* (Megan Richards et al.) & *Submission 47* (YMCA Vic).

⁶³ See: *Submission 48* (MCSW); *Submission 58* (NEMC&FSA).

⁶⁴ See: *Submission 63* (VACRO) & *Submission 73* (ACSO).

⁶⁵ *Submission 90* (Prof. Terry Burke), p.6.

⁶⁶ *Transcript of Evidence 34* (HCB), p.10.

The Committee was advised that HCB has proposed changes to the waiting list to respond to a range of concerns experienced by applicants and tenants seeking to access public housing. The proposed new segmented waiting list model aims to make the system easier to comprehend and to reduce the complexity of the application process for agencies and clients.⁶⁷

Based on the information provided to the Committee, the project to change the segmented waiting list is being overseen by an Advisory Committee that is chaired by the Executive Director, HCB, with executive representation from the Department of Human Services (DHS) and the Department of Health (DH).

In the background to the proposed changes, it is noted that ‘a new Segmented Waiting List model has been identified by the Department of Human Services (DHS)’.⁶⁸ In explaining why the SWL is being changed, the following explanation is provided:

The Improving Public Housing Responses Strategic Project’s discussions with a range of stakeholders and analysis of the H&CB public housing tenancy and applicant database has identified a number of areas in which the current segmented waiting list system could be improved.⁶⁹

While a review of the segmented waiting list was not undertaken to inform the proposed changes, consultations with the sector will provide direction in the implementation of the proposed changes.

The issues identified largely relate to the bureaucratic and administrative processes for managing the waiting list. The first two issues identified include the complexity of the system (particularly for Segment 1 applications) and the onerous requirements of applications (particularly early housing applications), including the time-consuming and intrusive nature of these applications.

In addition, HCB identified that Segment 1 applicants do not meet the eligibility requirements for ‘recurring homelessness’ and are then approved for Segment 3. The fourth issue identified is that the system does not adequately capture the support arrangements that are in place or required by the applicant.

In responding to these issues, HCB’s proposed new model has a number of aims that include making the system easier to understand, creating one segment for people experiencing homelessness and family violence, identifying support programs in place to sustain tenancies, and reducing the complexity of the application process.⁷⁰

⁶⁷ HCB, *Improving Public Housing Responses Strategic Project, New segmented waiting list proposal*, 2009, p.1.

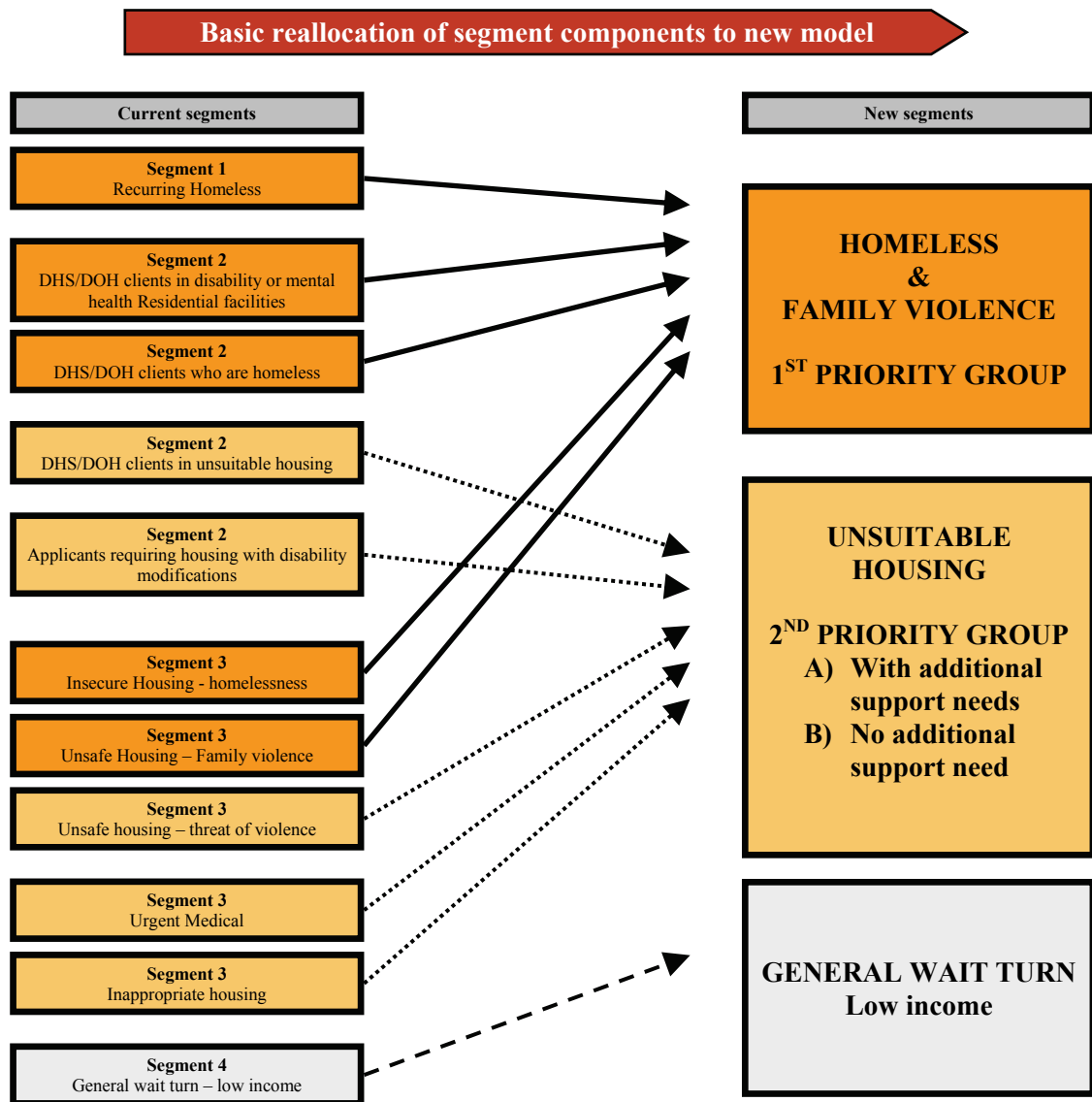
⁶⁸ HCB, *Improving Public Housing Responses Strategic Project*, 2009.

⁶⁹ HCB, *Improving Public Housing Responses Strategic Project*, 2009, p.2.

⁷⁰ HCB, *Improving Public Housing Responses Strategic Project*, 2009.

The new segmented waiting list proposal suggests changing the waiting list to a system that will reduce the four segments to three. These changes are illustrated in a complex diagram that demonstrates some of the existing overlaps in the current system (see Figure 6.2).

Figure 6.2: Basic reallocation of segment components to new model



Source: HCB, *Improving public housing responses strategic project: New segmented waiting list proposal*.

In addition, Section 3 of the outline of the proposal to change the segmented waiting list proposes ‘a possible further adjustment’. This adjustment involves breaking down the new Segment 1 into Priority 1A and Priority 1B. Priority 1A would give priority access to all applicants in transitional housing and crisis supported accommodation in addition to applicants in family violence services.

RESPONSE TO PROPOSED CHANGES TO THE SEGMENTED WAITING LIST

The Committee heard evidence relating to the proposed changes to the segmented waiting list. The proposed changes were supported by many, but there were reservations about some aspects of the proposal. Concern was also expressed that the project to change the segmented waiting list is narrow in its focus.

Participants told the Committee that the proposed changes have the potential to address issues relating to the complexity of applications and their time-consuming and onerous nature. While the actual changes to application forms relating to documentation requirements have yet to be produced, there was a sense of hope that the ‘changes have great merit and have been a long time awaited by the sector’.⁷¹

Darebin City Council, for example, told the Committee that ‘the current system has become onerous for workers and applicants’.⁷² Mr Mark Dixon of Uniting Care, Harrison, expressed his view that the changes:

will make the system easier to comprehend and it will reduce the complexity of the application process for both clients and workers. This will mean that workers can spend more time supporting clients directly rather than drafting a 6 page SEG 1 report on the clients past support and housing issues.⁷³

The majority of support for the changes related to expected improvements to the application process, reducing the onerous, time-consuming nature of the application process.⁷⁴ Ultimately it was considered that the changes have the potential to make the waiting list system fairer.⁷⁵

Yet the Committee heard that there were also some reservations about the proposed changes. These related particularly to the ‘possible further adjustment’ and the further prioritisation of applicants in transitional housing. There were mixed views about this proposal. Some considered it a welcome initiative, yet others were concerned about the implications for those unable to access transitional housing due to their unique housing needs.

Wintringham told the Committee that it was:

in agreement with the initial proposed changes but would wish to reserve our opinion on the ‘possible further adjustment’ proposal. An initial reading of the proposed second adjustment would indicate that too much emphasis will be placed on priority access for residents of crisis or Transitional Housing Management stock.⁷⁶

⁷¹ Submission 75 (UnitingCare Harrison), p.3.

⁷² Submission 106 (Darebin City Council), p.4.

⁷³ Submission 75 (UnitingCare Harrison), p.2.

⁷⁴ Submission 86 (WMV); Submission 45 (LOMA); Submission 92 (Hanover); Transcript of Evidence 40 (RHN), p.8.

⁷⁵ Submission 45 (LOMA), p.9.

⁷⁶ Submission 46 (Wintringham), p.3.

Wintringham further explained that that ‘the elderly homeless or impoverished require different housing and referral models that reflect their age and frailty’, and that the ‘adjustment’ could potentially have a negative effect on those unable to access transitional housing due to their specific housing needs. The organisation expressed its view that this ‘reflects a disturbing trend within the Office of Housing to create housing models that are based on universality or “one size fits all”’.⁷⁷

The Rural Housing Network told the Committee that:

The new priority category, however that looks, must ensure that people who are residing in crisis or transitional housing are equally eligible for priority status. This will recognise the fact that crisis housing is not equally available across Victoria, and non-existent for some client groups in parts of regional Victoria, including our own. The new priority criteria must also ensure that other particularly vulnerable groups such as people exiting prisons and women and families escaping violence, are included in the highest priority grouping.⁷⁸

McAuley Community Services for Women (MCSW) considered that ‘further discussion is required prior to the implementation of the second suite of proposed changes’.⁷⁹

In view of the significant changes occurring in the broader provision of social housing, some participants indicated a need for a more wide-scale review of the allocations system to reflect policy shifts over the past 10 years. Hanover stated that the focus of the changes needed to be ‘widened to include a review of the broadband areas as well as the actual process of making an offer of housing’. Similarly, HomeGround Services suggested to the Committee that there needs to be broader consideration of the allocations process, including policies relating to transfers and swaps.⁸⁰

Wesley Mission Victoria (WMV) expressed a view that ‘the proposed changes should only be the start of a much broader overhaul of the system, including the adoption of a common waiting list’.⁸¹

The Committee agrees that there is room for a more wide-scale evaluation of the allocations system in the context of changes to the ‘social housing’ system. These changes and future directions for public housing allocations are discussed in Chapter 10. Broader changes relating to tenancy and asset management in public housing are discussed in Parts 4 and 5.

Health and community service systems that have experienced major policy shifts over the past 20 years (such as mental health and disability) have

⁷⁷ Submission 46 (Wintringham), p.3.

⁷⁸ Transcript of Evidence 40 (RHN), pp.2-3.

⁷⁹ Submission 48 (MCSW), p.8.

⁸⁰ Submission 70 (HomeGround), p.9.

⁸¹ Submission 86 (WMV), p.7.

conducted system evaluations to assist in identifying future strategic directions.⁸²

An external evaluation of the social housing sector could provide a valuable basis for adopting a more strategic approach to change management in the social housing sector, the allocation of social housing and the provision of public housing more broadly.

⁸² For example, see: The Boston Consulting Group, *Improving Mental Health Outcomes: The Next Wave of Reform, Report to the Government of Victoria, Governments Working Together*, Department of Premier and Cabinet, 2006 & PriceWaterhouseCoopers, *Price Review Out of Home Disability Services Final Report*, DHS, 2009.

CHAPTER 7

THE WAITING LIST

FINDINGS

Waiting list management

- ▶ That the general waiting list fluctuates, but that the early housing waiting list is increasing.
- ▶ That overall, allocations to public housing have dropped over the past 11 years, resulting in increased allocations to early housing approved applicants.
- ▶ That changing demographics, low turnover of public housing tenancies and no increase in supply have contributed to the decrease in allocations.
- ▶ That Victoria is above the national average in regard to allocations for people experiencing homelessness.

Waiting times

- ▶ That waiting times are increasing.
- ▶ That waiting times vary across regions and housing stock.
- ▶ That data about waiting times and other aspects of the waiting list are not always clear or transparent.
- ▶ That waiting times are not used as a national performance measure for equity of access to public housing.
- ▶ That Victoria's waiting times cannot be compared with other jurisdictions due to different counting methods.

Participants in the Inquiry expressed significant concerns about the size of the waiting list, the length of waiting times and the impacts of waiting for public housing on individuals and families.

This chapter covers the evidence received by the Committee relating to the segmented waiting list in the context of its characteristics and size and the trends of the waiting list over the past 10 years.

THE WAITING LIST

CHARACTERISTICS OF THE WAITING LIST

Having successfully lodged an application for public housing, individuals and families join the waiting list. This section considers the characteristics of the waiting list. Earlier chapters have acknowledged that for a range of reasons there is an enormous demand for public housing and that the numbers on the waiting list are high. Appendix 5 provides the current detailed waiting list data.

In June 2010, there were 41,017 on the waiting list for public housing in Victoria, an increase of 1,223 from 31 March to 30 June 2010.¹ Of these, 8,908 have been approved for early housing in either Segment 1, 2 or 3. At 30 June 2009, the Victorian Government held a total of 65,207 direct tenure public rental units. This number consists of 63,098 rental general stock units and 1,680 movable units. At June 2009, the waiting list for Aboriginal housing was 957. The total stock for Aboriginal households is 1,387.

The transfer waiting list is considered separately from the general waiting list. The Australian Institute of Health and Welfare (AIHW) explained to the Committee how this affects national and state waiting list data:

AIHW figures may differ from those published by the Office of Housing, Victorian Department of Human Services due to variations in counting rules including the treatment of transfer applicants (which are reported separately in Vic Office of Housing figures), Indigenous households, and households in the process of being tenanted at 30 June.

At 30 June 2009, there were 47,731 people on the waiting list for public rental housing in Victoria.²

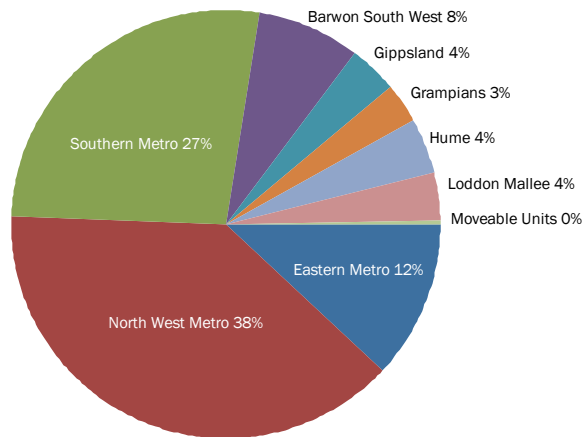
For Victoria, in June 2010 the transfer waiting list was 9,657 in addition to the waiting list for new applicants (41,017). Notably, transfers comprise approximately 35 per cent of total allocations. This is discussed further in Chapter 9.

¹ See Appendix 6 for waiting list data for the March 2010 quarter.

² *Submission 83* (AIHW), p.2.

The waiting list differs significantly by Department of Human Services (DHS) region. The majority of households waiting for housing are in the metropolitan areas, with the Southern and North West regions holding the highest waiting lists. The breakdown for DHS regions across Victoria is shown in Figure 7.1. In the regions, Barwon South West has a notably higher waiting list than other regions.

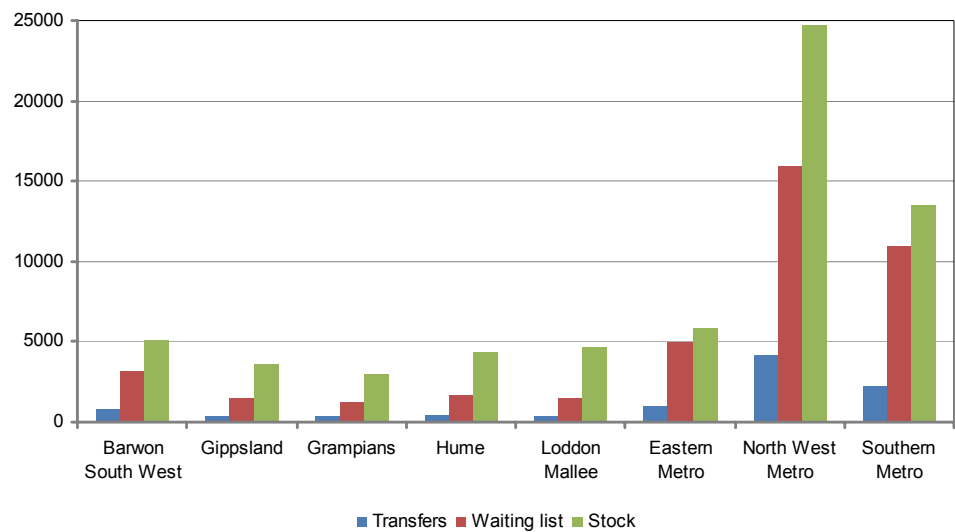
Figure 7.1: Percentage of total waiting list by region in Victoria, June 2010



Source: HCB, Total Number of Applicants on the Public Housing Waiting List as at June 2010 <<http://www.housing.vic.gov.au/applying-for-housing/waiting-times>> Accessed August 2010.

To gain a sense of how these numbers compare against available stock, Figure 7.2 lists the waiting list against the stock levels in each of the regions. While the North West and Southern regions have the highest numbers on their waiting lists, the Eastern and Southern regions are notable in that they have similar numbers on their waiting lists to the number of public housing stock held. This indicates that these regions could have lengthy waiting times. This is discussed further below.

Figure 7.2: Waiting list and stock in Victoria, June 2009 to June 2010

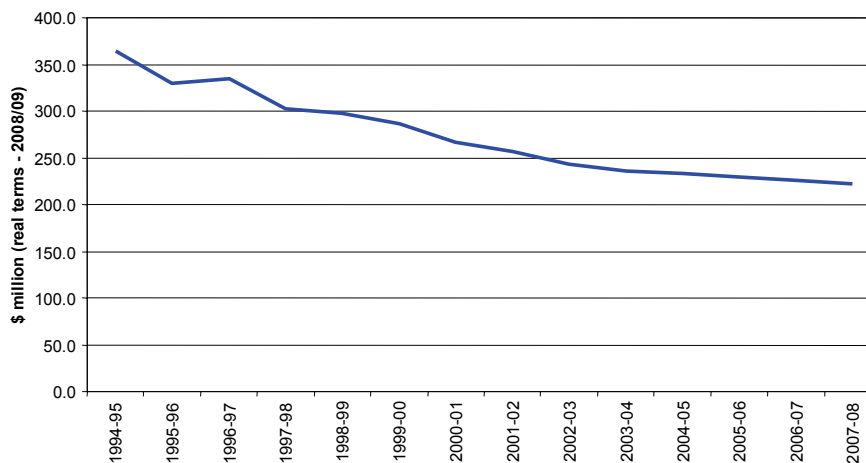


Note: Stock figures are based on June 2009 data; Waiting list figures are based on June 2010 data
 Source: HCB, *Summary of Housing Assistance Programs, 2008-09*; Also, HCB, Total Number of Applicants on the Public Housing Waiting List as at June 2010.

The demand for public housing is interlinked with the availability and suitability of other forms of affordable housing. The Victorian Government told the Committee that factors influencing the increasing waiting list include the fall in vacancy rates in the private rental market to 1.3 per cent in September 2009 (from 3.5 per cent five years ago) and the fall in affordable private rentals to around 20 per cent of all rentals over the same period (was 40 per cent).

An additional factor raised by the Victorian Government is the reduction in Commonwealth funding over more than a decade. Figure 7.3 demonstrates this decline. The Executive Director of the Division of Housing and Community Building (HCB), Ms Margaret Crawford, explained that over a 14 year period, 'we estimate that Victoria probably lost in the order of 5,800 units of housing that would otherwise have been built during that period'.³

Figure 7.3: Commonwealth funding for social housing, 1994-95 to 2007-08



Source: HCB, Presentation to FCDC, 17 Feb 2010

Other participants in the Inquiry pointed to additional factors. For example, Hanover Welfare Services highlighted the growing population of Victoria in comparison with the decline in public housing stock.⁴ Professor Terry Burke expressed his view that the sheer size of the waiting list is a problem that reflects the failure of private rental to provide adequate security of tenure.⁵ The significance of security of tenure is further discussed in Chapter 10.

WAITING LIST TRENDS

The Committee heard that there is a general perception that the public housing waiting list is growing. The Committee found, however, that waiting list trends are complex. It identified that the general waiting list fluctuates while the early housing waiting list is growing. It also found that allocations

³ Transcript of Evidence 34 (HCB), p.3.

⁴ Submission 92 (Hanover), p.6.

⁵ Submission 90 (Prof. Terry Burke), p.2.

are decreasing and that turnover has reduced. These trends are contributing to increasing waiting times for public housing, which is discussed in the next section.

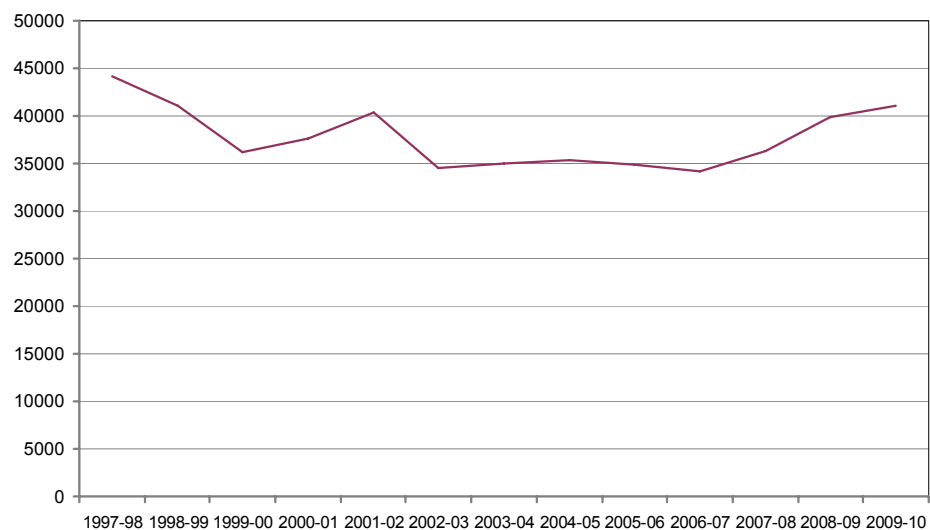
Figures over 10 years reveal that the general waiting list tends to fluctuate between 35,000 to 40,000. The extent to which external factors (such as reviewing the eligibility of those on the waiting list) influence this are unclear. Since 2006-07, it is noticeable that there has been a sustained increase in the numbers on the waiting list.

The Executive Director of HCB, Ms Margaret Crawford, told the Committee that ‘the waiting list really has remained fairly stable over long periods, but we have seen a bit of an increase over recent times’.⁶ Ms Crawford suggested that demand can sometimes be influenced by additional investment into social housing:

Sometimes if a new supply is coming on line, more people will say, ‘Okay, I will put my name down because now there is more hope of me achieving that’.⁷

Others informed the Committee that the need for affordable housing and security of tenure are the greatest drivers of demand for public housing.

Figure 7.4: Waiting list in Victoria, 1997 to 2010



Source: HCB, *Summary of Housing Assistance Programs*, 1998 to 2009; Also, HCB, Total Number of Applicants on the Public Housing Waiting List as at June 2010.

In view of the reforms to the waiting list in the late 1990s, the Committee has focused on the trends since the introduction of the segmented waiting list, which resulted in some tightening of the eligibility criteria and a reduction in the overall size of the waiting list. Dr Kathy Hulse and Professor Terry Burke note that:

⁶ *Transcript of Evidence 34* (HCB), p.3.

⁷ *Transcript of Evidence 34* (HCB), p.17.

Up until the mid-1990s, the eligibility criteria for access to public housing were more generous than currently, reflecting its broader role at the time... As systems have come under more pressure, there has been a general tightening of administrative criteria.⁸

Prior to 1997, the public housing system in Victoria allocated households from the waiting list to properties according to date order of application, with some provision for priority access.⁹

The general fall in waiting lists since 1997 is a national trend. The Committee heard views from many participants that the reason for this decrease in waiting lists over the past 10 years has included increasing prioritisation and focusing of eligibility.¹⁰ These types of changes potentially impact on the size of the broader waiting list and the eligibility of households to access public housing. The size of the waiting list can also deter people in housing need from trying to access public housing.¹¹

Researchers Dr Hulse and Professor Burke note that there was a seven per cent decrease in public housing waiting lists between June 2002 and June 2003 nationally (with some variation across jurisdictions). They state, however, that ‘despite major efforts to “clean” the waiting list and changes to eligibility criteria (particularly after 1997), in most states and territories, the waiting list for public housing is longer than in 1990’.¹² ‘Cleaning’ the waiting list refers to a practice in managing waiting lists where state housing authorities review applicants on the current list to determine if they are still eligible or in need of public housing.

Trends in the movement of the early housing waiting list provide revealing figures. As a percentage of total allocations, early housing applicants represent the significant majority of allocations. While in 1999 the goal was to allocate 55 per cent of public housing to those on the early housing list in Victoria,¹³ by June 2009 early housing allocations represented 72.7 per cent of total allocations.¹⁴ Figure 7.5 demonstrates how early housing allocations have increased as a percentage of total allocations over this period.

The fact that Victoria has one of the most targeted waiting list systems has been noted by researchers.¹⁵ This was also raised by the AIHW, which explained in its submission to the Inquiry that Victoria is above the national

⁸ K Hulse & T Burke, ‘The changing role of allocations systems in social housing’, *Final Report*, No. 75, AHURI, March 2005, pp.42, 88.

⁹ K Hulse et al., ‘The changing role of allocations systems in social housing’, AHURI, 2005, p.34.

¹⁰ For example, see: *Transcript of Evidence 1* (AHURI), p.5; *Transcript of Evidence 40* (RHN), p.3; *Submission 22* (BCH&WHCLS), p.58; *Submission 61* (RHN), p.2; *Submission 103* (PILCH HPLC), p.23.

¹¹ T Burke, C Neske, & L Ralston, ‘Which households eligible for public housing do apply and why?’, *Research and Policy Bulletin*, Issue 62, AHURI, August 2005, p.1.

¹² K Hulse et al., ‘The changing role of allocations systems in social housing’, AHURI, 2005, p.23.

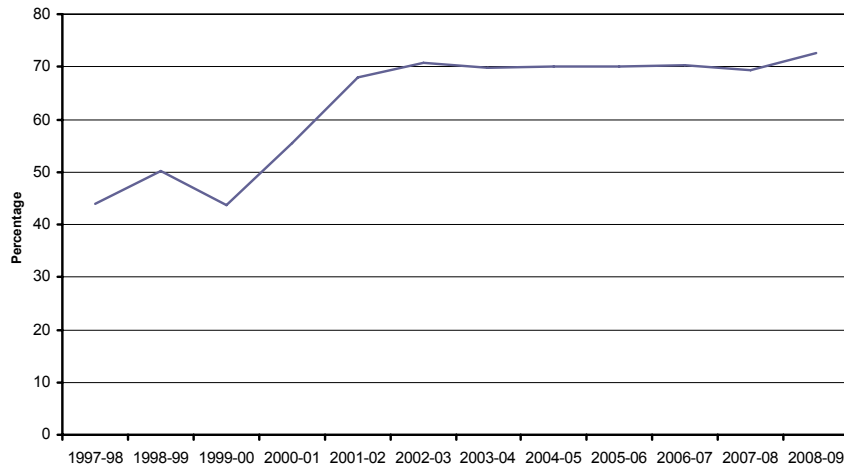
¹³ Treasurer of the State of Victoria, *Victorian Budget 1999-2000, Budget Paper No. 2: Chapter 5 - Budget Sector Services*, 1999, p.14.

¹⁴ HCB, *Summary of Housing Assistance Programs 2008-09*, DHS, 2010, p.3.

¹⁵ DK Hulse & Prof. Terry Burke, ‘Social housing allocation systems - how can they be improved?’, *Research & Policy Bulletin*, Issue 64, AHURI, September 2005, p.2.

average in its allocations for people experiencing homelessness – 76 per cent in Victoria compared with the national average of 39 per cent.¹⁶ This is a likely outcome of the targeted system used in Victoria that emphasises housing those experiencing homelessness as a priority.

Figure 7.5: Early housing allocations as a percentage of total allocations

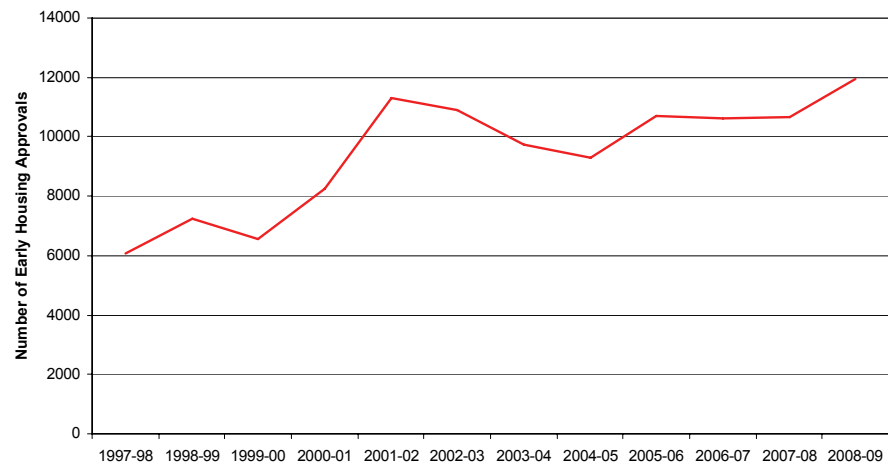


Source: HCB, *Summary of Housing Assistance Programs, 1997-2009*

In view of the high and increasing level of allocations to applications with early housing approvals, this waiting list reveals a trend that indicates growing pressures on public housing waiting times in Victoria for people in housing crisis.

In 1997-98, the number of early housing approvals was 6,069. In 2008-09, this number had nearly doubled to 11,958. This provides an indication of the increasing housing stress that many Victorians are experiencing. As Figure 7.6 demonstrates, the early housing approvals have steadily increased over a 10 year period. Fluctuations over the same period again potentially refer to changes in eligibility criteria and waiting list reviews or 'cleansing'.

Figure 7.6: Early housing approvals, 1997-2009



Source: HCB, *Summary of Housing Assistance Programs, 1997-98 to 2008-09*

¹⁶ *Submission 83 (AIHW), p.2.*

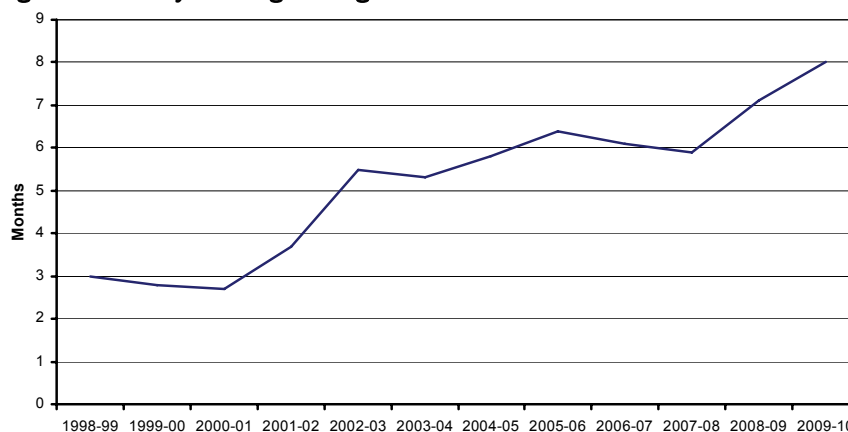
WAITING TIMES

A key outcome of the size of the waiting list and its movements over time is the impact on waiting times for people who are in housing crisis and urgently need access to secure, affordable housing.

The official figures are more conservative than the anecdotal figures put before the Committee by participants in the Inquiry. Notably, official waiting time figures are based on average waiting times, with no median figures provided. This makes it difficult to get an accurate picture of what the actual waiting times are, given that averages can sometimes distort figures.

Despite the differences in official and anecdotal experiences of waiting times, the trend is clearly indicating that waiting times are increasing over time. Figure 7.7 demonstrates a growing waiting time for early housing that is consistent with the trend the Committee heard about increasingly lengthy periods on waiting lists.

Figure 7.7: Early housing waiting times in months



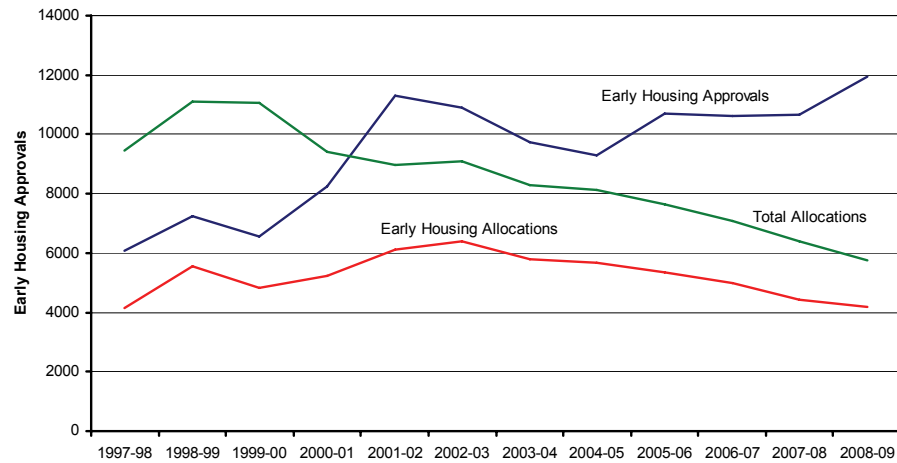
Note: 2009-10 is the estimated target

Source: Victorian State Budget Papers, 1998-99 to 2010-11

This trend in waiting times for early housing applications is not surprising when the number of early housing allocations is considered against the number of approvals for early housing. Figure 7.8 demonstrates some observable trends. The gap between total allocations and allocations to early housing applicants is narrowing. At the same time, there has been a notable reduction in allocations of public housing overall.

The critical implication of these trends is that the gap between early housing allocations and early housing approvals is increasing significantly. This suggests that turnover is slowing and/or that there is less stock available. The expectation emerging from these trends is that waiting times are likely to continue increasing unless one of the key factors changes dramatically.

Figure 7.8: Early Housing Approvals on waiting list in Victoria, 1997-2009



Source: HCB, *Summary of Housing Assistance Programs, 1997-98 to 2008-09*

As noted above, while official figures suggest an average of an eight-month waiting time for an offer of housing, the anecdotal information suggests differently. The Committee was told that waiting times for people with early housing approved applications were frequently over two years.¹⁷ For example, the Public Interest Law Clearing Housing (PILCH) Homeless Persons Legal Clinic (HPLC) explained to the Committee that it did a survey of 50 homeless people who participated in a forum. The results of its survey indicated that 75 per cent had waited for over two years for an early housing allocation.¹⁸

Other participants raised similar concerns, highlighting the variation in waiting times across regions. Hanover Welfare Services comments on waiting times varying according to segment and broadband area and how this has changed since 2000 in the southern region:

A shortage of housing has increased the length of time on the waiting list. The length of time someone might wait varies by segment and by band area. Large numbers of clients on segment 1 wait beyond 12 months in areas where Hanover operates. Those on segment 3 will wait 4 to 5 years for a property in Dandenong compared to a 2 to 3 year wait for a property in Sunshine. A household applying for a one bedroom flat in Cheltenham will likely be waiting 12 years; in St Kilda the wait could be up to 99 years. Hanover staff reported that in 2000, someone approved on segment 1 could expect to receive an offer of housing within 4 days to 10 weeks.¹⁹

Similarly, in its submission to the Inquiry, North East Metro Child and Family Services Alliance quotes from a research report produced by North East

¹⁷ For example, see: *Submission 1* (Natasha Bazil), p.1; *Submission 24* (GSPC), p.6; *Submission 42* (SAEC & UCCO), p.7; *Submission 94* (Frankston City Council - Community Development), p.3; *Submission 101* (Good Shepherd), p.2; *Submission 102* (Hume City Council), pp.13, 17; *Submission 103* (PILCH HPLC), p.19.

¹⁸ *Submission 103* (PILCH HPLC), p.23.

¹⁹ *Submission 92* (Hanover), pp.8-9.

Housing Service (NEHS) that suggested waiting times varying significantly for Segments 1 and 2 in the North West Metropolitan Region:

Wait times are longer for those with special needs who require housing which is modified or on a ground floor. Larger families too will wait longer as stock with four or more bedrooms is limited. Additional strain has been placed upon the public housing system by the need to house bushfire victims after Victoria's recent Black Saturday disaster. Estimated wait times for families on a Segment 3 application range from three to five years depending on housing specifications and number of bedrooms required. Segment 1 applications have estimated wait times of approximately 12 months to two years and again this depends on the type of housing required.²⁰

The Mornington Peninsula Shire's Triple A Housing Policy Reference Group told the Committee that in the Mornington Peninsula 'waiting times for priority applicants vary from 6 months to 3 years', with people approved for Segment 1 being housed most quickly and those approved for Segment 3 waiting for up to three years.²¹

The Committee heard that these stories of two- to three-year waits for early housing are influenced by regional variations and specific stock requirements of some households (such as size, modifications, etc).

The Committee considered the regional variations in waiting times, anticipating that some regions might have higher demand, low turnover and/or less availability of public housing stock resulting in longer waiting lists. It also considered how waiting times might vary by segment. The Victorian Government's waiting time figures do not provide a regional breakdown, only the statewide average. Similarly it doesn't provide detailed figures on waiting times for segments.

The Committee sought further detail regarding waiting time figures, and was advised by HCB that:

The assessment of early housing waiting times by individual segment and individual region is not a reliable representation of the waiting times experienced by applicants. This is because there are a large number of local factors that affect regional waiting times. Applicants may choose multiple regions and localities when seeking housing, and also applicants may change segments within the waiting list.²²

In regard to regional and segment breakdowns for waiting times, the Committee has therefore relied on information provided by the Minister for Housing in response to a question on notice in the Legislative Council on 7 August 2007. This reveals the following:

²⁰ Submission 58 (NEMC&FSA), p.4.

²¹ Submission 97 (The Mornington Peninsula Shire's Triple A Housing Policy Reference Group), p.4.

²² HCB, *Response to Questions on Notice from Public Hearing*, Correspondence to FCDC, 8 April 2010.

Table 7.1: Average waiting time by segment, based on allocations July 2006–May 2007

SEGMENT 1	SEGMENT 2	SEGMENT 3	TOTAL SEGMENTS 1-3
4.8 months	7.5 months	4.9 months	6.1 months

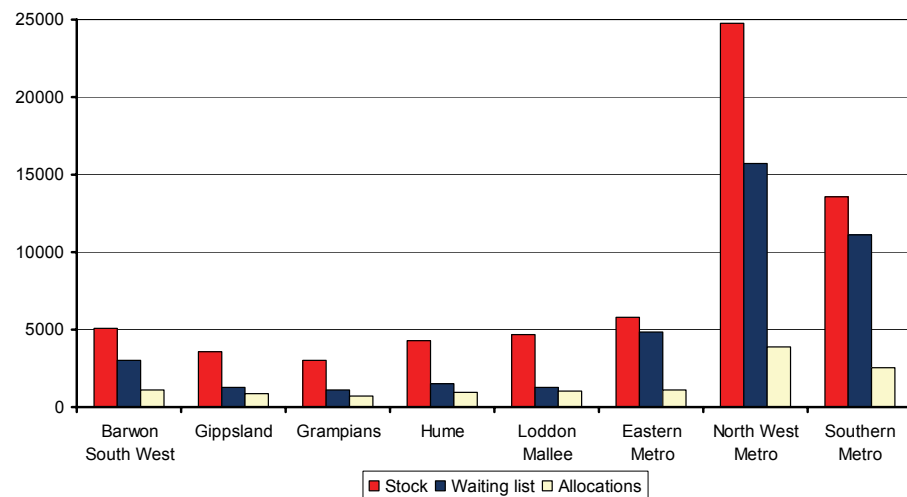
Source: Parliamentary Debates (Hansard), Legislative Council, Fifty-Sixth Parliament, First Session, Questions on Notice, 7 August 2007, (Extract from Book 11) p.2424

Table 7.2: Average waiting time by region for allocations in Segments 1–3 July 2006–May 2007

EASTERN METROPOLITAN	NORTH & WEST METROPOLITAN	SOUTHERN METROPOLITAN	BARWON SOUTH WEST	GIPPSLAND	GRAMPIANS	HUME	LODDON MALLEE
8.5 months	6.9 months	9.0 months	3.6 months	4.7 months	3.8 months	4.3 months	3.2 months

Source: Parliamentary Debates (Hansard), Legislative Council, Fifty-Sixth Parliament, First Session, Questions on Notice, 7 August 2007, (Extract from Book 11) p.2424

While up-to-date information about early housing waiting times for each region could not be provided by HCB, current information about early housing waiting lists, stock and allocations in regions provides some indication of where longer waiting times might be across Victoria. Figure 7.9 provides details for June 2009.

Figure 7.9: Stock, waiting lists and allocations in Victoria by region, June 2009

Source: HCB, *Summary of Housing Assistance Programs, 2008-09*

Notably, the ratio between the waiting list and allocations in some regions is significantly smaller than others. For example, the figures suggest that Loddon Mallee and Gippsland regions have quicker turnaround times, and therefore potentially lower waiting times than in the metropolitan regions. This is consistent with the 2007 figures for waiting times provided by the Minister for Housing.

This is also in line with the information received by the Committee from Inquiry participants. It heard that waiting times in some regions are quicker than in the metropolitan areas. One outcome from this is that people from metropolitan areas are applying in regional areas to get housed more quickly. Residents' Group 3081 (RG 3081) quoted an applicant who explained that

‘we chose the shortest possible waiting list which is in Gippsland just so we could get out’.²³ While this approach potentially leads to households securing a tenancy more quickly, the Committee heard that a range of other issues emerge from households unused to living in regional areas, such as geographical distance, fewer public transport options and reduced access to services.

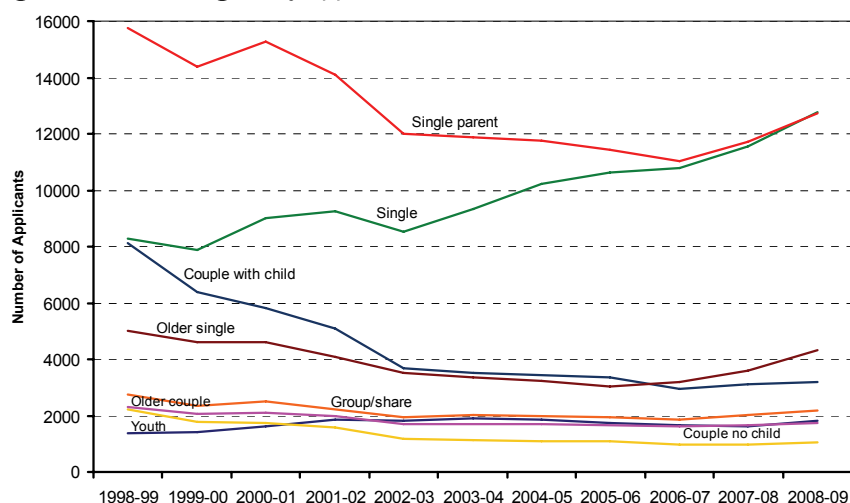
In addition, as identified by the Victorian Government and others, the waiting list and waiting times are impacted by the availability of stock to suit the specific needs of applicants. For example, some families require larger properties of six or more bedrooms and there is a shortage of this type of stock. Other individuals need access to a one bedroom property, for which there is limited stock available.

The Committee heard consistently of the need to increase housing options for single households. With increasing numbers of people seeking public housing who have a disability, mental illness and/or alcohol and other drug issues, the demand for one bedroom properties has increased considerably. The Victorian Alcohol and Drug Association (VAADA) explained that in its consultations:

AOD service providers ... stressed the serious lack of one and two bedroom houses for singles and small families...
 The burden of waiting times appears to rest disproportionately on singles generally but young single men in particular.²⁴

Figure 7.10 supports these experiences, demonstrating that over the past decade there has been a marked increase in demand from single applicants for public housing.

Figure 7.10: Waiting list by applicant, 1998-99 to 2008-09



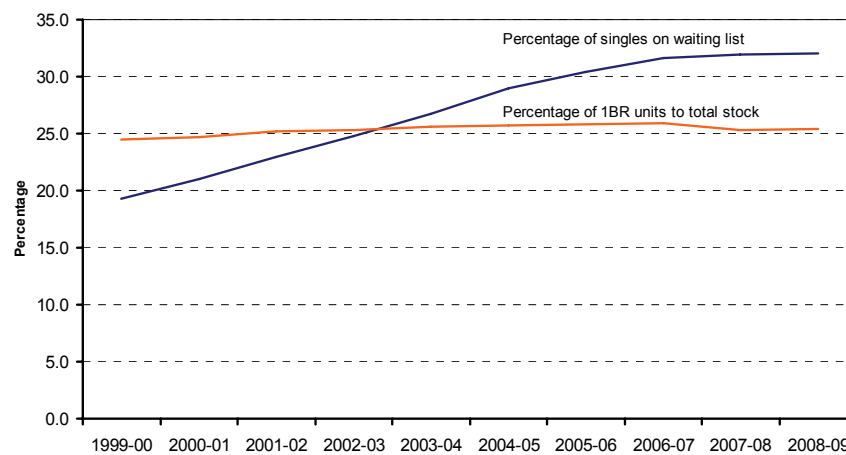
Source: HCB, *Summary of Housing Assistance Programs, 1998-99 to 2008-09*

²³ Submission 36 (RG 3081), p.27.

²⁴ Submission 11 (VAADA), pp.4-5.

The Committee found that the public housing stock profile has not adjusted to meet the changing profile of prospective tenants. When the percentage of singles on the waiting list is compared with the percentage of one bedroom units to the total stock, it is evident that there has not been the level of adjustment in the stock profile required to minimise waiting times for applicants seeking one bedroom properties. Figure 7.11 provides an indication of the trends over the past 10 years in the development of one bedroom properties as a percentage of total stock and the increasing numbers of singles applying for public housing. Strategies relating to stock management are further discussed in Chapter 14.

Figure 7.11: Percentage of singles on waiting list and percentage of 1BR units to total stock, 1999-00 to 2008-09



Source: HCB, *Summary of Housing Assistance Programs, 1999-00 to 2008-09*

The issues regarding waiting times highlighted in this section are consistent with broader national trends. According to Hulse and Burke (2005), over an extended period of time, waiting times have been getting longer in all jurisdictions. Yet it can be difficult to interpret the national data due to variations in the methods of collection and reporting. Hulse & Burke (2005) express the view that 'national data sets provide aggregate data that disguise some of the key allocations issues confronting various jurisdictions'.²⁵

In addition, Professor Terry Burke suggested that Australia does not compare favourably with other countries in regard to waiting times. In his submission to the Committee, he stated that:

Australian wait times are terrible even by the standards of New Zealand, the nearest equivalent social housing system. In New Zealand around 85% of those on the wait list are allocated a property in the year. In Australia it is 13% with Victoria likely to be even lower.²⁶

²⁵ K Hulse et al., 'The changing role of allocations systems in social housing', AHURI, 2005, p.26.

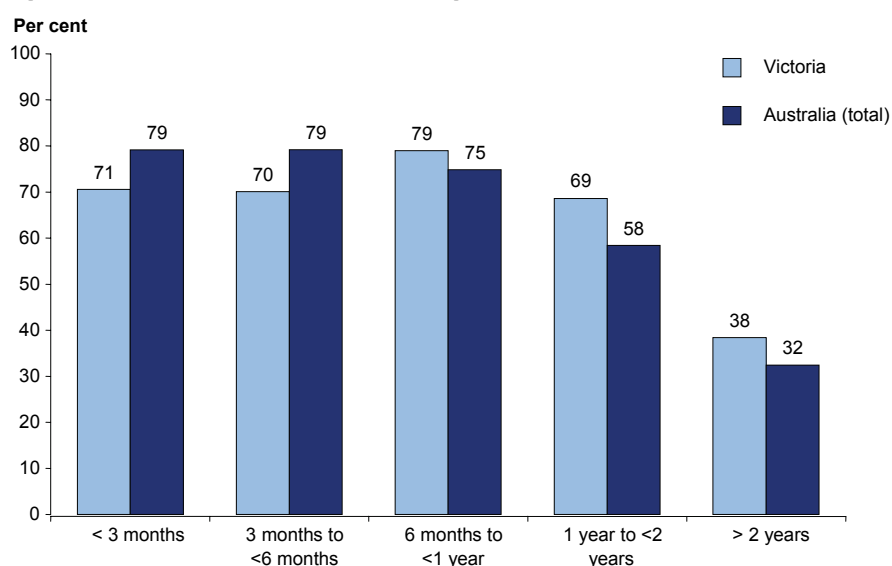
²⁶ Submission 90 (Prof. Terry Burke), p.2.

Waiting list data in other states and countries is not readily available and making these comparisons is difficult.

Waiting times for early housing approved applications are used as a performance measure by HCB in its annual budget projections. There are no national performance measures, however, that relate to waiting times. The Productivity Commission measures other aspects relating to equity of access. This creates difficulties in determining how Victoria compares with other states or Australia with other countries.

The AIHW noted in its submission that, in Victoria, 71 per cent of new allocations were made to those in greatest need in less than three months. Yet 38 per cent of people in greatest need had to wait for over two years to be allocated to public housing. Furthermore, in a figure provided by the AIHW, Victoria compares less favourably to the average of all states making allocations in less than six months to those in greatest need (see Figure 7.12).

Figure 7.12: Priority access to those in greatest need, 2008-09



Source: AIHW Submission to Inquiry into Public Housing (No.83), p.3

The length of waiting times has significant impacts on people in housing crisis, making it an important indicator relating to equity of access. This is discussed in the next chapter.

RECOMMENDATIONS

7.1 That the Victorian Government publishes annual waiting time data based on region, segment and broadband.

7.2 That the Victorian Government promotes the use of waiting times to the Productivity Commission as an additional performance measure for equity of access to public housing.

7.3 That the Victorian Government provides median waiting time figures in addition to the waiting time averages.

7.4 That the Victorian Government allocates new housing stock to the Department of Human Service regions where the proportion of allocations to waiting list are the lowest.

CHAPTER 8

IMPACT OF WAITING TIMES FOR PUBLIC HOUSING IN VICTORIA

FINDINGS

- ▶ That waiting for long periods for public housing contributes to poor outcomes for health and wellbeing for applicants experiencing housing instability.
- ▶ That housing instability and transience have implications for the capacity of individuals and families to participate actively in the community.
- ▶ That long waiting times can contribute to employment disincentives for individuals and families on the waiting list due to income eligibility criteria.
- ▶ That long waiting times can further exacerbate issues that initially led some individuals and families into housing crisis.
- ▶ That many individuals and families on the waiting list live for extended periods in unsuitable and inappropriate housing circumstances.
- ▶ That children of families on the waiting list often experience disruptions to their social and educational development.

As part of its Inquiry, the Committee was asked to consider the impact of the waiting list and waiting times on individuals and families trying to access public housing in Victoria. Broadly, it heard that there is a range of negative consequences from long waiting lists and increasing waiting times. These impacts were felt particularly by individuals and families approved in an early housing category or segment. The previous chapter identified that early housing approvals are close to 9,000 Victorians.

As noted, waiting times vary according to official reporting, anecdotal information and variations relating to property requirements, location needs and the category of housing a family is approved for. It is difficult, therefore, to get an accurate reflection of the actual waiting times experienced by individuals and families.

If taking the figures provided officially, it can be assumed that there are significant numbers of individuals and families in Victoria who experience an average of eight months of housing instability while waiting for a priority offer of a public housing tenancy.

The Committee identified many implications of these prolonged periods of housing instability and housing crisis. It has grouped these impacts into five broad categories. The Committee found that individuals and families on waiting lists experience challenges in:

- ▶ maintaining health and wellbeing
- ▶ participating actively in the community
- ▶ avoiding homelessness
- ▶ obtaining and holding on to employment
- ▶ children and homelessness.

These five categories also provide a useful basis for the Committee to consider the experiences of individuals and families on public housing waiting lists (with an emphasis on early housing) against the objectives of the Victorian Government's social policy – *A Fairer Victoria*.

BENEFITS OF PUBLIC HOUSING – RESEARCH FINDINGS

Research has shown that there are benefits for low-income, disadvantaged households that move into public housing, which partly explains the willingness of individuals and families to endure long periods of housing instability to secure a tenancy. In 2005, Professor Peter Phibbs and Mr Peter Young identified benefits of public housing in a research project conducted through Australian Housing and Urban Research Institute (AHURI). Tenants in their first six months of public housing were found to experience the following improvements to their lives:

- ▶ health improvements due to reduced stress and improved self-esteem, changes in the use of health services and a sense of greater safety
- ▶ improved educational outcomes for children – including over 60 per cent of parents reporting that their children were performing better at school
- ▶ greater control over vocational and employment pursuits – including more time to pursue training, caring for children, undertaking voluntary work and pursuing employment opportunities.¹

These views about the positive aspects of public housing were supported in anecdotal experiences reported to the Committee by Inquiry participants. For example, Council for Homeless Persons (CHP) stated that ‘public housing has and does play a critical role in positive outcomes for many people who have experienced homelessness’, further noting that ‘housing is an important and vital element in meeting the social health and wellbeing of low-income people, including those who have experienced homelessness’.²

Researchers Hulse, Phillips and Burke also acknowledged the benefits of public housing in research conducted in 2007. The researchers explain that:

The sector offers them substantial benefits, notably, by enabling most to move out of ‘housing stress’... There are also a range of other potential benefits, such as relative security of tenure and housing adapted for older people and people with disabilities, as well as potential costs, such as limited choice of housing type, size and location, and difficulty in moving to other accommodation once in social housing.³

In view of the general health benefits of public housing balanced with some less favourable aspects, it is not surprising that the Committee heard that securing a place on the waiting list creates a sense of hope for households in housing crisis.

IMPLICATIONS OF LONG WAITING TIMES

Participants told the Committee, however, that in view of the long waiting times, some service providers consider this hope to be unrealistic. Mr Ken Marchingo, CEO of Loddon Mallee Housing Service, told the Committee he believed a significant impact ‘that public housing waiting lists have on individuals and families ... is the creation of false hope through the perpetuation of what for most is a myth that one day they will be housed in a public housing property’.⁴ Other participants expressed similar views about

¹ P Phibbs & P Young, ‘The health, employment and education benefits of public housing’, *Research & Policy Bulletin*, Issue 54, AHURI, March 2005, p.1.

² *Transcript of Evidence 6 (CHP)*, p.4.

³ K Hulse, R Phillips, & T Burke, ‘Improving access to social housing: paradigms, principles and reforms’, *Final Report No. 97*, AHURI, April 2007, p.10.

⁴ *Transcript of Evidence 37 (LMHS)*, p.5.

false hope and many other impacts of long waiting times on people in need of secure, affordable housing.

Whittlesea Community Connections summarised its view of the consequences of long waits for public housing. It explained that these waiting times can have ‘multiple and complex implications for individuals and families including loss of employment, disengagement from education and other community participation opportunities, family relationship breakdown and exposure to other at risk behaviour and networks’.⁵ The organisation went on to explain that ‘what initially begins as a housing issue can very easily and often become much more having service and cost implications for a range of social services’.⁶

Similarly, the Victorian Public Tenants Association (VPTA) informed the Committee that there are broad and intersecting consequences that result from long waiting times. It explained that in its role as a tenancy advocacy group it frequently comes across people experiencing difficulties as they wait to be offered a public housing tenancy. The Association stated that:

We believe that the following issues are consistently raised by tenants that we are in contact with that are waiting to be housed:

- ▶ frustration and stress
- ▶ increased mental health issues
- ▶ effects on relationships within families/couples
- ▶ separation from household members
- ▶ threats of self harm
- ▶ economic hardship
- ▶ disillusionment of ever being housed.⁷

The following sections consider the five broad areas identified by the Committee in greater detail.

OUTCOMES FOR MAINTAINING HEALTH & WELLBEING

The Committee heard that long waiting times lead to poor outcomes for the health and wellbeing of individuals and families. In particular, the uncertainty associated with waiting for an indeterminate period to secure an offer of public housing was a key trigger for many of the emotional, psychological and physical health issues experienced by individuals and families on the waiting list. For example, Hanover Welfare Services informed the Committee that it conducted a survey of people waiting for public housing which revealed that:

⁵ *Submission 12* (Whittlesea Community Connections), p.2.

⁶ *Submission 12* (Whittlesea Community Connections), p.2.

⁷ *Submission 44* (VPTA), p.11.

The uncertainty and unpredictability of families' lives impacted on day-to-day activities such as employment and education, ... prevented parents from making plans and getting to know neighbours. The impact on health and wellbeing, of both parents and children, was considerable because of the stress of worrying about where they were going next.⁸

St Vincent de Paul (SVDP) Aged Care & Community Services emphasised that the effects of such uncertainty are often unrecognised: 'The ongoing impact of transience on one's capacity to cope is also rarely acknowledged, with households acquiring more and increasingly complex issues the longer they are homeless and unable to put down roots in a community and feel a sense of belonging'.⁹

ANXIETY & STRESS

The Committee heard that the consequences of this uncertainty frequently results in high levels of stress and anxiety, sometimes leading to mental health issues, deteriorating physical health and other detrimental social outcomes. Rural Housing Network, for example, explained that 'the uncertainty that comes with waiting for housing ... creates high levels of stress and anxiety which can often cause further issues or lead to poor decision making that compound hardship'.¹⁰

The implications of stress and anxiety on physical health were also put before the Committee. Frankston City Council, for example, told the Committee that 'a lack of control over ones living environment has been identified as a potentially "chronic" source of stress. Chronic stress can affect people's physical health, leading to rashes, headaches, hair loss, high blood pressure and heart attacks'.¹¹

PHYSICAL WELLBEING

Residents Group 3081 (RG 3081) told the Committee of a range of experiences it heard amongst households waiting for public housing. It provided a specific example of one woman who had been waiting for a long period for a single level house and how her health and quality of life had deteriorated. RG3081 explained that 'this lady came to a meeting on crutches, and she told us:

... I live in a double-storey house and have been there for just over 10 years. I done my leg eight and a half years ago. Been on the medical priority list since then, have been offered three houses that were unsuitable for me, which they then took me off the medical priority list. I had to fight them to get back on the medical priority list, and they then put me to the bottom of the list. I shower in my kitchen sink. I sleep down on my couch. I cannot get up my stairs.¹²

⁸ Submission 92 (Hanover), p.17.

⁹ Submission 100 (SVDP ACCS), p.22.

¹⁰ Submission 61 (RHN), p.5.

¹¹ Submission 94 (Frankston City Council - Community Development), p.7.

¹² Transcript of Evidence 14 (Residents Group 3081), p.3.

The Humanist Society of Victoria also sought to highlight to the Committee that ‘homelessness has severe, long-term deleterious effects upon physical and mental health, on normal social functioning and integration’.¹³ The City of Ballarat emphasised that ‘the adequacy of housing is an important social determinant of health. Whilst there is a complex relationship between housing and health, poor housing is frequently associated with poorer health’.¹⁴

The physical health issues highlighted by participants in the Inquiry were similar to outcomes identified in the White Paper on homelessness released by the Commonwealth Government in 2008. It noted that:

In addition to higher rates of mental illness, people who are homeless experience poor dental health, eye problems, podiatry issues, infectious diseases, sexually transmitted disease, pneumonia, lack of preventative and routine health care and inappropriate use of medication.¹⁵

As noted, research has shown that moving into public housing generally leads to improvements in health. This improvement results from reduced stress associated with housing instability, improved diet resulting from greater stability and improved use of health services (that is, greater access by those with previously limited access and reduced access by those with formerly high levels of access).¹⁶

SPECIFIC GROUPS

Inquiry participants also told the Committee that the impacts on health resulting from waiting for public housing are often exacerbated for people in specific population groups. The Council on the Ageing (COTA) explained that for older people in housing stress ‘uncertainty is one of the most significant impacts. This leads to lack of confidence and negative outcomes for quality of life across many dimensions’.¹⁷ It went on to further advise that ‘housing stress has enormous implications on how people age and their experience of ageing: it has an impact on their health and it leads to poverty’.¹⁸

A number of participants in the Inquiry expressed that waiting for public housing often exacerbates the existing issues relating to health and wellbeing that initially led people into a situation of homelessness or housing crisis. Rural Housing Network explained to the Committee that:

Many on the waiting list face ongoing homelessness and risk of homelessness while waiting for allocation. For those on priority segments this often results in

¹³ *Submission 13* (Humanist Society of Victoria Inc.), p.2.

¹⁴ *Transcript of Evidence 38* (City of Ballarat), p.2.

¹⁵ Homelessness Taskforce, Department of Families, Housing, Community Services and Indigenous Affairs, *The Road Home, A National Approach to Reducing Homelessness*, Commonwealth of Australia, 2008, p.10.

¹⁶ P Phibbs et al., ‘The health, employment and education benefits of public housing’, AHURI, 2005, p.2.

¹⁷ *Submission 89* (COTA Vic), p.11.

¹⁸ *Transcript of Evidence 19* (COTA Vic), p.3.

their issues — for example, mental health, substance misuse, trauma et cetera — compounding, due to the lack of stability in their lives.¹⁹

Hanover Welfare Services also indicated that for people with mental health issues, ongoing housing crisis can impact negatively on their mental illness:

Homelessness is a highly traumatic experience. For some, homelessness can cause or exacerbate mental illness including specific mental health disorders including schizophrenia, depression, bipolar disorder and post-traumatic stress disorder. Depression and distress are two to eight times more likely to occur in people who are homeless, and homelessness may exacerbate existing or underlying symptoms of mental illness.²⁰

The additional point that Hanover Welfare Services made was that for people with existing conditions, such as mental illness, waiting times can intensify issues that have led to experiences of homelessness or housing crisis.

A FAIRER VICTORIA

The Committee considered the findings relating to outcomes for health and wellbeing resulting from lengthy waiting periods for public housing with the Victorian Government's current social policy. In its social policy statement, *A Fairer Victoria*, the Victorian Government has highlighted the importance of improving the health and wellbeing of people on low incomes and experiencing disadvantage.

Since 2008, the Victorian Government has incorporated the reduction of health inequality as one of its four priority areas in *A Fairer Victoria*. In 2010, it acknowledged that 'the most disadvantaged Victorians, especially Indigenous Victorians, die younger and experience poorer health over the course of their lives'.²¹ It further identifies that 'inequalities in health can arise from poor access to good housing, decent income and healthy food', and also recognises it contributes to 'social isolation and exclusion, both of which undermine good health'.²²

The link between access to affordable housing and health and wellbeing has long been recognised by the Victorian Government. Since the launch of its social policy statement in 2005, it has emphasised that 'affordable housing provides the basis for ... maintaining good health'.

The Committee considers that there is scope for greater focus on the link between housing stability and the health and wellbeing of individuals and families. While the Victorian Government's discussion paper on its homelessness strategy, *Homelessness 2020*, did not emphasise this link, the

¹⁹ Transcript of Evidence 40 (RHN), p.4.

²⁰ Submission 92 (Hanover), p.16.

²¹ DPCD, *A Fairer Victoria (2010)*, Real support - real gains, State Government of Victoria, 2010, p.51.

²² DPCD, *A Fairer Victoria (2010)*, 2010, p.51.

Committee considers there is still potential to achieve this. The strategy is due to be released this year.

RECOMMENDATION

8.1 That the Victorian Government's strategy for homelessness, *Homelessness 2020*, should identify the link between housing stability and health and wellbeing, outlining a strategy to address issues associated with homelessness and poor health and wellbeing.

8.2 That the Victorian Government release *Homelessness 2020* without delay.

CHALLENGES IN PARTICIPATING ACTIVELY IN THE COMMUNITY

The Committee found that the housing instability and transience associated with waiting for public housing has implications for the capacity of individuals and families to participate actively in the community. The Brotherhood of St Laurence suggested that 'the current public housing segmented waiting list ... has a number of perverse effects that work to increase the social exclusion of public housing tenants and eligible applicants'.²³

The Committee found that the impacts on social inclusion for those waiting for public housing were more profound for specific groups, such as people with a disability, a mental illness or experiencing issues with alcohol and/or drug use.

APPLICANTS WITH A DISABILITY

For people with a disability, public housing is often the key to assist them to live independently in the community. The Office of the Public Advocate (OPA) stated that:

The majority of people with cognitive disabilities are capable of living in the community if they have access to appropriate housing and support. For this group of people with disabilities, public housing can represent the key mechanism for furthering their right to live as independently as possible.²⁴

National Disability Services (NDS) also emphasised the importance of public housing to people with a disability, noting that 'public housing is a critical and major element within the provision of housing for people with a disability. People with disability-related support needs and low incomes, face very restricted housing options, and many rely on public housing to meet their accommodation needs'.²⁵

²³ Submission 78 (BSL), p.13.

²⁴ Submission 27 (OPA), p.9.

²⁵ Submission 3 (NDS), p.1.

The Committee heard, however, that waiting times for people with a disability can be longer, particularly in situations where property modifications are required. Port Phillip and Stonnington Housing Information Network (PPASHIN) told the Committee that:

We also find that people with a dual disability such as an acquired brain injury and physical mobility difficulties can be particularly disadvantaged in accessing suitable and fully accessible housing and accordingly there are lengthy waiting lists for modified properties in public housing.²⁶

Other participants in the Inquiry raised similar concerns. The Housing Resource & Support Service (HR&SS) also commented on the longer waiting times for people with a disability who require modifications. It explained that:

The lack of modified public housing – and transitional and homelessness sector housing in its gate-keeping role for access to public housing – means that many people with disabilities have unreasonably long waits for suitable housing which in turn often discourages them from even applying for such housing options.²⁷

PPASHIN similarly informed the Committee that ‘we also find that people with a dual disability such as an acquired brain injury and physical mobility difficulties can be particularly disadvantaged in accessing suitable and fully accessible housing and accordingly there are lengthy waiting lists for modified properties in public housing’.²⁸

In view of some of these challenges, people with a disability can often experience longer periods of housing instability while waiting for a public housing tenancy. The OPA explained that ‘without access to public housing, these people with disabilities may be compelled to live in inappropriate (or even unsafe) accommodation’.²⁹ HR&SS also emphasised that the implications of long waiting times are detrimental for people with a disability, stating that:

They live in difficult and inappropriate and unhealthy situations due to lack of accessible alternative short and long-term accommodation. Often they are forced back into institutional accommodation, not just through a lack of support services but also due to a lack of accessible and appropriately modified housing.³⁰

HR&SS further explained that ‘the extended wait many people with disabilities have on the Segment 2 Waiting list – the only one generally available to them – often results in situations which cause deterioration in their physical, mental and emotional health’.³¹

²⁶ Submission 49 (PPASHIN), p.10.

²⁷ Submission 77 (HR&SS), p.2.

²⁸ Submission 49 (PPASHIN), p.11.

²⁹ Submission 27 (OPA), p.10.

³⁰ Submission 77 (HR&SS), pp.1-2.

³¹ Submission 77 (HR&SS), p.2.

IMPROVING HOUSING FOR PEOPLE WITH A DISABILITY

The Committee heard that the Victorian Government has recognised that there are limitations to the stock that it has that is suitable to accommodate people with a disability requiring modifications. Ms Margaret Crawford, Executive Director of the Housing and Community Building (HCB) Division explained some of the new directions:

New stock is built to universal design standards, so that is in terms of either accessibility or adaptability. In fact all public housing stock is built according to those design standards. In terms of catering for people with disabilities, we are certainly doing as much as we can in that regard in our existing stock.

Yet she also noted the challenges relating to older stock, stating that ‘we do not go back and retrofit all of our stock because that would be just too expensive, but where a person has a particular need for a modification, backed up by medical evidence and the like, we will in fact modify stock to accommodate their needs’.³² The management of public housing stock is further discussed in Part 5.

The Committee also noted that the Victorian Government is ‘committed to reforming the way we support people with a disability to ensure that services give maximum choice and opportunity in the way they live their lives’.³³ In *A Fairer Victoria 2005*, it emphasised that ‘people with a disability are entitled to live, learn, work and engage with their families, neighbourhoods and communities with the same rights and opportunities as all citizens’.³⁴ This has been noted in the *Victorian Integrated Housing Strategy*, which emphasises the Victorian Government’s commitment to improving housing for people with a disability.³⁵

In supporting the housing needs of people with a disability, it therefore established the Disability Housing Trust in 2005 to ‘provide new housing options for people with a disability ... and create an additional 100 housing opportunities’.³⁶ The Disability Housing Trust has since amalgamated with other housing associations to form Housing Choices Australia (HCA). The Chair of HCA, Professor Brian Howe, explained to the Committee that:

The coming together of the Disability Housing Trust and Supported Housing together with Melbourne Affordable Housing has made possible being able to pursue our original objective on a larger scale, but also to provide probably more appropriate settings for people with particular disabilities.³⁷

NDS, however, expressed a view to the Committee that ‘whilst funds have been directed to the Disability Housing Trust and housing associations, these

³² *Transcript of Evidence 34* (HCB), p.21.

³³ DPCD, *A Fairer Victoria (2005), Creating opportunity and addressing disadvantage*, State Government of Victoria, 2005, p.42.

³⁴ DPCD, *A Fairer Victoria (2005)*, 2005, p.42.

³⁵ HCB, *The Victorian Integrated Housing Strategy, Affordable, Accessible and Sustainable Homes*, DHS, 2010.

³⁶ DPCD, *A Fairer Victoria (2005)*, 2005, p.44.

³⁷ *Transcript of Evidence 27* (Housing Choices Australia), p.5.

have been slow to deliver new housing appropriate for people with a disability, and more significantly, this strategy has not been sufficient to deliver the scale of accommodation required'.³⁸ The Committee recognised the need for ongoing improvement for social housing opportunities for people with a disability to assist them to participate fully in the community.

APPLICANTS WITH A MENTAL ILLNESS

The Committee also heard that waiting times have a particular impact on people with a mental illness and their opportunity to pursue a recovery pathway. For example, Mind Australia told the Committee that the recovery process for people with a mental illness in treatment programs experiencing housing crisis is challenging while they wait for public housing. It noted that:

The critical shortage in long term housing options for Mind clients creates additional pressure upon existing programs. With fewer options for exit, clients often have to stay on in a program whilst they wait for a suitable housing situation to arise, and this can have a detrimental impact upon their recovery. Frustration and an increased dependency upon support negatively impact on gains already made towards recovery.³⁹

VICSERV supported this view, informing the Committee that for people with a mental illness:

42 per cent are in unsuitable housing and they remain there, or they are living at home and there is great stress and pressure on the family, or they are in a program, say, they have been through a residential rehabilitation program and are well enough to live independently in the community but there is no place for them to go, so they stay on in that program when they need not be there. Their recovery journey cannot continue and they are taking up beds that are needed by other people.⁴⁰

Access to long-term, secure housing was emphasised as a critical part of the recovery process. In addition to the episodic nature of people with a mental illness, participants suggested that public housing is often the only appropriate form of accommodation for people with a severe and enduring mental illness. Mind Australia told the Committee that:

Public housing is the only realistic option available at present for people recovering from a mental illness who wish to rent a single self-contained dwelling.⁴¹

In its Final Report on the *Inquiry into Supported Accommodation for Victorians with a Disability and/or Mental Illness*, the Committee recognised the challenges for people with a mental illness in sustaining long-term housing. It

³⁸ Submission 3 (NDS), p.2.

³⁹ Submission 71 (Mind Australia), p.12.

⁴⁰ Transcript of Evidence 20 (VICSERV), p.4.

⁴¹ Submission 71 (Mind Australia), p.10.

recommended the extension of the Victorian Government's Pathways and High Risk Tenancy Projects to all Victorians with a mental illness who require residential-based treatment and seek support to sustain their tenancies.⁴² The Victorian Government supported this recommendation in principle, yet suggested that this would duplicate other support programs such as PDRSS and SHASP.⁴³

The Committee considers that there is a need to consolidate these support programs to improve responses to people with a mental illness.

The Victorian Government recognises that 'poor mental health significantly reduces life changes and contributes to homelessness, unemployment, criminal behaviour and family breakdown'.⁴⁴ Over the past five years, there has been a strong emphasis on improving mental health services. In its recently released mental health reform strategy, the Victorian Government recognises the importance of housing in the recovery journey for people with a mental illness. In the recent mental health strategy, *Because mental health matters*, the Victorian Government notes the importance of stable housing for people with a mental illness:

[The] provision of psychosocial support linked to community housing has been shown to reduce hospitalisation by up to 90 per cent in a group previously averaging up to 65 days in hospital each year. One unit of public housing at around \$6,000 a year, linked with \$15,000 of psychosocial support, is significantly less expensive than a hospital bed at around \$40,000 (based on a stay of 65 days).⁴⁵

Not only does the Victorian Government identify the importance of stable housing to recovery for people with a serious mental illness, but also the cost effectiveness to the government in ensuring access to relevant services.

APPLICANTS WITH SUBSTANCE USE ISSUES

The Committee heard that the recovery experience for people experiencing alcohol and other drug (AOD) issues is similarly affected by the inability to access long-term, secure housing. The Victorian Alcohol & Drug Association (VAADA) told the Committee that:

People can remain trapped in a state of anxiety and uncertainty thereby increasing the risk of relapse. Conversely, housing stability has been shown to be a significant factor in successful treatment and recovery.⁴⁶

⁴² FCDC, *Inquiry into Supported Accommodation for Victorians with a Disability and/or Mental Illness*, Parliament of Victoria, 2009, p.217.

⁴³ Victorian Government, *Response to Family and Community Development Committee - Inquiry into Supported Accommodation for Victorians with a Disability and/or Mental Illness*, Parliament of Victoria, 2010, p.35.

⁴⁴ DPCD, *A Fairer Victoria (2005)*, 2005, p.46.

⁴⁵ Mental Health and Drugs Division, DHS, *Because Mental Health Matters, Victorian Mental Health Reform Strategy 2009-2019*, 2009, p.39.

⁴⁶ *Submission 11* (VAADA), p.6.

VAADA noted the link between public housing waiting times and the inability of many people to effectively recover, stating ‘that overly lengthy wait times are prohibitive to engagement in treatment and their alcohol and drug use. Housing instability makes it very difficult to sustain change post-treatment’.⁴⁷

In 2006, the Victorian Government acknowledged that people with AOD issues ‘often experience multiple disadvantages, including marginalisation and poorer access to health, housing and other services’.⁴⁸ It went further to explain that ‘they can also encounter social dislocation, such as difficulty maintaining their relationships at home, their employment and participation in the community’.⁴⁹

While launching the discussion paper for the new Blueprint for AOD services, the focus was on service delivery, not on links to long-term, stable housing. Yet the discussion paper does acknowledge the need to develop partnerships and links with housing programs to assist in recovery for people with AOD issues. Priority Area 3 identifies the need for AOD services to build ‘stronger links with Housing Programs to address clients’ accommodation needs and intervene earlier for those at risk of homelessness’.⁵⁰

HOMELESSNESS & INAPPROPRIATE HOUSING

The Committee heard that a key consequence of lengthy waiting times is that people approved for early housing are often living in housing crisis for extended periods and find it difficult to avoid homelessness. In view of HCB policies, if individuals and families seek housing stability while on the waiting list, they can jeopardise their eligibility for public housing and be removed from the early housing waiting list. Participants told the Committee that the types of housing individuals and families in housing crisis secure while on the waiting list are often not sustainable.

Inquiry participants expressed concern about the requirement for people on the waiting list to be in housing crisis and the subsequent impact on individuals and families when they endure instability for long periods to hold a place on the waiting list. Banyule Community Health and West Heidelberg Community Legal Service suggested there is a direct connection between the waiting list criteria and people’s housing instability, stating that ‘in order to reduce the waiting list for public housing, criteria have become more stringent, putting more people in housing stress’.⁵¹

Other participants made similar observations in their submissions. For example, EACH Social and Community Health suggested that ‘the current

⁴⁷ Submission 11 (VAADA), p.6.

⁴⁸ DPCD, *A Fairer Victoria (2006), Progress and Next Steps*, State Government of Victoria, 2006, p.52.

⁴⁹ DPCD, *A Fairer Victoria (2006)*, 2006, p.52.

⁵⁰ DHS, *Towards a New Blueprint for Alcohol And Other Drug (AOD) Treatment Services, A Discussion Paper*, 2007, p.42.

⁵¹ Submission 22 (BCH&WHCLS), Appendix 3, p.6.

segmented system including crisis, transitional and long term housing does not prevent homelessness'.⁵² VACRO similarly commented that:

The strict criteria also ensures that housing assistance is only available to people once they are homeless, systemically preventing an early intervention response and exposing people to homelessness as a condition of entry to Public housing.⁵³

The conflict between the criteria for public housing and the prevention of housing instability was also noted by a group of Masters students in social work, who stated that 'by accessing private rental, or other "suitable housing" whilst they wait for public housing, people lose their place on the waiting list. Thus, in order to access public housing, they are forced to live in a state of instability and crisis'.⁵⁴ The Victorian Women's Housing Association (VWHA) similarly made the point that 'public housing really is only an option once you become homeless'.⁵⁵

EACH Social and Community Health told the Committee that many people will secure some form of unsustainable accommodation during the time they spend on the waiting list. The organisation explained that:

The system can be punitive and create a revolving door affect; for example when a Segment is approved while the homeless person lives in Transitional Housing, they may have to move as it is 'Transitional', and find a private rental property. They are then removed from the Office of Housing (OoH) waiting list as they are seen to have secure housing. However they are unable to afford/sustain the private rental property, become homeless and repeat the cycle.⁵⁶

INAPPROPRIATE HOUSING

Inquiry participants explained that people experiencing housing crisis and waiting for an early housing allocation frequently live in inappropriate or unsuitable housing. With the large numbers of households on the early housing waiting list, this potentially equates to similar numbers of people living in inappropriate housing such as caravan parks, motels, tents, their car, remaining in violent situations and couch surfing.

SVDP Aged & Community Care expressed its concerns to the Committee about the lack of suitable housing options available to people seeking access to public housing:

Homeless and at risk households are being 'queued' for access to transitional and public housing in inappropriate and sometimes unsafe environments. These include motels (without cooking facilities thus impacting on health and

⁵² Submission 55 (EACH SCH), p.3.

⁵³ Submission 63 (VACRO), p.10.

⁵⁴ Submission 30 (Megan Richards et al.), p.5.

⁵⁵ Transcript of Evidence 11 (VWHA), p.4.

⁵⁶ Submission 55 (EACH SCH), p.4.

financial security); rooming houses (with shared facilities and poor privacy); caravan parks (sometimes paying tourist rates), couch surfing (this can be patching together a different arrangement every night) and remaining in violent/unsafe situations. The ongoing impact of transience on one's capacity to cope is also rarely acknowledged, with households acquiring more and increasingly complex issues the longer they are homeless and unable to put down roots in a community and feel a sense of belonging.⁵⁷

This was a consistent message that was conveyed to the Committee. Whittlesea Community Connections also explained that 'while waiting for appropriate accommodation options we have assisted clients who have slept rough, lived transiently sometimes placing themselves at risk, moved interstate and families who have either had to separate or lived in over-crowded housing conditions'.⁵⁸ Similarly, Wombat Housing and Support Services told the Committee that 'many of those on the waiting list are forced to be transient or live in inappropriate or substandard housing because of the lack of housing options'.⁵⁹

Many participants told the Committee about the inappropriateness of caravan parks and rooming houses for people on public housing waiting lists. The Committee heard that caravan parks are generally unsuitable for people seeking long-term, secure and safe housing. In 2004, AHURI identified that circumstances for residents of caravan parks remained largely unchanged for a decade. These issues include:

lack of security of tenure, inadequate housing standards, risk of homelessness, minimal access to community, health and education services and a lack of knowledge about, and lack of support in asserting, tenancy rights.⁶⁰

Participants indicated that there is a link between people on the waiting list and people staying in caravan parks. Hume City Council referred to a 2004 survey by HomeGround Services in which 60 per cent of the respondents living in a caravan park were on the public housing waiting list.⁶¹

Similarly to caravan parks, rooming houses were considered a last resort. For many on waiting lists, however, rooming houses are the only option. In particular, concerns about rooming houses included the shared facilities, lack of privacy, high rental costs, lack of tenancy rights and frequently unsafe environments. PPASHIN told the Committee that 'some clients tell us they prefer to sleep out or in their cars than to stay in one of these houses'.⁶²

⁵⁷ Submission 100 (SVDP ACCS), p.21.

⁵⁸ Submission 12 (Whittlesea Community Connections), p.2.

⁵⁹ Submission 40 (Wombat), p.1.

See also: Submission 42 (SAEC & UCCO), p.7; Submission 50 (IECHS), p.6; Submission 55 (EACH SCH), p.13; Submission 67 (MVCC), p.6; Submission 70 (HomeGround), p.5; Submission 72 (ACL), p.5; Submission 85 (CHP), p.7; Submission 86 (WMV), p.6.

⁶⁰ E Wensing, D Holloway, & M Wood, 'Housing risk among caravan park residents', *Research & Policy Bulletin*, Issue 40, AHURI, March 2004, p.1.

⁶¹ Submission 102 (Hume City Council), p.15.

⁶² Submission 49 (PPASHIN), p.11.

The Committee supports the recent recommendations made by the Victorian Government's Rooming House Standards Taskforce in 2009 relating to standards, enforcement, compliance and registration of rooming house operators.⁶³ It also notes that an injection of funding has been made with the intention of improving rooming houses for those people whom they continue to provide a form of accommodation. Yet the Committee also recognises that in view of the very issues raised by the Taskforce, rooming house accommodation is not suitable to many people who are seeking to access long-term, secure and safe housing.

The Committee also heard that for many low-income individuals and families, private rental was increasingly difficult to sustain. Wesley Mission Victoria (WMV), for example, advised that:

A lot of people entering the homelessness sector now are low-income private renters, and part of the problem is that to go onto an Office of Housing priority waiting list at the moment you need to leave your private rental and become homeless. So people who are really on the edge, ... over 55 per cent of their income goes on there [sic] rent, they cannot afford to sustain it, they become homeless, they wait however many years until they are offered a property. We would like to see that changed so that people are not having to become homeless to access the Office of Housing.⁶⁴

The Committee also heard that the move into private rental will result in an applicant's removal from the public housing waiting list, yet when they are unable to sustain their private rental they again find themselves in a position of applying for public housing.

RECOMMENDATION

8.3 That the Victorian Government changes its policy to ensure that individuals and families are not removed from the early housing waiting list until they have secured long-term, sustainable housing for 12 months.

GOVERNMENT POLICY ON HOMELESSNESS

Addressing the issue of homelessness has been a long-term commitment of the Victorian Government. In 2006, it expressed its recognition that 'transient living means that people often have difficulty accessing the opportunities and services that would help them achieve a more stable lifestyle'.⁶⁵ It emphasised the comprehensiveness of its Homeless Strategy compared with other state approaches and committed to continuing 'to make improvements, especially where early intervention and integrated responses can help homeless people overcome the range of interrelated problems they face'.⁶⁶

⁶³ Rooming House Standards Taskforce - Chairperson's Report, Victorian Government, 2009 (Appendix 6), p.47. See also: FCDC, *Inquiry into Supported Accommodation for Victorians with a Disability and/or Mental Illness*, 2009, pp.330-34.

⁶⁴ Transcript of Evidence 5 (WMV), p.5.

⁶⁵ DPCD, *A Fairer Victoria (2006)*, 2006, p.46.

⁶⁶ DPCD, *A Fairer Victoria (2006)*, 2006, p.46.

With waiting times for early housing applicants projected to average eight months, the current approach to eligibility for public housing can result in people existing in housing crisis for the same period of time, or risking removal from the waiting list. The Committee considers that there is scope for the Victorian Government to change the eligibility criteria on the waiting list to bring its policies into line and maximise the opportunity to prevent homelessness.

The early housing waiting list is a specific group that is in housing need that could be considered by the Victorian Government in targeting its response to homelessness. It is well known that the homeless population is transient and difficult to target. By introducing a range of strategies to support people on the waiting list, the Victorian Government could potentially improve the circumstances of large numbers of people experiencing housing instability.

There are 8,908 people on the early housing waiting list. In 2006, the Census revealed that 20,511 Victorians were homeless. This included people living in boarding houses, caravan parks, accommodation provided by the homelessness services system, staying with family and friends and sleeping rough.⁶⁷

The Committee noted that in October 2009, the Victorian Government established 'a \$2.5 million private rental brokerage program to assist residents to establish sustainable tenancies in the private rental market'.⁶⁸

CHALLENGES IN OBTAINING AND HOLDING ONTO EMPLOYMENT

The Committee heard that for people on the early housing public housing waiting list, accessing employment has a negative effect on their eligibility for public housing. The Committee identified that the combination of the waiting list criteria and the need to maintain eligibility for long periods on the waiting list contributes to the extent to which people will actively search for employment opportunities.

Participants told the Committee that rates of employment are suppressed for people on the waiting list due to the specific eligibility requirements that stipulate income and asset levels.⁶⁹ For individuals and families in these circumstances, housing stability is often their highest priority. For example, the Tenants Union of Victoria (TUV) explained to the Committee that:

It is well recognised that stable housing provides is a vital element in ensuring individuals are able to access and maintain participation in the work force. Along with the taxation and social security systems, the management of social housing tenancies are a significant influence on social tenant's income and costs as they secure employment or seek higher wages. Eligibility and rent

⁶⁷ C Chamberlain & D MacKenzie, *Counting the homeless 2006: Victoria*, AIHW, 2009, p.6.

⁶⁸ DPCD, *A Fairer Victoria (2010)*, 2010, p.76.

⁶⁹ For example, see: *Submission 19* (AHURI), p.5; *Submission 78* (BSL), pp.3, 4; *Submission 98* (TUV), p.5.

setting policies are a strong consideration for social tenants. While the relationship is complex, these factors often create disincentives to work. At the higher income level, the loss of eligibility for social housing poses a major disincentive to seek higher wages. This effectively limits tenants to jobs offering limited financial reward.⁷⁰

The Brotherhood of St Laurence supported this view and provided information about its own research that identified that:

Secure housing is a fundamental need - households will structure their 'choices' accordingly to meet eligibility requirements. For example, rejecting an offer of employment may be the best choice to stay under an income threshold, if this is perceived to be the only realistic route to either being made an offer or remaining on the wait list.⁷¹

It also discussed the effects of making these choices, noting that:

The monitoring of current eligibility criteria for applicants on the waiting list can create a welfare 'lock-in' effect through the disincentive to increase economic participation through paid work. This undermines both State and Federal policy settings to encourage people to take up training and work opportunities. Removal of disincentives to work in the way that eligibility guidelines are enforced would increase the numbers of applicants who exit the waiting list prior to being allocated housing.⁷²

The Brotherhood of St Laurence recommended to the Committee that the waiting list be reviewed to remove any disincentives to work from the guidelines.

Hanover Welfare Services provided an example of the types of experiences its clients have while on the waiting list and trying to juggle expectations to work and the need to secure housing. Maria's explanation highlights the pressure that this puts on people in housing crisis:

I explained [to Centrelink] that I'm in transitional housing and ... it's hard for me to look for work because I don't know where I'm going [to be living] ... When I know where I'm going, then I'll be able to look for work closer to where I'll [be] living; so they said to me 'you still have to do this and you have to do that' ... Nearly every day I need to do things for both sides [Centrelink & OoH] ... they don't listen, they don't care. They really don't care, you know.⁷³

As noted earlier, these experiences contribute to the stress and anxiety of housing instability, with consequences for the overall health and wellbeing of people in these circumstances.

⁷⁰ Submission 98 (TUV), p.5.

⁷¹ Submission 78 (BSL), p.6.

⁷² Submission 78 (BSL), pp.3-4.

⁷³ Submission 92 (Hanover), p.19.

Aboriginal Housing Victoria (AHV) explained to the Committee that issues relating to employment and accessing public housing have been identified for prospective Aboriginal tenants. It has therefore altered its approach to enable people in employment to access public housing, particularly in view of the experience of discrimination against Aboriginal tenants in the private rental market. It stated:

AHV's tenants typically have low incomes relative to the population at large and most are wholly or partly dependant on income security payments from Centrelink. However, due to the inability to obtain private rental properties on the open market, we have an ability to provide housing to Aboriginal people in employment in the AHV owned properties.⁷⁴

Ms Sharon Paten, CEO of AHV, advised the Committee that the organisation was of the view that housing and employment were interconnected and that 'employment provides a stable base on which to improve the health indicators of a family as a whole, particularly in relation to the "closing the gap" targets'.⁷⁵

The view that stable housing contributes to economic participation and time spent waiting for public housing creates employment disincentives is supported by recent research conducted by AHURI (and also emphasised in its submission to the Inquiry). Researchers Dockery, Ong, Whelan and Wood conducted a study into the relationship between public housing waiting lists, public housing tenure and labour market outcomes. While highlighting the complexity in identifying any causal links, the research findings did reach two important conclusions.

- ▶ that public housing waiting lists contribute to disincentives to work
- ▶ that tenure in public housing contributes to greater participation in the workforce.⁷⁶

The consequences for people on the waiting list to participate in the workforce are potentially significant, particularly in light of the increasing waiting times identified in Chapter 7 and the increasing number of early housing approvals.

The Victorian Government has an explicit commitment to 'increase workforce participation in disadvantaged areas'.⁷⁷ This commitment was further consolidated in 2008 when the government stated in *A Fairer Victoria* that it would revitalise its 'effort to improve workforce participation among adult

⁷⁴ Submission 69 (AHV), p.3.

⁷⁵ Transcript of Evidence 7 (AHV), p.5.

⁷⁶ AM Dockery, R Ong, S Whelan et al., 'The relationship between public housing wait lists, public housing tenure and labour market outcomes', National Research Venture 1: Housing assistance and economic participation, *Research Report No. 9*, AHURI, August 2008, p.71.

⁷⁷ DPCD, *A Fairer Victoria (2005)*, 2005, p.30.

jobseekers with low skills and other disadvantages'.⁷⁸ It explained that its intended strategy to achieve this was that:

Victorians who have most difficulty getting and staying in paid work will be assisted by linking community support services with new employment and training opportunities.⁷⁹

In *A Fairer Victoria 2010*, this commitment continues under Priority Area 2, in which the Victorian Government aims to 'reduce barriers to work for Victorians who face additional challenges entering the workforce'.⁸⁰ It states that the 'Government will continue to assist people who face additional barriers to workforce participation – [including] housing instability... – to develop their skills and confidence to find a job they want'.⁸¹

The Committee identified that the Victorian Government has positive strategies in place for public housing tenants to enter the workforce. The Government has introduced two key initiatives to provide incentives for public tenants to secure employment opportunities.

Firstly, through Neighbourhood Renewal and the Public Tenants Employment Program (PTEP), HCB has a number of employment and learning initiatives for existing public housing tenants. The Executive Director of HCB, Ms Margaret Crawford, told the Committee that 'under our public tenant employment scheme, we are training about 20 of our tenants at the moment to an accredited level in aged care with the hope that they can then be employed in that aged care facility'.⁸²

Secondly, the Fixed Rent policy was introduced by HCB in May 2008. This policy stipulates that:

All households that are entitled to a rebated rent have their rents unchanged from up to 26 weeks during the Fixed Rent period. Scheduled fixed rent reviews occur in June and December ...

The Fixed rent policy is aimed at simplifying the OOH's rent calculation policies, and enables tenants to seek employment opportunities without having to consider an immediate rent increase.⁸³

Rent policy and implications for tenants of public housing is discussed further in Part 4.

In a context in which waiting times are increasing, the Victorian Government's commitment to reducing barriers to employment opportunities for people in disadvantaged circumstances is compromised. The Committee

⁷⁸ DPCD, *A Fairer Victoria (2008), Achievements so far*, State Government of Victoria, 2008, p.30.

⁷⁹ DPCD, *A Fairer Victoria (2008)*, 2008, p.30.

⁸⁰ DPCD, *A Fairer Victoria (2010)*, 2010, p.36.

⁸¹ DPCD, *A Fairer Victoria (2010)*, 2010, p.38.

⁸² *Transcript of Evidence 34* (HCB), p.5.

⁸³ HCB, *Rental Rebate Policy & Procedures Manual*, 2009 (Introduction), p.xx.

therefore considered that it is timely to reconsider the current approaches to reviewing eligibility for public housing for those already approved to the early housing waiting list.

Mike Dockery and a team of researchers from AHURI conducted a research project that ‘proposes a public housing reform package that would relax all income eligibility criteria other than on entry onto wait lists, and a HCF [Home Credit Fund] to promote economic participation and independence’.⁸⁴ The research team suggests that:

Appropriate policy responses to the evidence of [welfare] lock-in effects would be to relax eligibility criteria once an applicant has been accepted onto the wait list, or an expansion of public housing opportunities so that waiting times are reduced and welfare locks eroded. A policy consistent with both these approaches would be to allow tenants on the wait list to earn in excess of the maximum amount required to remain eligible, but for earnings to be offset against any future rental subsidy.⁸⁵

Banyule Community Health and West Heidelberg Community Legal Service support the reconsideration of policies relating to eligibility criteria for those approved to waiting lists for public housing. They suggested to the Committee that the Government needs to consider ‘the suspension of means tests when an offer of public housing is made, regardless of any improvement in economic circumstances’ (as identified in a paper by the Housing and Community Research Unit of the University of Tasmania).⁸⁶

Dr Andrew Hollows, the Deputy Director of AHURI, advised the Committee, however, that:

There are a lot of caveats here, because it needs to be taken into account in terms of the type of households coming into the public housing system, many of whom may not be in a position to be going into the paid workforce, particularly if they have got younger children as parenting responsibilities, as well.⁸⁷

In its submission to the Inquiry, however, AHURI did suggest that there is ‘merit in systems that might take into account work incentives for prospective as well as existing public tenants’.⁸⁸

⁸⁴ AM Dockery, S Feeny, K Hulse et al., ‘Housing assistance and economic participation’, National Research Venture 1: Housing assistance and economic participation, *Research Paper*, AHURI, July 2008, p.10.

⁸⁵ A M Dockery et al., ‘The relationship between public housing wait lists, public housing tenure and labour market outcomes’, AHURI, 2008, p.72.

⁸⁶ *Submission 22* (BCH&WHCLS) Appendix 2, (R Atkinson & K Jacobs, *Public Housing in Australia: Stigma, Home and Opportunity*, Housing and Community Research Unit. School of Sociology and Social Work. University of Tasmania, 2008), p.18.

⁸⁷ *Transcript of Evidence 1* (AHURI), p.8.

⁸⁸ *Submission 19* (AHURI), p.5.

RECOMMENDATIONS

8.4 That the Victorian Government reviews the eligibility requirements for income to reduce disincentives to work while waiting for public housing.

8.5 That the Victorian Government extends its employment incentives to prospective tenants of public housing.

CHILDREN AND HOMELESSNESS

The impacts of long waiting times on the social and educational development of children were highlighted by a number of participants in the Inquiry. The Committee found that children are often not recognised in the experience of families in housing crisis while waiting for public housing.

Hanover Welfare Services sought to emphasise the plight of children in situations of homelessness, making the strong point that children accompanying parents are the largest users of homelessness services:

The one that we are particularly wanting to highlight is the issue of school-aged children in the homeless sector. The largest users now of homeless services in the country are accompanying school-aged children.⁸⁹

The Committee heard that there are a range of consequences caused by the experience of homelessness for children. Ms Jocelyn Bignold, CEO of McAuley Community Services for Women (MCSW), told the Committee that ‘often they will be moved to other family members to try to offset the stress of the housing situation that families are in, and it is not uncommon for them to have seven moves of school in a year — and that is primary school-age children. You can imagine what that does to their education’.⁹⁰

Mr Tony Keenan, CEO of Hanover Welfare Services, expressed the view that ‘at the moment there is actually no thought given to the schooling or education needs of those kids’.⁹¹ In its submission, Hanover stated that ‘one of the devastating impacts is on children who will often have to change schools when an offer is made which significantly impacts on learning outcomes’.⁹² The Executive Officer of the Bendigo Advocacy Rights Centre, Mr Alex Mactier, similarly told the Committee that homelessness often means that ‘kids have to leave the schooling they are in; they have to go and live in some other place where the kids will not then reconnect with the school’.⁹³

⁸⁹ *Transcript of Evidence 2* (Hanover), p.3.

⁹⁰ *Transcript of Evidence 11* (VWHA), p.6.

⁹¹ *Transcript of Evidence 2* (Hanover), p.3. See also: *Transcript of Evidence 13* (SVDP ACCS), p.5.

⁹² *Submission 92* (Hanover), pp.11-12.

⁹³ *Transcript of Evidence 36* (ARC), p.5.

North East Metro Child and Family Services Alliance also expressed concern about circumstances for children in families waiting for public housing. It noted that in its experience:

Depending on what segment their application falls under, vulnerable children and their families may wait at least 12 months for segments one applications or up to five years for segment 3 applications – IF they are eligible to be wait listed.⁹⁴

It went on further to state its view that ‘such wait times are unacceptable in terms of the developmental needs of children, particularly through the critical early development years of the child, given the importance of stability and routine. This safety and stability is often missing in children’s experience of homelessness and transience through the waiting years’.⁹⁵

Other organisations expressed similar concerns about the impacts of waiting for public housing in transient circumstances on the social and educational development of children. The Brotherhood of St Laurence, for example, told the Committee that the experience of living in transitional housing while waiting for public housing was not positive for children. The Senior Manager of Policy and Research, Mr Michael Horn, explained that ‘during this pilot 39 per cent of families moved home, mostly to take up public housing allocations. In all these cases this involved a move of at least 30 kilometres. As a result the children have to change schools and the family has to start again to build connections into their new communities’.⁹⁶

In the White Paper on homelessness released by the Commonwealth Government in 2008, the effects of transience on children caused by housing instability are recognised:

Children are particularly vulnerable to the traumatic effects of homelessness. It disrupts schooling and other important opportunities to build resilience that come, for example, from participation in sporting and cultural activities. Poor education is a risk factor in future episodes of homelessness. Children who have been homeless are more likely to experience emotional and behavioural problems such as distress, depression, anger and aggression.
... People may move home several times before they get long-term, stable housing. For children this may mean several new schools at a time when their education is already disrupted.⁹⁷

In its social policy statement *A Fairer Victoria*, the Victorian Government explains that ‘there is now overwhelming evidence that a supportive, stimulating and safe environment for very young children is the best way to ensure they go on to be healthy, successful adults’.⁹⁸ In recognition of this,

⁹⁴ Submission 58 (NEMC&FSA), p.5.

⁹⁵ Submission 58 (NEMC&FSA), p.5.

⁹⁶ Transcript of Evidence 8 (BSL), p.4.

⁹⁷ Homelessness Taskforce, *The Road Home*, 2008, p.10.

⁹⁸ DPCD, *A Fairer Victoria (2008)*, 2008, p.6.

the ‘focus of the Government’s reforms has been to ensure that every child in Victoria is given the best start in life and to give families and communities the help they need to achieve this’.⁹⁹

In addition, the government seeks to target support to children in vulnerable circumstances. The Committee did not identify any specific government initiatives to provide support to children in circumstances of homelessness. Yet it identified that children on public housing waiting lists in families approved for early housing are a cohort of children where a targeted approach could be developed.

RECOMMENDATION

8.6 That the Victorian Government develops a targeted and strategic approach to providing educational support to children of families on the early housing waiting list.

⁹⁹ DPCD, *A Fairer Victoria (2008)*, 2008, p.6.

CHAPTER 9

MATCHING HOUSEHOLDS TO PROPERTIES – OFFERS AND TRANSFERS

FINDINGS

Offers of housing

- ▶ That the process for offering housing to individuals and families is considered inflexible.
- ▶ That the degree of flexibility and choice given to prospective tenants can affect the appropriateness of a housing offer.

Matching people to houses

- ▶ That people with specific needs will often have requirements relating to the type of housing and location they need to reside in.
- ▶ That appropriate allocations are linked to sustainable tenancies and inappropriate allocations are linked to tenancy failures.

Transfers and mutual swaps

- ▶ That transfers are often linked to inappropriate housing offers.
- ▶ That the process for applying for a transfer is complex and often challenging for tenants.
- ▶ That in 2008-09, transfer applicants represented 35 per cent of total allocations.
- ▶ That the mutual swap program is under-utilised and not well understood by tenants.

This chapter considers the stage of the allocations process that involves offers of housing and matching of households to properties. In the same vein as comments about the process of determining eligibility and managing the waiting list, Inquiry participants expressed views about the highly bureaucratic nature of making offers of housing to applicants.

For individuals and families in need of housing stability, the Committee heard that for many prospective tenants, this stage of accessing public housing can be both an exciting and stressful time. The appropriateness of housing offers was considered critical in creating successful tenancies and opportunities for participation in the community. Inquiry participants told the Committee that the appropriate matching of households to individual properties is enhanced by providing choice to prospective tenants.

Linked with the initial offer of housing is the process of transfers and mutual swaps for existing tenants of public housing. The Committee heard that in effectively matching households to properties, transfers play a significant role in the system. Participants told the Committee that sometimes tenants do not feel they have been appropriately matched to a property that suits their needs. Furthermore, the needs of households can change over time and the role of transfers becomes important. The Committee heard, however, that transfers and mutual swaps are not considered a priority by the government.

OFFERS OF HOUSING

Following the often lengthy wait to be offered a public housing property, when the moment arrives, prospective tenants often experience a combination of excited anticipation and nervousness. This was described by a client of the Public Interest Legal Clearing Housing (PILCH) Homeless Persons Legal Clinic (HPLC):

You get really nervous because you're only made one offer and you think if it's some little ghetto, it's just going to be horrible. I'm all nervous and excited at the same time.¹

The moment of the housing offer represents an opportunity to bring stability into the lives of individuals and families that have often been in housing crisis for lengthy periods. A considerable weight rests on the offer they receive.

The Committee heard that there are a number of factors critical to the process of matching households to public housing properties. These include the appropriateness of the housing offer, the degree of choice prospective tenants are given, the limitations of the broadband system and the process of making the housing offer. Some additional issues were raised relating to

¹ *Submission 103 (PILCH HPLC)*, p.25.

concentrations of disadvantage and the appropriateness of the stock that people are moving into.

PROCESS FOR HOUSING OFFERS AND MATCHING PROPERTIES

Over the past decade the number of housing offers that will be made to an applicant on the early housing waiting list has reduced from three to one.² A recent research project suggests that ‘providers, particularly in the public sector, have made these changes to enable households in greatest need to be housed more quickly and to clear waiting lists, as well as to clear vacant properties, particularly in less popular locations’.³

According to the Housing and Community Building (HCB) Division *Allocations Manual*, the process of offering housing involves a range of steps:

- ▶ There is consideration of the order determined by the policy of ranking according to need
- ▶ One offer is made to applicants on the early housing list. If they refuse the offer, they return to the wait-turn category on the waiting list. Segment 4 applicants (or wait-turn applicants) are offered two housing offers. If they’ve already received an early housing offer, they will only receive one further offer
- ▶ Prior to the offer, the household details are confirmed, which includes reviewing the applicants eligibility and consideration to any requests for deferring an offer
- ▶ The formal offer of housing is made – including an assessment of whether the offer is ‘valid’.

The HCB *Allocations Manual* stipulates that a valid offer is one that meets three specific criteria:

- (1) The property will be within one of the applicant’s preferred waiting list or broadband areas
- (2) The household composition and the number of rooms in the property will comply with the housing size guidelines
- (3) The property will comply with any special property or location requirements that have been approved.

In addition, in view of the lack of options for real choice, Inquiry participants suggested that the current system of offering housing to applicants can contribute to inappropriate allocations and less sustainable tenancies.

² *Submission 48* (MCSW), p.10.

³ K Hulse & T Burke, ‘The changing role of allocations systems in social housing’, *Final Report*, No. 75, AHURI, March 2005, p.31.

APPROPRIATENESS OF HOUSING OFFERS

The Committee heard that the appropriateness of the housing offer is very important to prospective tenants. Housing is integral to ensuring quality of life. Public housing often provides the opportunity to move beyond experiences of housing instability. Appropriate housing offers are also the basis for creating sustainable tenancies. Common Equity Housing Ltd (CEHL) explained to the Committee that ‘the success of tenancies is heavily dependent on the allocation of properties that are adequate for the applicants’ needs’.⁴

The Committee was informed that there are many considerations that need to be made in matching a household appropriately to a property. A ‘one size fits all’ approach is rarely effective. Different individuals and families will have varying needs that should be taken into consideration when housing offers are made. PILCH HPLC recommended to the Committee that ‘in the allocation of public housing, the Office of Housing consider the services required by applicants, and prioritise providing public housing that offers access to those services’.⁵ Neami supported this proposal, similarly suggesting that ‘that a more active approach to ensuring people are housed and appropriately linked to supports is incorporated into the process of making housing offers’.⁶

The Committee recognises that in its proposed changes to the segmented waiting list, HCB has focused on ‘making the link with support clearer’.⁷ Importantly, it acknowledges that Homelessness Support Service providers have limited capacity to provide support to assist clients to stabilise their public housing and in response, ‘protocols will be established to enable case transfers to the Social Housing Advocacy & Support Program’.⁸

The Committee identified that different population groups require specific consideration in the process of matching them to a public housing property. One such group is women escaping family violence. Participants advised the Committee of the need to ensure that the physical security and emotional needs of women in these circumstances are considered in the allocation process. Hanover Welfare Services stated that ‘allocation of public housing to women needs to ensure that they are able to be and feel safe’.⁹

McAuley Community Services for Women (MCSW) also noted that ‘some groups, such as single women and sole parents (especially those subjected to family violence), ... are more vulnerable to safety concerns... Safety and security are a fundamental right and the Office of Housing needs to consider this in future public housing policy, particularly in allocations’.¹⁰ In addition,

⁴ Submission 59 (CEHL), p.5.

⁵ Submission 103 (PILCH HPLC), p.3.

⁶ Submission 104 (NEAMI), p.5.

⁷ HCB, *Improving Public Housing Responses Strategic Project, New segmented waiting list proposal*, 2009, p.5.

⁸ HCB, *Improving Public Housing Responses Strategic Project*, 2009, p.6.

⁹ Submission 92 (Hanover), p.28.

¹⁰ Submission 48 (MCSW), p.5.

the importance of allocating women in housing close to support services was highlighted to the Committee.¹¹

MCSW also expressed concern about the allocation of properties in ‘walk-ups’ to women with young children, noting that:

The allocation of ‘walk-up’ flats to women with young children is greatly concerning. This creates safety problems if a woman has to try to negotiate steps with prams and toddlers along with shopping bags.¹²

Hanover Welfare Services had similar concerns and provided an example of one of its clients who tried to reject an offer on the basis of her child’s safety:

Susan and her new baby Cara received an offer of public housing which meant that Susan could focus on being a mum rather than wondering where they were going to live next. However, Susan was allocated a walk-up flat on the fourth floor of an apartment building. With no lift and a flat on the fourth floor, Susan had no way of carrying both her baby, pram and shopping up four flights of stairs. This represented a significant child safety issue, as Susan would either have to leave Cara at the bottom of the stairs or in the flat on her own while she ferried the remaining things up the stairs. Susan’s support worker at Hanover spoke with the Office of Housing only to be told these were not valid reasons for rejecting the offer and that if she did so, she would be removed from the early housing waiting list. This meant that not only would Susan lose her position on the waiting list, she would also lose [sic] her allocation to transitional housing.¹³

In this particular situation, intervention by the Child Safety Commissioner led HCB to overturn the decision. Yet many other women in similar situations are not so fortunate.

The Committee also heard that for some tenants, issues relating to child safety and appropriate housing allocations can lead to the involvement of other services such as child protection. The Loddon Mallee Accommodation (LOMA) Network informed the Committee that inappropriate housing offers can have significant consequences for women and their families:

Housing and child welfare are closely connected and there are many examples of Indigenous women’s poor housing circumstances (including allocation of inappropriate public housing) leading directly to child protection involvement in the family’s life.¹⁴

Additional issues relating to safety are discussed in Chapters 12 and 15. The Committee makes a recommendation that the Victorian Government ensures child safety in its allocations processes. See *Recommendation 9.2*.

¹¹ Submission 26 (WHL), p.14.

¹² Submission 48 (MCSW), p.13.

¹³ Submission 92 (Hanover), p.20.

¹⁴ Submission 45 (LOMA), p.3.

The importance of appropriate allocations for people from Aboriginal communities was also highlighted by Aboriginal Housing Victoria (AHV). It told the Committee that ‘an offer of housing does not necessarily meet the needs of an Indigenous applicant if it does not provide an opportunity to maintain links with “home” and the sense of belonging that extended family can provide’.¹⁵ AHV further explained that ‘a successful tenancy is the result of an appropriate size house in the location that will sustain the family by the services and supports surrounding the property and enhancing the opportunity for sustainable outcomes’.¹⁶

Ensuring access to support networks was emphasised in the matching of housing to the needs of people with a disability and/or mental illness. Carers Victoria explained to the Committee that:

Carers report that their family member with a disability and/or mental illness has been offered a public housing place in a location far from themselves and the support they can offer, or from other friends and familiar services. Many people with a disability or mental illness do not drive or cannot afford to run a car, so it is also vital that housing is situated near to public transport.¹⁷

The organisation went on to explain that the consequence is that ‘the person receiving the offer and their family is then placed in the difficult decision of accepting the offer and so relying exclusively on formal support and risking social isolation, or else refuse the offer for it not to be repeated’.¹⁸

Understanding different cultural needs was raised by groups that support and/or represent refugees and newly arrived migrants. For refugees in particular, the Committee heard that past experiences of trauma can influence their ability to settle into a new home. HomeGround Services explained that:

Refugees can be given offers of housing but following inspections they may reject the offer because they feel unfamiliar or uncertain or they feel there is some level of risk for their children. For example a family was offered a property and because there was a door to get under the house they didn’t know what it was for and believed that it presented a risk i.e. something could get under the house. Refugees need to be guided through properties and given opportunities to answer questions to address their concerns onsite so they don’t reject the offer based on misconceptions.¹⁹

Hanover Welfare Services also expressed the need for greater sensitivity to cultural differences, noting that ‘across services, workers commented that there was a poor match between the needs of this group and the housing stock and assessment processes... The lack of flexibility in the allocation of

¹⁵ Submission 69 (AHV), p.7.

¹⁶ Submission 69 (AHV), p.7.

¹⁷ Submission 81 (Carers Vic), p.8.

¹⁸ Submission 81 (Carers Vic), p.8.

¹⁹ Submission 70 (HomeGround), p.12.

properties also lacks sensitivity to the specific needs of this group – many of whom have significant histories of torture and trauma’.²⁰

Appropriate allocations were also considered important for people overcoming problematic use of alcohol and other drugs. HomeGround Services explained to the Committee that ‘housing offers need to be sensitive to avoid placing people with substance abuse problems or exiting detoxification in high-risk areas’.²¹

The specific allocation needs of older people were raised before the Committee. For example, PILCH HPLC made a recommendation:

That the Office of Housing’s public housing allocation take into account the needs of Senior Victorians in allocating appropriate housing. Appropriate housing should not include high-rise public housing and should prioritise physical security and allowing residents to retain a connection with the community. Further, the Inquiry should call on the Government to provide integrated services for the elderly within the Office of Housing.²²

A recent AHURI research project on older public housing tenants indicated that the most important aspect of their home was its safety and security. Many older people don’t want to move on from their housing. Another important factor identified was the sense that their housing enabled them to be connected to their community.²³

The Committee identified that the Victorian Government has a range of exemptions to its policies for housing offers. These are very specific and often don’t provide the level of appropriate choice to ensure sustainable tenancies, particularly in regard to the location requirements of individuals and families.

The Committee makes a series of recommendations relating to the importance of choice and flexibility in ensuring appropriate allocations. See *Recommendation 9.2*.

CHOICE AND APPROPRIATE OFFERS

The Committee heard that a key component for ensuring appropriate matches of households to individual properties is the level of choice given to prospective tenants in the type of housing they move to.

The degree of choice provided to prospective tenants in the current Victorian public housing sector is limited. Applicants can nominate an area that they would like to live in, known as a ‘broadband’, which is discussed in the next

²⁰ *Submission 92* (Hanover), pp.30-31.

²¹ *Submission 70* (HomeGround), p.12.

²² *Submission 103* (PILCH HPLC), pp.31-32.

²³ S McNelis, C Neske, A Jones et al., ‘Older persons in public housing: the policy and management issues’, *Final Report*, No. 121, AHURI, August 2008, p.13.

section. The majority of participants expressed the view that the current housing allocation system offers prospective and existing tenants little choice in their housing. This lack of choice was particularly evident at the time of the housing offer.

The Committee heard that choice is critical in empowering people and increasing tenant satisfaction. In addition, increased opportunity to exercise preferences in housing was also considered to ensure more appropriate housing offers through the consideration of ‘human factors’. The Victorian Council of Social Services (VCOSS) suggested that:

Improving tenant participation and introducing an element of choice in property allocation can assist in taking account of these human factors by allowing tenants to assess the appropriateness of a property for themselves.²⁴

Through exercising greater choice about the location and type of housing they are matched to, prospective and existing tenants have greater opportunity to maintain their social links and increase their participation in the community.

Women’s Housing Ltd (WHL) talked about the importance of sustaining networks for many women:

Women typically choose housing based on their relationships and access to their essential networks: family, support, employment and education. These networks are crucial to the sustainability of tenancies and allocating housing without any choice of location is both unsustainable and counterproductive.²⁵

An example provided by PILCH HPLC further demonstrated the significance of housing location and choice to social inclusion. The organisation informed the Committee of a man who had ‘been living in St Kilda for 40 years and then got shipped off to Carlton, and his connection to community was completely lost because of the way the housing allocation worked in his case’.²⁶

The Committee also heard that it is not unreasonable that some people don’t want the housing they are offered. The AIDS Housing Action Group (AHAG) explained to the Committee that:

We would like to see that there are increases in range of types and location of public housing and some choice available to people being offered properties rather than having to take the first one they are shown. People have valid reasons for not wanting particular properties at times and the rest of the community usually gets some choice about the property they end up living in through purchasing or renting privately.²⁷

²⁴ Submission 87 (VCOSS), pp.6-7.

²⁵ Submission 26 (WHL), p.15.

²⁶ Transcript of Evidence 18 (PILCH HPLC), p.6.

²⁷ Submission 60 (AHAG), p.7.

CEHL stated that ‘not enough respect is given to allowing applicants to choose which accommodation might suit their particular circumstances’.²⁸ Providing greater weighting to the preferences of prospective and existing tenants is considered to be a step towards giving greater respect to people on low incomes and in disadvantaged circumstances.

The Deputy Executive Director of the Australian Housing and Urban Research Institute, Dr Andrew Hollows, highlighted the dilemma that confronts the Victorian Government if it introduces greater choice for prospective tenants:

People have different preferences about where they want to live because of kids and school, work, other connections and the like, so it raises an interesting point of how can you match those preferences against a system where you need to show an equal hand in terms of the equity of allocation as well?²⁹

Dr Hollows pointed to research conducted by AHURI into submarkets in public housing which revealed that public housing tenants have housing preferences and exercise a degree of choice in where they live through the limited options available to them. This research identified that submarkets exist in the public housing ‘market’, stating that ‘analysis of data from the Victorian Office of Housing has shown that submarkets exist for particular client groups, and across different locations. For example, demand for high-rise accommodation is significantly higher amongst Asian and African residents compared to those Australian born’.³⁰

The researchers suggested that there is considerable potential for policy-makers in better understanding these submarkets:

Although more commonly identified in private housing markets, submarkets are also shown to exist in public housing — demand and supply differ for particular dwelling types and certain locations. Information on public housing submarkets might potentially assist policy makers to fine-tune their allocation, rent and asset management policies.³¹

At the same time, however, the research cautioned against putting too much weight on the value of submarkets, noting that ‘demand for particular locations or housing stock might be high for a number of reasons, including tenant’s strategic use of the allocations system, so policy makers need to be careful in interpreting demand data’.³²

²⁸ *Submission 59* (CEHL), p.5.

²⁹ *Transcript of Evidence 1* (AHURI), p.6.

³⁰ T Burke, Prof & M Wulff, Assoc. Prof, ‘Do submarkets exist in public housing?’, *Research & Policy Bulletin*, Issue 121, AHURI, September 2009, p.1.

³¹ Prof. T Burke et al., ‘Do submarkets exist in public housing?’, AHURI, 2009, p.1.

³² Prof. T Burke et al., ‘Do submarkets exist in public housing?’, AHURI, 2009, p.1.

MATCHING PEOPLE TO PUBLIC HOUSING

There are two key factors that influence the level of choice experienced by prospective tenants who are offered public housing in Victoria when their application reaches the top of the list. These are the choice of location and the choice of the housing offered. An issue raised by many participants in the Inquiry related to the choice of location when applying for public housing and the use of 'broadbands' by HCB. Equally significant to many people were the limited number of offers provided and the lack of choice this gave to people.

Research conducted by Dr Kathy Hulse and Professor Terry Burke identify that 'although there are differences between jurisdictions, there has been a trend towards reducing the number of offers of accommodation and making offers within a broad zone or region rather than a specific local area... Providers, particularly in the public sector, have made these changes to enable households in greatest need to be housed more quickly and to clear waiting lists, as well as to clear vacant properties, particularly in less popular locations'.³³

CHOICE AND BROADBANDS

HCB policy and procedures do not specifically define the 'broadbanding policy'. Its *Allocations Manual*, however, does provide the following explanation:

As public housing stock is in limited supply, broadbanding policy is intended to provide the greatest numbers of housing opportunities to applicants. The suburbs/towns included in a broadband area are linked by public transport to ensure reasonable access throughout the area.³⁴

Applicants are encouraged to select up to three broadband areas to maximise their opportunities to be housed quickly.

DISTANCE

Despite the suggestion that there are links across public transport within broadband areas, participants in the Inquiry suggested that the distances between suburbs are often large and public transport not easy to negotiate. For example, Wombat Housing and Support Services explained that:

The broadband area choice offered to clients are too big and diverse. For example, an applicant who wants to live in Coburg could be housed in Broadmeadows which are significantly different in terms of proximity to transport routes and services (both generally and culturally specific). There is

³³ K Hulse et al., 'The changing role of allocations systems in social housing', AHURI, 2005, p.31.

³⁴ HCB, *Allocations Manual, Chapter 12 - Matching Clients with Housing*, 2010, p.12-16.

also a significant physical distance between the two suburbs. Therefore smaller broadband areas would result in applicants being more effectively housed.³⁵

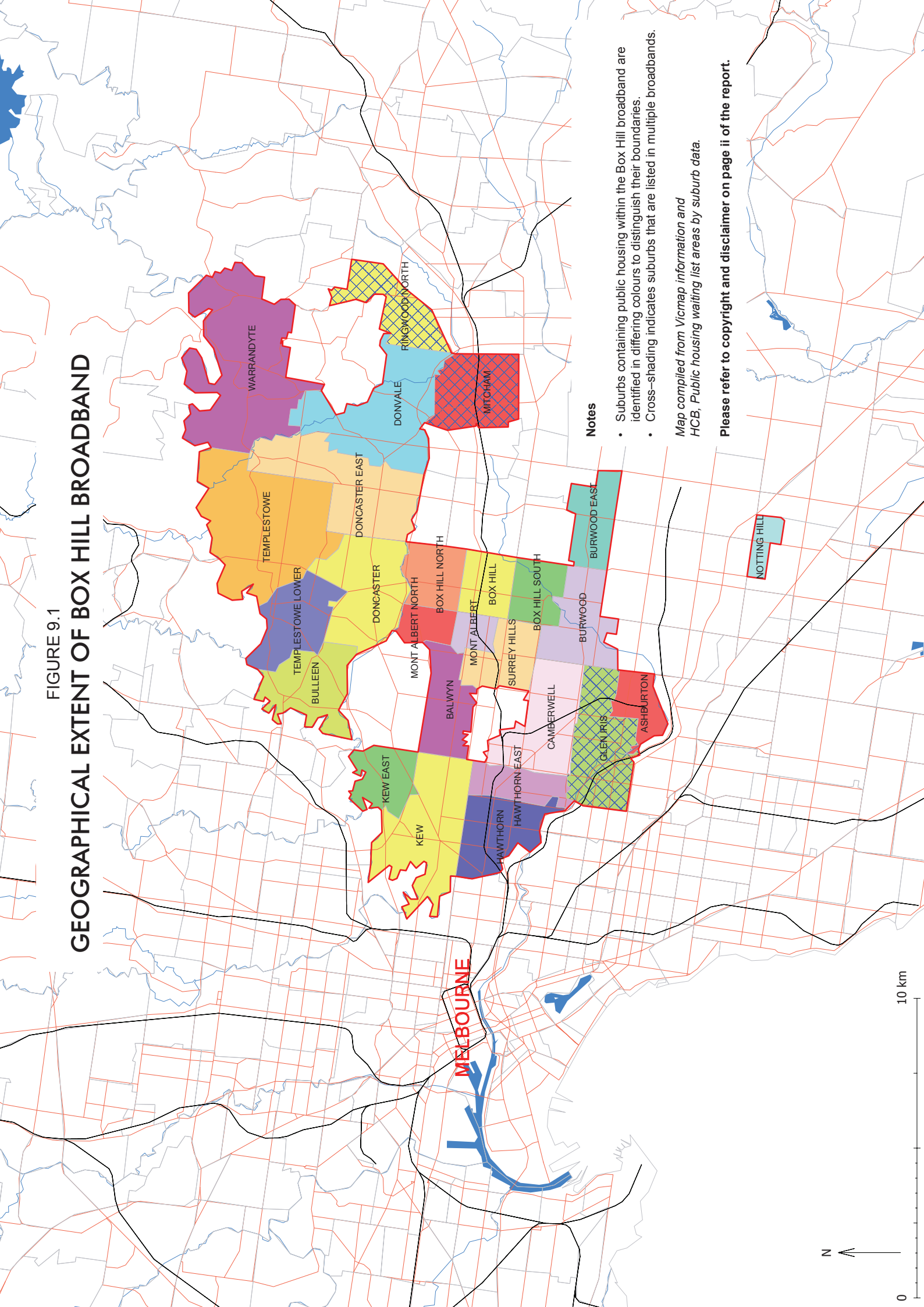
On reviewing the broadband lists, the Committee identified that there are 21 suburbs included in the Broadmeadows broadband. The distance between Coburg and Craigieburn (both in the same broadband) is approximately 17 kilometres.

Furthermore, within the metropolitan areas this is not the only broadband with over 20 suburbs. For example, Box Hill broadband contains 26 suburbs and Maroondah comprises 23 suburbs. Concerns regarding distances within these broadband areas were also raised by participants. Hanover Welfare Services explained to the Committee that 'if someone nominates Box Hill as an area, they could be living anywhere from Ashburton to Warrandyte. This area represents a distance of 24 kilometres'.³⁶ Figure 9.1 on the following page depicts the geographical extent of the Box Hill broadband.

³⁵ *Submission 40 (Wombat), p.2.*

³⁶ *Submission 92 (Hanover), p.11.*

FIGURE 9.1
GEOGRAPHICAL EXTENT OF BOX HILL BROADBAND



Notes

- Suburbs containing public housing within the Box Hill broadband are identified in differing colours to distinguish their boundaries.
- Cross-shading indicates suburbs that are listed in multiple broadband.

Map compiled from Vicmap information and HCB, Public housing waiting list areas by suburb data.

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0 10 km

Table 9.1 lists the broadbands across Victoria and the number of suburbs they hold. Broadbands in Melbourne and in regional centres contain the largest numbers of suburbs.

Table 9.1: Broadbands and suburbs

Broadband	Sub.	Derrinallum	1	Maffra	1	Sale	1
Alexandra	1	Dimboola	3	Manangatang	1	Sandringham	8
Altona	15	Donald	1	Mansfield	1	Sea Lake	1
Anglesea	3	Drouin	1	Maroondah	23	Seymour	1
Apollo Bay	1	Dunkeld	1	Maryborough	1	Shepparton	5
Ararat	1	Dunolly	1	Marysville	1	Skipton	1
Avoca	1	Echuca	1	Meenyan	1	South Cheltenham	15
Bacchus Marsh	1	Edenhope / Apsley	2	Melton	6	Stanhope	1
Bairnsdale	1	Eildon	1	Merbein	1	Stawell / St Arnaud	2
Ballan	1	Elmore	1	Merrigum	1	Stratford	1
Barwon Heads	2	Euroa	1	Mildura	2	Sunbury	1
Beaufort	1	Flemington	12	Miners Rest	1	Sunshine	8
Beechworth	1	Foster	1	Mirboo North	1	Swan Hill	1
Bellarine	4	Frankston	10	Moe	1	Tallangatta	1
Benalla	1	Geelong North	12	Monash	13	Tangambalanga	1
Bendigo	16	Geelong South	13	Mornington	12	Tatura	1
Berwick / Pakenham	16	Girgarre	1	Morwell	1	Timboon	1
Birchip	1	Gisborne	2	Mount Beauty	1	Tongala	1
Boolarra	1	Gunbower	1	Moyhu	1	Toora	1
Boort	1	Hamilton	1	Murchison	1	Trafalgar	1
Box Hill	26	Heathcote	1	Myrtleford	1	Traralgon	1
Bright	1	Heidelberg	9	Nagambie	1	Tungamah	1
Broadford	3	Heywood	1	Neerim South	1	Violet Town	1
Broadmeadows	21	Horsham	4	Newborough	1	Wahgunyah	1
Camperdown District	2	Inglewood	1	Newstead	1	Wangaratta	1
Cann River	2	Inner Metro East	12	Nhill / Kaniva	2	Warracknabeal	2
Carisbrook	1	Inner Metro North	11	North Cheltenham	17	Warragul	1
Casterton	1	Inner Metro South	17	Numurkah / Nathalia	3	Warrnambool	2
Castlemaine	3	Inverloch	1	Nyah West	1	Watsonia	9
Central Highlands	9	Keilor / St Albans	12	Omeo	1	Wedderburn	1
Charlton	1	Kerang	1	Orbost	1	Wellington	1
Churchill	1	Knox	11	Ouyen	1	Werribee	4
Clunes	1	Koondrook	1	Paynesville	1	Westernport	6
Cobden	1	Koroit	1	Port Fairy	1	Winchelsea	1
Cobram	1	Korumburra	1	Portland	1	Wodonga	3
Cohuna	1	Kyabram	1	Preston	13	Wonthaggi	1
Colac	2	Kyneton	1	Pyramid Hill	1	Woodend	1
Coleraine	1	Lake Boga	1	Quambatook	1	Wurruk	1
Corryong	1	Lakes Entrance	1	Queenscliff	2	Wycheproof	1
Cowes	1	Lancefield	1	Red Cliffs	1	Yarra Ranges Rural	16
Cranbourne	8	Lara	1	Robinvale	1	Yarragon	1
Creswick	1	Leitchville	1	Rochester	1	Yarram	1
Dandenong	14	Leongatha	1	Romsey	1	Yarrawonga	1
Dartmoor	1	Lismore	1	Rosedale	1	Yea	1
Daylesford	3	Longwood	1	Rushworth	1		
Deans Marsh	1	Macedon	1	Rutherglen	1		

Source: HCB, Statewide Broadbands (by Broadband) as at April 2007

Figures 9.2 and 9.3 on the following fold out page depict the boundaries of the 181 HCB broadbands containing public housing in Victoria.

FIGURE 9.2
HCB BROADBANDS THROUGHOUT VICTORIA



Notes

- Broadbands are represented in different colours to distinguish their boundaries.
- The controlling office associated with each broadband is in (brackets).
- See map on reverse for greater detail of metropolitan Melbourne.

Map compiled from Vicmap information and HCB, Public housing waiting list areas by suburb data.

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FIGURE 9.3

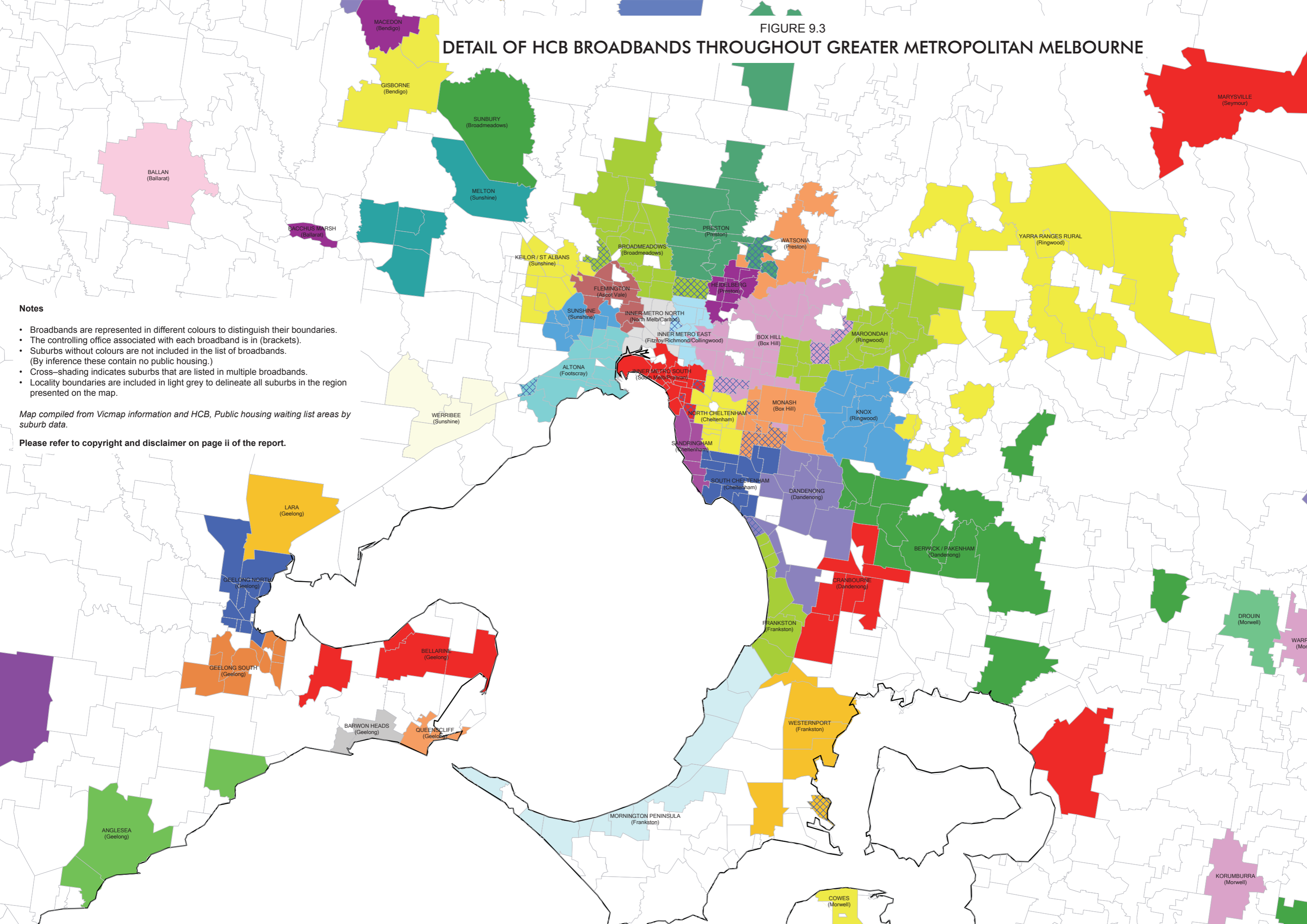
DETAIL OF HCB BROADBANDS THROUGHOUT GREATER METROPOLITAN MELBOURNE

Notes

- Broadbands are represented in different colours to distinguish their boundaries.
- The controlling office associated with each broadband is in (brackets).
- Suburbs without colours are not included in the list of broadbands. (By inference these contain no public housing.)
- Cross-shading indicates suburbs that are listed in multiple broadbands.
- Locality boundaries are included in light grey to delineate all suburbs in the region presented on the map.

Map compiled from Vicmap information and HCB, Public housing waiting list areas by suburb data.

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Many Inquiry participants expressed concerns that the existing system of broadbanding contributes to poor outcomes for tenancies. For example, VCOSS expressed that the system is inflexible and reduces choices and options for applicants:

The current public housing allocation system is quite black and white for tenants. Households are able to nominate a broad-band area in which they would like to be housed... In effect, nominating a single broad-band area or applying for exemptions lessens an applicant's chances of a property being available within an acceptable time frame; it blows out your time on the waiting list fairly substantially. More realistically, what households will do is list a maximum of three broadband areas that are available... and accept housing that does not meet their needs. We think that does not provide much choice in the current allocation system.³⁷

MCSW similarly suggested that 'inappropriate allocations are also the result of the broadband areas; better outcomes for tenants would be achieved if more choice was given in terms of areas – the current broadband areas are too large'.³⁸

On reviewing the HCB policy and procedures, the Committee identified that choice for prospective tenants is not a priority. The HCB *Allocations Manual* contains further limitations to the broadbands that can be selected. For example 'wait turn transfer applicants are unable to nominate the broadband they are currently housed in as a preference area as is it considered they are accommodated in housing that meets their locational needs'.³⁹ It is possible that there might be reasons for seeking a different location for those on the waiting list. Yet the policy restricts individuals and families from having choices to suit their needs.

SUPPORT NETWORKS

A particular issue raised by Inquiry participants in regard to the system of broadbanding was how it can affect the capacity of public housing tenants seeking to maintain links to their support networks. In view of issues already highlighted in this report regarding the importance of maintaining supports to assist in sustaining tenancies, the Committee considered this approach contradictory. VCOSS, for example, explained that in accepting a housing offer within one of three large broadband areas applicants 'might have to relocate from their existing area away from family and social supports'.⁴⁰

WHL explained that HCB engages in 'the use of broadbanding, where people are offered housing within a large regional area. This system sometimes has the unintended consequence of removing people from their key support

³⁷ Transcript of Evidence 17 (VCOSS), p.4.

³⁸ Submission 48 (MCSW), p.10.

³⁹ HCB, *Allocations Manual: Ch. 12 - Matching Clients with Housing*, 2010, p.12-16.

⁴⁰ Transcript of Evidence 17 (VCOSS), p.4.

networks'.⁴¹ Similarly, PILCH HPLC suggested that some prospective tenants feel pressure from housing officers to change their broadband to enable them to be housed more quickly, with no consideration of the need to maintain supports. It described the experience of one client: 'Susan also suffers from a disability and needs access to medical support. She describes pressure on her to apply for a broadband further away from her support'.⁴²

The Salvation Army Eastcare and Uniting Care Community Options also highlighted the impact of large broadband areas on the capacity to sustain supports:

As a consequence of this system a household may be offered a public housing allocation within a broadband area that potentially removes the household from existing supports and established infrastructure including local schools, healthcare centers, family and friends.⁴³

The Committee heard consistently that there are issues with the broadband system and that it is not working effectively. While the broadband system provides an element of choice, there was broad concern that the degree of choice is far too restrictive.

EXEMPTIONS

The Committee noted that the policy allows people to seek exemption from particular locations. As VCOSS explained, if applicants 'have medical or other evidence about the types of housing they need, they can be exempt from certain housing offers'.⁴⁴ The *HCB Allocations Manual* explains that requests for excluding specific locations from housing offers will be considered in situations where there is family or physical violence, the possibility of negative affects on Centrelink income or a demonstrated history of illicit drug activity and the likelihood of resuming this activity if housed in a specific area.

In addition, the *HCB Allocations Manual* also states that requests are considered for housing in a specific area in circumstances where a child needs to attend a school offering specialised education, a household member needs regular ongoing access to a specific medical facility or support provider not available elsewhere or needs to be located close to family and support networks to receive ongoing regular support or rostered care to prevent the deterioration of a medical condition.⁴⁵

HCB puts particular emphasis on the effects that exemptions will have on timeframes for housing offers:

⁴¹ *Submission 26* (WHL), p.15.

⁴² *Submission 103* (PILCH HPLC), p.35.

⁴³ *Submission 42* (SAEC & UCCO), p.9.

⁴⁴ *Transcript of Evidence 17* (VCOSS), p.4.

⁴⁵ HCB, *Allocations Manual: Ch. 12 - Matching Clients with Housing*, 2010, p.12-8.

An Early Housing applicant's SAR [special accommodation requirements] may significantly reduce the likelihood that they can be offered a property in their preferred waiting list area/s within a reasonable timeframe. The OOH refers to this as 'low opportunity' housing outcome...

Applicants with an application for a location exemption that is 'low opportunity' are required to nominate additional suburbs or towns within the broadbands or in other broadbands to address the 'low opportunity' issue.⁴⁶

Many participants, however, were of the view that the current guidelines for exemptions are too narrow. By identifying specific reasons for exemptions, it becomes apparent that there are potentially other equally reasonable circumstances that could warrant an exemption from particular locations.

Cultural reasons for exemptions were cited by participants in the Inquiry. For example, the Port Phillip and Stonnington Housing Information Network (PPASHIN) told the Committee that what 'clients have reported is a lack of consideration within Public Housing policy settings for property location exemptions based upon on cultural and/or religious grounds'.⁴⁷ This was also raised by Aboriginal Housing Victoria (AHV), which stated that:

Single applicants can look forward to being offered accommodation in high-rise or high density blocks not particularly suited to the kinship nature of the Indigenous community. Placing large numbers of Indigenous singles into this environment creates further marginalisation, enhances the opportunity to stereotype and places them at greater risk of violence and drug and alcohol related and dependency issues.⁴⁸

The Australian Association of Social Workers (AASW) supported this view, noting that 'small bedsits for lone adults, often in high rise blocks can impact on increased anxiety, depression and isolation'.⁴⁹ The Committee identified that the broadband system could benefit from a more flexible approach that enables individual consideration of a range of location requirements for differing reasons.

Critical in assisting prospective tenants to make decisions about exemptions appears to be the need to more effectively understand the availability of housing in particular locations. MCSW made the point that:

Another factor in inappropriate allocations is the lack of information provided to applicants (and support services) of available stock and waiting times for different broadband areas according to property size and exemptions. Providing this information would assist the Office of Housing, as many applicants will chose areas with shorter waiting times to expedite their housing allocation.⁵⁰

⁴⁶ HCB, *Allocations Manual: Ch. 12 - Matching Clients with Housing*, 2010, p.12-2.

⁴⁷ *Submission 49* (PPASHIN), p.7.

⁴⁸ *Submission 69* (AHV), p.6.

⁴⁹ *Submission 41* (AASW), p.10.

⁵⁰ *Submission 48* (MCSW), p.10.

Providing information to assist prospective tenants to make informed decisions about their future housing options was supported by many participants in the Inquiry.

In view of the range of concerns about the broadband system and the implications for appropriate allocations, maintaining links to supports and sustaining tenancies, many Inquiry participants suggested there is a need to review the broadbanding policy. In particular, the suggestion was made that greater consideration of geographic areas based on proximity of public transport links and employment opportunities needs to be considered in such a review.⁵¹ Having heard the extent of concerns, the Committee considered there would be value in undertaking a review of the system.

RECOMMENDATION

9.1 That the Victorian Government reviews the broadbanding system by examining the geographical areas and service needs of prospective tenants, with a view to providing greater choice and flexibility.

TIMELINES & OFFERS

As noted at the start of this chapter, the process of the housing offer can contribute to mixed feelings for prospective tenants. With only a single offer of housing that could be of variable quality and located anywhere in a broad geographical area, the simultaneous experience of both excitement and nervousness does not seem a surprising response. The moment of the housing offer is a significant opportunity for a household whose future housing stability is dependent on securing public housing. Yet, the Committee heard that for some prospective tenants the process of being linked to a property was stressful and led to inappropriate allocations with negative consequences.

Some participants in the Inquiry expressed a view that the process for offering housing is very hurried following an often lengthy period of waiting for the opportunity to arise. For example,

While the waiting time may be lengthy, the time for allocation – from when a letter of offer is received to an applicant accepting the offer and signing up is very rushed.⁵²

The consequences can be that prospective tenants lose their place on the waiting list if they don't meet the timing requirements set by HCB. The requirements are that a housing worker will contact an applicant by letter or telephone to inform them a property is available. If the applicant is telephoned, a letter is also sent. The policy guidelines stipulate that 'if a letter is sent, the applicant is required to contact the office within four working days from the date the letter is sent'.⁵³ If they do not make contact within the

⁵¹ Submission 98 (TUV), p.21.

⁵² Submission 48 (MCSW), p.14.

⁵³ HCB, *Allocations Manual, Chapter 14 - Offers of Housing*, 2010, p.14-4.

timeframe, the offer is cancelled and the application is removed from the waiting list.

The Royal District Nursing Service's (RDNS) Homeless Persons Program (HPP) explains that these tight timelines can be very difficult to meet when working with a transient population:

Another barrier to access for this client group is the time frame available to accept a property when offered. HPP clients are often transient – this is the nature of homelessness. It may take HPP staff a week or so to find the client and make contact. However, it seems that if a client does not accept an offer within a short timeframe the offer is withdrawn.⁵⁴

An additional consequence of the hurried approach is that it can be 'difficult for applicants who do not own household goods and furniture and places pressure on support workers to assist clients to furnish and equip houses'.⁵⁵

The Committee's recommends that the Victorian Government reviews the length of time applicants have to respond to a housing offer as part of a broader review of allocations processes to introduce greater choice and flexibility. See *Recommendation 9.2*.

PROCESS FOR VIEWING PROPERTIES

In addition to the short timelines for responding to the housing offer, others expressed concern about the actual process used to conduct the offer, including the viewing of the property. The AASW made the following comments:

There are also concerns expressed by low income households regarding the lack of choice as to dwelling and location... This experience is disempowering with clients reporting being actively pressured to proceed with an offer of a property without being fully informed of exactly where the property is situated until they sign a form registering that they are being made an offer. Many people feel they are expected to accept without knowing the address or even first viewing the property. This increases their anxiety and lack of control over their life, particularly if older or with a limited literacy and /or language ability. Many express feeling that unless they accept the offer they will go to the bottom of the list and often they report Housing officers have specifically stated this would be the result of them refusing the offer or [not] cooperating with this approach.⁵⁶

The process the AASW describes is referred to by HCB as the formal offer of housing. Once the housing worker has determined whether the offer meets the applicant's housing needs (which involves ensuring they're on the correct waiting list and that the property meets household size and location

⁵⁴ Submission 57 (RDNS HPP), p.3.

⁵⁵ Submission 48 (MCSW), p.14.

⁵⁶ Submission 41 (AASW), p.6.

requirements), has ensured the applicant is still eligible (based on income, needs, etc), 'the applicant is advised of the property address and the offer is counted as valid'.⁵⁷ The prospective tenant then has until close of business the following day to respond to the housing offer. The policy manual also states that 'an offer is valid regardless of whether or not the applicant views the property'.⁵⁸

The Committee heard that one of the consequences of this seemingly rigid approach is that prospective tenants have no choice in the type of property and its location. The PPASHIN told the Committee that:

There is a lack of choice and consent when an applicant is offered a property. It will be within a broadband region that applicants have specified but they will not be informed where the property is situated until they sign that they are being made an offer. Our network members have examples of people feeling under pressure to accept the offer when finally told what type of property and address or they will go to the bottom of the list.⁵⁹

Similarly, the Brotherhood of St Laurence commented that 'applicants on the public housing waiting list are presented with a single offer, preventing them from choosing between properties within the market. There are extremely short timelines for an offer to be accepted and non-reply or refusal seems often to be read as a 'discharge of duty' by the housing authority, with the applicant either being disqualified or losing their place on the wait list'.⁶⁰

These views are consistent with the research findings of Dr Kathy Hulse and Professor Terry Burke in their research into changing allocations systems. They note that an outcome of these formal allocation processes 'has been to decrease choice for households requiring social housing'.⁶¹ While they note that there is little evidence regarding the outcomes of reduced choice on the sustainability of tenancies, they do comment that the 'reduction in choice flies in the face of overseas experience where initiatives to improve choice have been the most strategic change to allocations in recent years'.⁶²

The Committee recommends increasing the number of housing offers as part of a broader review to ensure choice and flexibility. See *Recommendation 9.2*.

A number of strategies and principles were put before the Committee as ways to resolve issues relating to reduced choice, the consequence of inappropriate allocations and the potentially negative starting point for sustainable tenancies. MCSW, for example, advocated for greater flexibility in the allocation of housing to individual tenants. It suggested that increasing flexibility would have longer term benefits, including successful tenancies:

⁵⁷ HCB, *Allocations Manual: Ch. 14 - Offers of Housing*, 2010, p.14-6.

⁵⁸ HCB, *Allocations Manual: Ch. 14 - Offers of Housing*, 2010, p.14-6.

⁵⁹ *Submission 49 (PPASHIN)*, p.7.

⁶⁰ *Submission 78 (BSL)*, p.13.

⁶¹ K Hulse et al., 'The changing role of allocations systems in social housing', AHURI, 2005, p.31.

⁶² K Hulse et al., 'The changing role of allocations systems in social housing', AHURI, 2005, p.31.

MCSW advocates for more flexibility in allocation, to ensure balanced and healthy communities. Allocation could be done in consultation with Support Workers who understand the needs and capabilities of clients. This would assist tenancy management for Housing Officers and tenancy sustainability for tenants.⁶³

Other Inquiry participants made similar suggestions about the need for greater flexibility, transparency and more tailored approaches.

HomeGround Services suggested that ‘involving support services in the allocation process and more active waiting list management would improve matching of applicant to housing’.⁶⁴ The organisation explained that proactively managing the waiting list would involve ‘working with people constantly about their needs and the options available to them’.⁶⁵

Wombat Housing and Support Service made a similar point to the Committee emphasising that there is scope for housing officers to take a more proactive role:

The process of allocations is ineffective considering the increasing complexity of the tenant population’s support needs. The automatic system of the next property vacated is allocated to the next applicant on the list does not allow for assessment of an individual’s needs and whether they can live in the environment of a specific property. Housing officers need to be more proactive in reviewing the files of those they offer specific properties to and engage support workers in the process to assess the appropriateness of the housing offer.⁶⁶

The role of housing workers is discussed in greater length in Chapter 13 in the context of quality of services. In that section, the Committee outlines its findings that housing workers are often not skilled to undertake a role that is changing within a context of broader shifts in tenant profile and tenancy management.

The Committee recommends that strategies for involving support services in the allocation process forms part of a broader review of the allocations system to ensure choice and flexibility. See *Recommendation 9.2*.

HCB has acknowledged that there is room for greater transparency and a more sympathetic approach. The Executive Director, Ms Margaret Crawford, stated that:

The Office of Housing needs to look a little bit more... at the issue of choice and preference. It is very hard when demand is greater than supply, but I think there are ways that we can make the system a little bit more transparent to

⁶³ Submission 48 (MCSW), p.10.

⁶⁴ Submission 70 (HomeGround), p.6.

⁶⁵ Transcript of Evidence 9 (HomeGround), p.5.

⁶⁶ Submission 40 (Wombat), p.2.

people and give them a little bit more say rather than just simply saying, 'Take this property or that's it; you don't get another chance'.⁶⁷

The Committee recognises that this represents a potential openness to reviewing a system that has become more focused on formal rules of allocations with a 'one size fits all' approach. The need to move away from this approach was supported by Professor Tony Burke in his evidence to the Committee. He stated that 'for too long we have had one-size-fits-all solutions to complex and multidimensional problems. Having diversity in the allocation methods is a way of being able to finetune your policies'.⁶⁸

While the Committee acknowledges that HCB is giving consideration to alternative options for matching households to individual properties, it considers that there is room to review current approaches. Participants such as Hanover Welfare Services suggested to the Committee that there is a need to review the process of making offers of housing. A critical reason underlying these recommendations is based in the reduced choice for potential tenants and the increasing sense of inappropriateness of allocations.

The Committee supports a review of the process for matching households to properties, but as discussed in the next chapter, it recommends that such a review occur in the context of a broader evaluation of the allocations system in Victoria to determine its relevance after 10 years of changes to the social housing sector. As will be outlined, such an evaluation needs to consider reforms that are currently being explored within the allocation system to integrate public housing more effectively with community housing.

RECOMMENDATIONS

9.2 That the Victorian Government reviews its policy and procedures relating to housing offers to create greater choice and flexibility to ensure that the diverse and changing needs of individuals and families seeking access to public housing can be met, including:

- ▶ the length of time applicants have to respond to a housing offer with a view to increasing the timeframe to meet the needs of prospective public housing tenants
- ▶ increasing the number of housing offers for early housing applicants
- ▶ strategies for involving support services in the allocation process and using more active waiting list management to improve matching of applicants to housing

9.3 That the Victorian Government introduces policy measures to its allocations and housing offer processes to ensure the safety of children in public housing.

⁶⁷ *Transcript of Evidence 34 (HCB), p.7.*

⁶⁸ *Transcript of Evidence 30 (Prof. Terry Burke), p.10.*

ALLOCATIONS AND TRANSFER REQUESTS

The Committee heard a consistent message that inappropriate allocations will often lead to tenants lodging an application to transfer to a more appropriate property. In view of the issues raised that linked the appropriateness of allocations with numbers of transfer applications, the Committee further explored the issue of tenancy transfers and mutual swaps.

As noted, the Committee heard that at times applicants for public housing were offered properties that they felt pressured to accept, despite feeling the property was inappropriate. This was often due to fears that they would not receive another offer and might lose their 'place on the waiting list'. Other applicants applied in areas where they believed the waiting list to be shorter, which meant applying in regional areas they had previously not resided in and moving away from metropolitan regions.

One outcome of decisions made by applicants who received offers that did not meet their needs was that they often soon followed with an application to transfer due to the inappropriateness of the housing. Wombat Housing and Support Service told the Committee that:

Inappropriate offers often result in a tenant lodging an application to transfer shortly after they move into a property and have often resulted in some tenants returning to homelessness. There are a significant number of tenancies that are also abandoned and it is surmised that this may be a result of inappropriate housing offers.⁶⁹

PILCH HPLC told the Committee of a client's experience relating to an inappropriate allocation and subsequent transfer. This client stated that 'I accepted the property because was told that I could transfer within a year of being at the property and it would be an easy process and to accept the property'.⁷⁰ The reality, however, proved different. The Council to Homeless Persons (CHP) explained that 'while some people may accept a housing offer believing they will be able to transfer on to another more suitable property, transfers can take many years'.⁷¹

Similar to this experience, the Committee heard that for households that applied to shorter waiting lists in the regional areas, the experience did not always suit their circumstances or their specific needs. EACH Social and Community Health told the Committee that 'many people moved to the country or outer areas as this was the only choice they had, but find they are isolated with little infrastructure and then seek a transfer'.⁷²

⁶⁹ Submission 40 (Wombat), p.2.

⁷⁰ Submission 103 (PILCH HPLC), p.36.

⁷¹ Submission 85 (CHP), p.8.

⁷² Submission 55 (EACH SCH), p.4.

The effects of inappropriate allocations and subsequent transfers was also raised by Salvation Army Eastcare and Uniting Care Community Options which stated that:

Housing clients in such positions poses serious concerns to their social and physical wellbeing and limits their potential for social inclusion. Additionally, it also creates challenges to those clients and the public housing system as, due to these conditions, clients seek housing transfers.⁷³

The Committee found that there is an argument for providing greater choice to tenants at the outset of the tenancy to avoid a greater administrative burden further into a tenancy.

The housing circumstances of households in public housing will potentially change over the course of a long tenancy and transfers to more appropriate properties will always be necessary. By devoting the time and resources to ensuring appropriate allocations, there is potential for minimising the administrative efforts associated with transfers that result from mismatches in households to specific properties.

The Committee also heard that linked with the issue of inappropriate allocations is the broader issue of planning around asset management and stock utilisation. For example, the Tenants Union of Victoria (TUV) recommended that the 'Victorian Government should address the lack of appropriately sized stock for large families (often recently arrived migrant families) to reduce inappropriate allocations and subsequent transfer activity'.⁷⁴ Issues relating to asset management and stock utilisation are discussed in greater depth in Chapter 14 and 15.

RECOMMENDATION

9.4 That the Victorian Government commissions an external research project to consider the link between transfers and inappropriate allocations.

CHANGING HOUSEHOLD NEEDS AND TRANSFERS

Participants emphasised to the Committee that the needs of households in public housing will change over time. This may relate to getting older, the reunification of families, health issues or acquiring a disability. For these reasons households in public housing might seek to transfer to a new property that is more suitable to their needs. In addition, perceptions of risk and actual risk to safety featured as a major reason for public housing tenants seeking to move to a more appropriate property or location.

The range of reasons household circumstances might change varied considerably. Many examples of emerging needs to transfer were provided by

⁷³ Submission 42 (SAEC & UCCO), p.18.

⁷⁴ Submission 98 (TUV), p.16.

participants. The Committee found that the experiences can vary dramatically and are generally very unique to an individual household's experience. For example, the Housing Resource and Support Service (HR&SS) told the Committee that 'some people with disabilities find themselves in unsuitable and poorly adapted public housing which threatens their health, amenity and independence'.⁷⁵ This can contribute to transfer requests, and if unsuccessful to people with a disability moving to environments that restrict their capacity to live independently in the community.

SUBSTANCE USE AND TRANSFERS

Other reasons for seeking transfers included efforts to recover from problematic substance use. The Committee heard stories where tenants remained drug-free and stories where tenants reverted to their drug use. These stories, however, tended to involve challenges with securing appropriate housing to suit their needs relating to their desire to live a life free from drug use. Two particular stories provide some insights to these issues.

Firstly, the Committee heard about one client's experience from the Australian Community Support Organisation (ACSO):

B'S STORY

B is a 27 year old male who has a long history dating back to the age of 12 of AOD issues and criminal behaviour associated with this. B completed a 6 month sentence at a Youth Training Centre in Malmsbury as a teenager and a three and a half year sentence in the adult system. Before his sentence in the adult system, he was living in an Office of Housing Property at the high rise flats in North Melbourne. This accommodation was not ideal for B as there were several tenants in his block of flats who were also drug users that tempted B with drugs on a regular basis. In terms of preventing relapse, this was difficult and at times impossible to manage. He requested a transfer to a different area, however he found the process slow and difficult to navigate and as such had a significant heroin habit that led to the offending that saw him return to prison.⁷⁶

Hanover Welfare Services also provided an example of a client who struggled to secure appropriate housing to support her living a life free of substance use.

⁷⁵ Submission 77 (HR&SS), p.3.

⁷⁶ Submission 73 (ACSO), p.19.

SARAH'S STORY

Sarah had been struggling with a drug addiction for a number of years along with reoccurring periods of homelessness. Thanks mainly to Sarah's own determination, when she came to Hanover recently she had been drug free for almost 12 months. As part of her segment 1 application, Sarah's support worker indicated on the form that it was critical to Sarah's ongoing sobriety that she avoid contact with others who were still part of the drug culture. It was disappointing then for both Sarah and her support worker that when her offer did come through, it was for a unit in a block notorious for its drug culture and the pressure placed on residents to be a part of it. Sarah moved in but it wasn't long before she began to feel pressure to become involved with drugs again. To her credit she resisted but ultimately had to move out of the area in order to remain drug free. This meant giving up her public housing and moving back into crisis accommodation.⁷⁷

The HCB policy for matching clients to housing does provide exemption provisions from particular locations for those applicants who can demonstrate a history of personal drug activity and that 'housing in the area is likely to result in the applicant re-engaging in the illicit drug activity'.⁷⁸ Issues relating to the slowness of the process, however, can result in negative consequences for a tenant's ability to maintain their housing stability and changed life path.

SAFETY AND TRANSFER ACTIVITY

Many participants in the Inquiry referred to issues relating to safety as a major reason for tenants seeking to transfer. This included fears for safety within the home (resulting from family violence) or concerns for safety in the neighbourhood (resulting from neighbourhood disturbances or disputes).

FAMILY VIOLENCE

A large number of participants expressed that family violence within a public housing property was the cause of significant safety concerns for women and their children in these circumstances. A view was expressed that transfers relating to family violence need to be 'fast tracked'. For example, EACH Social and Community Health stated that:

Family Violence is a significant factor that is often overlooked in terms of being able to transfer their public housing. Women will often have to flee the home and continue to pay rent until a transfer becomes available. This process can take years!⁷⁹

⁷⁷ Submission 92 (Hanover), p.21.

⁷⁸ HCB, *Allocations Manual: Ch. 12 - Matching Clients with Housing*, 2010, p.12-9.

⁷⁹ Submission 55 (EACH SCH), p.7.

Domestic Violence Victoria told of a similar series of events for women and their children in experiencing family violence:

Many segmented housing applicants are women experiencing family violence. Of those accessing family violence refuges, many are existing Office of Housing clients. Women and children entering refuge are at imminent and high risk, often with no choice but to leave their existing housing. Current policy dictates that if they leave their property they lose their status as OoH clients and must reapply. Transfers of this kind can take years to eventuate, during which time the client may have no option but to return to an unsafe home or become homeless. This is a clearly unsatisfactory situation that exposes women and children to risk.⁸⁰

One suggested solution to situations of high risk to the safety of women and children experiencing family violence was to prioritise their applications for transfer. For example, St Vincent de Paul (SVDP) Aged Care & Community Services stated that ‘while acknowledging the pressure on waiting lists, it would be constructive to find a “fast track” transfer process for women and children escaping family violence. Moving from stable public housing into homelessness as a result of violence is not appropriate’.⁸¹ HomeGround Services supported this view, stating that ‘there must be faster turnaround of transfers for women in domestic violence situations’.⁸²

The Committee noted that the proposed changes to the segmented waiting list include giving higher priority to applicants experiencing family violence.⁸³ HCB noted that the majority of applicants experiencing family violence tend to be approved to Segment 3 rather than Segment 1. The proposed changes aim to provide an avenue for these applicants to be prioritised, with the potential for additional priority if they apply through a family violence service.⁸⁴

SAFETY AND NEIGHBOURHOODS

The Committee also heard numerous experiences of fears for physical safety resulting from neighbourhood disturbances or disputes in areas with high-density public housing. Older people, women and children were perceived to be at greatest risk from these types of risks. Council for Single Mothers and their Children (CSMC), for example, told the Committee that:

We have recently heard several accounts from women living in public housing who have been exposed to violence from neighbours also living in public housing... Despite these women reporting the numerous incidents of intimidation, threats of violence and actual violence against themselves, and at

⁸⁰ Submission 96 (DV Vic), p.5. See also: Submission 92 (Hanover), p.28; Submission 48 (MCSW), pp.3, 13; Submission 70 (HomeGround), p.9.

⁸¹ Submission 100 (SVDP ACCS), p.25.

⁸² Submission 70 (HomeGround), p.9.

⁸³ HCB, *Improving Public Housing Responses Strategic Project*, 2009.

⁸⁴ HCB, *Improving Public Housing Responses Strategic Project*, 2009, p.8.

times their children, to both the Office of Housing and the police, limited action is taken against the perpetrators of the violence.

In all the cases we've heard of the women have had to flee their house, resulting at best in greater insecurity; at worst the family handed in the key to their property, on advice from the Office of Housing, only to find that this meant they were back at the bottom of the waiting list.⁸⁵

The Victorian Public Tenants Association (VPTA) also expressed concerns about safety issues for tenants and the responsiveness of regional housing offices. It explained that 'tenants are very frustrated by the lack of response or follow up by staff about their complaints about neighbouring tenant's behaviour in breach of tenancy. Tenants believe that this lack of response leads to an escalation of the issue, can lead to increase in violence, their mental health can deteriorate and often the victim feels they have no support. Many complainants feel that they have no other option other than to transfer or leave public housing'.⁸⁶

The Committee heard, therefore, that issues relating to fears for safety in a neighbourhood setting are leading many public housing tenants to feel that there only option is to leave their stable housing or to transfer. This again puts greater pressure on the allocations system. It raises two issues – the need to improve responses to concerns for safety by the local housing office and the need to improve approaches to transfer applicants.

RECOMMENDATION

9.5 That the Victorian Government improves responses to tenant concerns for safety to minimise transfer activity for tenants who feel at risk.

TRANSFERS AND STOCK UTILISATION

Another issue raised before the Committee in regard to transfer activity related to the relationship between changing household size and improving stock utilisation. This related particularly to older people (couples and singles) living alone in three- or four-bedroom homes. In addition it referred to family reunification where a parent might be living in a one-bedroom property, but requires a three-bedroom property.

MCSW identified the issue of women who have the opportunity to regain access to their children who are not in their care:

Unless there is strong evidence that a woman will gain access or custody to children in care they will only be allocated a single bedroom property. However, if circumstances change and access or custody is a possibility, it is unlikely to occur if the property is inadequate.

⁸⁵ Submission 28 (CSMC), p.5.

⁸⁶ Submission 44 (VPTA), p.8. See also: Submission 31 (Peter Edwards).

A transfer to a larger property currently requires women to wait for a number of years – this is patently inadequate and not conducive to possible outcomes for the woman or her child/ren.⁸⁷

Women in these circumstances are often seeking to move as soon as possible into more appropriate accommodation to suit their needs and in timeframes that can't be predicted in line with the public housing waiting list timeframes. These circumstances highlight a need for improved flexibility within the system of transfers and mutual swaps operating in the public housing system.

Many participants raised the issue of older tenants and improving stock utilisation. Unlike the experience of parents seeking family reunification, the willingness of older people to move into smaller properties to suit their household size is more variable. In particular, older people often have developed a sense of community and can be reluctant to move. On the other hand, some older people are keen to move to a smaller home that suits their needs and capacity more appropriately.

Some applicants noted that there is already a policy within HCB with a focus on property management transfers for this specific purpose. The Committee noted that the policy doesn't stipulate what methods are used to regularly assess the appropriateness of the match of the size of properties to households and whether this is done in any systematic way. Furthermore, in regard to the order of allocation, property management transfers occur following the early housing categories, indicating longer waiting times.

Inner South Community Health Service (ISCHS) expressed its opinion regarding the limitations of the current policy, stating that the approach is opportunistic and reactive. It suggested that the only way these properties are identified is through existing processes, such as rent reviews. In view of this, ISCHS stated that 'Because this approach is so unplanned, ISCHS contends the OOH is not able to achieve optimal utilisation of its scarce resource and because it is opportunistic, the process is not client-led or client-centred'.⁸⁸

Views were expressed to the Committee that there needs to be consideration of incentives for encouraging older people to relocate to smaller properties. SVDP Aged Care & Community Services, for example, expressed this view, stating that 'voluntary incentives offered to those who may be interested in 'down-sizing' to a smaller unit once their household size reduces'.⁸⁹ This might include, for instance, subsidising the costs associated with moving or providing relief from rental payments for a specific time period.⁹⁰ One suggested rental incentive involved a shift towards market rents so a 'rental

⁸⁷ Submission 48 (MCSW), p.13.

⁸⁸ Submission 56 (ISCHS), p.18.

⁸⁹ Submission 100 (SVDP ACCS), p.5.

⁹⁰ Submission 100 (SVDP ACCS), p.22; Submission 75 (UnitingCare Harrison), p.7.

increase to reflect the size of the property not the household income may be an incentive for empty nest families to down size'.⁹¹

Moonee Valley City Council similarly recommended 'a return to encouraging priority transfers where tenants downsize on a voluntary basis to free up scarce housing stock'.⁹² The Council further noted that:

Multi-unit redevelopment is increasingly apparent and provides an ideal means for older people to downsize, gain increased income and remain in their local area. Not all however will have the funds, skills or ability to manage this type of transition.⁹³

In offering these considerations for incentives and alternatives, participants in the Inquiry emphasised the importance of them maintaining their voluntary status. In recommending that the mismatch in property size with household size is redressed, the TUV emphasised that the Victorian Government should 'ensure tenants over 65 year of age are not coerced into transferring to another property against their will'.⁹⁴

PILCH HPLC told the Committee of an experience of an older client (Lukas) in his late 60s who had recently transferred to alternative public housing. In his new home he experienced disturbances from his neighbours that contributed to concerns for his health: 'The effect of living in the high rise has been to isolate him from his community. The noise created by neighbours suffering mental illness leaves him unable to sleep. As a result of the effects of this on his health he has applied to transfer'.⁹⁵ Lukas explained what he had hoped for in his new home:

I applied for walk-up flats. Low density. Walk up flats where I can have my life. I would sleep, I would be able to see people in my community, I could go back to doing the voluntary work which I was doing before with my church.⁹⁶

This was not the outcome that Lukas achieved. This example does, however, provide a sense of the importance of the point made by ISCHS regarding the need for a client-driven approach to transfers of older people to enable them to remain linked into their communities and to live in housing that supports their changing needs.

RECOMMENDATION

9.6 That the Victorian government investigate the efficacy and efficiency of offering incentives to tenants to downsize in order to produce a more suitable profile of stock to needs.

⁹¹ Submission 75 (UnitingCare Harrison), p.7.

⁹² Submission 67 (MVCC), p.5.

⁹³ Submission 67 (MVCC), p.5.

⁹⁴ Submission 98 (TUV), p.20.

⁹⁵ Submission 103 (PILCH HPLC), p.31.

⁹⁶ Submission 103 (PILCH HPLC), p.31.

OPTIONS FOR TRANSFERRING TO A NEW PUBLIC HOUSING PROPERTY

The Committee identified that the Victorian Government recognises that the needs of existing tenants of public housing will change during the course of a tenancy resulting in a need to move to another home within the public housing sector.

While there is potential for the Victorian Government to explore strategies to minimise transfer activity through appropriate allocations and relevant support to public housing tenants (particularly regarding their safety), it is also important to recognise that there will always be a level of transfer activity as the needs of individuals and families change.

The Victorian Government provides two avenues to facilitate these changing needs: transfers and mutual swaps. The Committee considers it is important to streamline these processes to minimise pressures on the waiting list.

TRANSFERS

Transfers fall within the general allocations policy and procedures but with additional rules stipulated. An existing tenant can therefore make an application for a new public housing property by submitting a general application for public housing. This involves being assessed according to the general eligibility requirements. Also in the same way that new applicants can apply for early housing based on housing need, transfer applicants have the same opportunity to seek priority. In view of the requirements, however, it is unlikely that a public housing tenant would be eligible for the current Segment 1 category and would only be housed under Segment 2 or 3.

In addition to the application process, transfers within public housing properties are restricted in the following specific ways:

- ▶ transfer applicants can't request housing in their current waiting list area unless moving to smaller or larger accommodation or approved for early housing
- ▶ after the initial transfer, an existing tenant can only transfer once every five years (exceptions apply that relate to changed household circumstances and specific housing needs).

The Committee heard that, alongside the lengthy process of securing relevant documentation to prove eligibility and need, these restrictions add to the difficulties in making a transfer application.

MUTUAL SWAPS

In addition to the option of transferring to another property through the general applications process, existing public housing tenants can consider the option of ‘mutual swaps’. This involves swapping a property by mutual agreement with another public housing tenant. In comparison with transfers, the swap process offers greater flexibility to public housing tenants seeking to move to more appropriate housing. There are no limits on the area that a tenant can move to and following an initial swap, a household only has to wait one year to apply for another swap if its housing continues to be inappropriate.

The swap process is managed internally by housing officers in regional housing offices. An intranet database has been developed, which ‘regional staff access on behalf of tenants’. The policy guidelines explain that:

The database will enable tenants to register their intention to relocate and obtain information regarding other tenants wishing to do the same, via the local Housing Office.

... Local Housing Offices have access to a mutual swap intranet database that contains information about tenants who have registered their intention to relocate via the mutual swap process.⁹⁷

Interested tenants need to complete a form, part of which involves consenting for information to be released to other tenants participating in the mutual swap process.

Similarly to transfers, tenants seeking a mutual swap must go through a process of proving eligibility. This includes all aspects of eligibility – income and assets, residency, age, outstanding changes and other tenancy breaches.

GOVERNMENT POLICY ON TRANSFERS AND SWAPS

The Committee heard considerable evidence relating to transfers and swaps of tenancies in public housing properties. The issues highlighted by participants raise questions about the rationale behind policies relating to transfer applications and mutual swaps in the context of targeting access to public housing and in the related area of tenancy management. In addition, the Victorian Government’s approach to tenancy transfers and swaps also provides insight into its views relating to tenant choice and satisfaction.

The Committee heard that governments across Australia do not consider transfers a high priority. Professor Tony Burke told the Committee that:

Transfers are treated as an administrative burden in Australia with an attitude in many cases that you are lucky to have a property so do not bother us. Yet it

⁹⁷ HCB, *Allocations Manual, Chapter 11 - Mutual Swaps*, 2010, p.11-2.

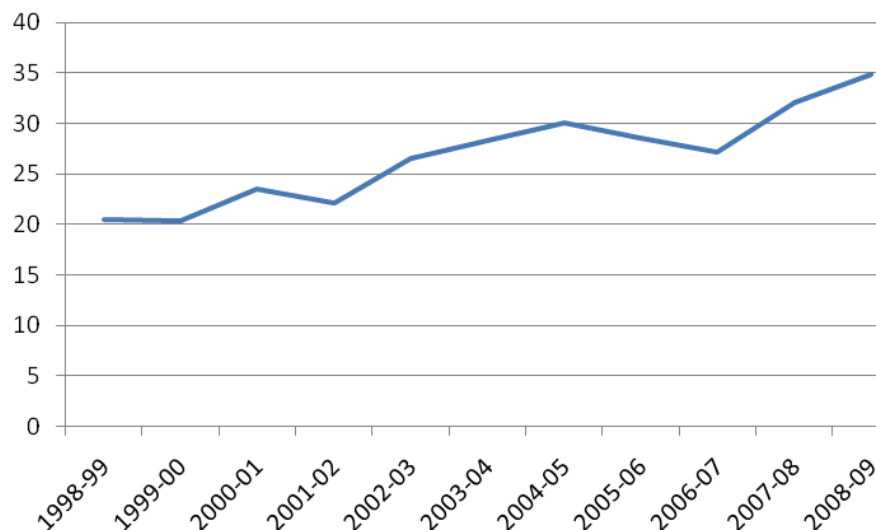
is luck of the draw who gets a good property. Household A is top of the list for a vacancy and the next available property is an old run down concrete house. They take it and pay 25% rent on it. Household B is next on the list and by chance they get a brand new architect designed, environmentally sustainable town house and pay 25% rent.⁹⁸

He went on further to suggest that this ‘is not a recipe for wellbeing or satisfaction amongst tenants’ and that ‘it can be a source of resentment’.⁹⁹ The Committee considered that there is some merit in exploring this view. As Chapter 13 outlines, housing officers already have considerable workloads and administering transfers and swaps would potentially add to this load.

The second point that emerges from Professor Burke’s comments is that the allocation process is interconnected with the extent that transfers are applied for. This raises issues around choice and perceptions of fairness and equity. In addition, there are differences in how figures on transfers are reported at national and state levels. This has the result of distorting figures that relate to transfers and the extent to which they impact on movements in the waiting list, allocations and waiting times.

Despite increasing administrative restrictions on transfer applications, over the past 10 years transfer activity amongst public housing tenants has increased. Allocations to transfer applicants have increased as a percentage of allocations to total allocations. Figure 9.1 demonstrates the rise. Notably, these trends are occurring in a context of stable figures for stock and tenancy numbers.

Figure 9.1: Transfer allocations as a percentage of total allocations, 1998-99 to 2008-09



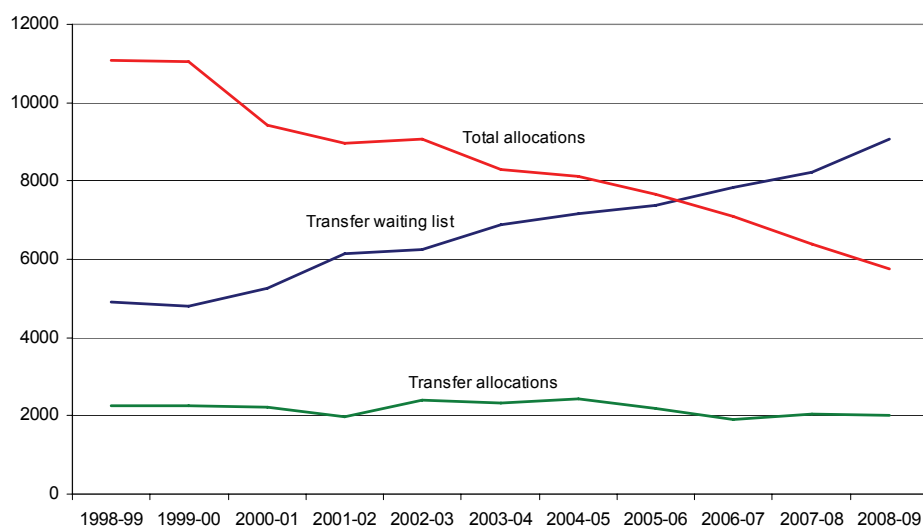
Source: HCB, *Summary of Housing Assistance Programs, 1998-99 to 2008-09*

⁹⁸ Submission 90 (Prof. Terry Burke), p.3.

⁹⁹ Transcript of Evidence 30 (Prof. Terry Burke), p.4.

According to statistics published by HCB, it also becomes apparent that while transfer allocations remain static (yet are increasing as a percentage of total allocations), the transfer waiting list is rising significantly. Figure 9.2 demonstrates that the transfer waiting list has increased from nearly 5,000 applicants to just over 9,000, in a context in which total allocations are decreasing and transfer allocations remain relatively static.

Figure 9.2: Transfer allocations and transfer waiting list, 1998-99 to 2008-09



Source: HCB, *Summary of Housing Assistance Programs 1998-99 to 2008-09*

In view of the fact that in 2008–09 approximately 35 per cent of total allocations were directed to transfer applicants, the question arises regarding the implications of not including the transfer waiting list data with general waiting list data. As noted earlier, the Australian Institute of Health and Welfare (AIHW) integrates the waiting list data into one figure. The inclusion of transfers in waiting list data would more accurately reflect the actual numbers that are drawn from to allocate properties.

RECOMMENDATIONS

- 9.7 That the Victorian Government considers strategies for reducing transfer activity related to inappropriate allocations and unsustainable tenancies.
- 9.8 That the Victorian Government combines the transfer waiting list with the waiting list for new applicants to reflect the total waiting list and the significant percentage of allocations to transfer applicants.
- 9.9 That in combining the waiting lists, the Victorian Government continues to delineate waiting lists for new applicants, transfer applicants and early housing applicants.

PROCESSES FOR SECURING A TRANSFER

On the surface, transfers and mutual swaps appear to be an administrative burden in broader processes of allocations to public housing. In view of the considerable transfer activity and the subsequent administrative processing involved, the Committee considered there is a need to streamline processes that relate to this transfer activity. This includes, firstly, consideration of the cause of transfers, particularly inappropriate allocations and anti-social behaviour. Secondly, the actual process for the tenant warrants review and reconsideration.

The Committee heard consistently that the process for transferring within public housing is challenging and stressful and that there is a need for the process to be made easier, clearer and more accessible. Inquiry participants spoke extensively of the difficulties for households experiencing changed circumstances in their efforts to transfer to a more appropriate property. PILCH HPLC told the Committee that ‘the impact of inadequate housing is magnified because of the difficulty associated in obtaining a transfer on medical and other grounds. For many, the difficulty relates to the administrative burden involved in applying for a transfer’.¹⁰⁰

Similarly, Moonee Valley City Council told the Committee that:

Transfer for current public housing tenants to other public housing properties should be made easier and take into consideration other factors besides those presently acceptable for priority transfer (unsafe housing, etc). These may include a preference to live closer to family and friends. However at present due to unavailability of housing stock even priority transfers are taking far too long.¹⁰¹

Several participants raised similar concerns regarding the waiting times for transfer applications. Ms Wendy Ralph, a current public housing tenant, explained that she has ‘been on the Transfer List and Mutual Swap List for more than 4 years but I have had absolutely no response regarding these. My own efforts to be transferred include going into South Melbourne D.H.S once a month to get a list of people wanting to do a mutual swap’. Yet at the time of making her submission to the Committee, Ms Ralph had not had an outcome and stated that ‘I honestly feel I am banging my head against the proverbial brick wall’.¹⁰²

The option of mutual swaps as an alternative to transfer applications was also raised by participants. Despite the increasing level of transfer activity, in the opinion of most Inquiry participants, mutual swaps remain under-utilised. For example, EACH Social and Community Health explained that:

¹⁰⁰ *Submission 103 (PILCH HPLC), p.36.*

¹⁰¹ *Submission 67 (MVCC), p.7.*

¹⁰² *Submission 21 (Wendy Ralph), p.2.*

There is the option for ‘property swaps/transfers’ between tenants who live in different areas, but many don’t know about this and the process is not managed well.

People will often have to re-submit an application rather than go through the transfer process.

The process of a swap/transfer is long and laborious.¹⁰³

EACH SCH is using the terms ‘swap’ and ‘transfers’ interchangeably to describe the mutual swap process. Others agreed with this analysis. MCSW stated that ‘other than applying for a transfer, the only method of moving properties is through a “Housing Swap”. This program is under-promoted and not well managed’.¹⁰⁴ VACRO also considered the program under-utilised and not always adequate. It suggested that reasons for this might be ‘lack of information about how the system works, a perception that the swap entails risk (no mutual inspections) or difficulty accessing and understanding the registry system’.¹⁰⁵

IMPROVING TRANSFERS

The Committee heard views about how transfer and mutual swap policies could be improved to make them more accessible and less stressful processes for tenants whose properties are no longer suitable to their current circumstances. In view of the significant transfer activity in public housing, there is a strong argument for streamlining and improving these processes.

VACRO explained to the Committee that transfers are a key component of ongoing tenancy management and ensuring appropriate allocations throughout the tenancy of a household. It stated that:

people’s needs change over time and an improved capacity to relocate people is an important aspect of ongoing tenancy management. For a range of reasons people may need to move to, or away from, particular areas. They may also need to change properties based on acquired disabilities or family structures. Effective transfers are therefore essential to ensuring the ongoing appropriateness of public housing placements.¹⁰⁶

Other participants similarly recommended to the Committee that the Victorian Government ‘respond to the changing circumstances and needs of public housing residents in considering applications for transfer’.¹⁰⁷ Moonee Valley City Council suggested to the Committee that ‘a system of review of current needs may be developed to ensure people are accessing most appropriate housing to meet lifestyle changes’.¹⁰⁸

¹⁰³ Submission 55 (EACH SCH), p.4.

¹⁰⁴ Submission 48 (MCSW), p.13.

¹⁰⁵ Submission 63 (VACRO), pp.22-23.

¹⁰⁶ Submission 63 (VACRO), p.22.

¹⁰⁷ Submission 103 (PILCH HPLC), p.37.

¹⁰⁸ Submission 67 (MVCC), p.7.

The Committee noted the absence of any discussion about transfers and their effect on the waiting list in the proposed changes to the segmented waiting list. In view of the significant impact that transfers clearly have on allocations, the Committee noted the suggestion by HomeGround Services that ‘transfer policy must be considered in the current segmented wait list review’.¹⁰⁹ The Committee supports this view.

IMPROVING MUTUAL SWAPS

As an alternative to the transfer process (and ultimately joining the general waiting list for public housing), the system of mutual swaps has significant potential. The Committee heard that Inquiry participants could see merit in this policy, yet felt strongly that it is under-utilised. A range of suggestions for improving the system of swaps were put before the Committee.

Many suggested that there is a need to improve the IT systems that support the mutual swap process, and to encourage a more client-driven approach. The Committee could see some benefit in this proposal, yet in view of concerns raised about risk and privacy, there are limitations to an entirely tenant-driven approach to swaps.

An alternative suggestion included the possibility of contracting a third party to deliver the swap program. Along similar lines, suggestions were made that dedicated and specialised staff could be appointed to facilitate and coordinate transfers. Part of this process might be through the development of a shared central information system.

The Committee considers that this approach has significant merit.

RECOMMENDATION

9.10 That the Victorian Government identifies strategies to improve the utilisation and management of the mutual swap program.

¹⁰⁹ *Submission 70* (HomeGround), p.9.

CHAPTER 10

FUTURE DIRECTIONS – TARGETING ACCESS TO PUBLIC HOUSING

FINDINGS

Systems of targeting access

- ▶ That the Victorian segmented waiting list is only one form of targeting access based on need, with other jurisdictions having adopted different approaches.
- ▶ That there are economic and social implications associated with targeting need.
- ▶ That an outcome of targeting access based on need has been the concentration of disadvantage amongst public housing tenants.
- ▶ That reduced financial viability for public housing is an obvious outcome of targeting need.

Security of tenure

- ▶ That the majority of participants in the Inquiry were strongly opposed to any changes to the Victorian policy of secure tenure in public housing.
- ▶ That there are recognised benefits associated with security of tenure.
- ▶ That there are mixed views about security of tenure for people under 25 years.
- ▶ That due to reduced availability of public housing, the length of time spent in transitional housing has increased.

Alternative allocation options

- ▶ That common housing registers are currently under consideration by most states and territories as part of the national housing reform agenda.
- ▶ That in isolation, common housing registers are a limited reform.
- ▶ That many housing associations have concerns about the loss of discretion in allocating tenants to housing and the associated impacts on their financial viability if a common housing register was introduced.
- ▶ That many Inquiry participants proposed the Victorian Government consider choice-based letting as an alternative approach to allocations.
- ▶ That in considering the adoption of alternative allocation systems from other countries, the Victorian Government needs to assess their suitability to the specific characteristics of Victorian public housing.

The last four chapters have considered the current system of access and allocation to public housing as it currently operates, and strategies to adjust the existing system to account for ongoing concerns.

This chapter considers the system of prioritisation and targeting need more broadly. The Committee identified significant economic and social implications of this policy approach, including the concentration of disadvantaged households in public housing (also known as ‘residualisation’) and the financial viability of public housing.

As a response to long waiting lists, the Committee also found that other jurisdictions have explored limiting tenure as a means of rationalising access to public housing. Participants in the Inquiry were strongly opposed to any changes to security of tenure.

The Committee acknowledges that changes to allocations systems and other aspects of public housing are occurring in a context of broader changes to the provision of social housing more generally.

In view of these shifts, the Committee explores some of the alternative approaches under consideration in the context of targeting access to public and community housing. These include common housing registers, choice-based letting and local allocations.

SYSTEMS OF TARGETING NEED: PRIORITISING AND RANKING APPLICANTS

The Committee heard that, while targeting need is not a solution to supply issues, Inquiry participants considered it important to have a strategy for prioritising access to public housing. At the same time, however, participants told the Committee that there are a number of effects resulting from over a decade of targeting need.

Systems of prioritisation are used across all jurisdictions in Australia. While broadly similar in objective, there are different systems used, and to different effect. The segmented waiting list used in Victoria is only one method of targeting need.

In their research into allocations systems within Australia, Dr Kathy Hulse and Professor Terry Burke identified a range of systems used for ranking applicants in Australia and New Zealand. These were:

Table 10.1: Ranking systems for targeting need

SYSTEM OF TARGETING NEED	GENERAL NAME	USED BY
Priority system defined by administrative guidelines and criteria (with no segments or points) grafted onto a system based on date of application	Date order plus priority	Queensland WA NT
Allocation of points to different types of need to determine relative priority of individual applications	Priority points systems	Tasmania
Categorisation into distinctive segments of need	Segmented waiting lists	Victoria NSW ACT SA

Derived from: Hulse & Burke *Changing role of allocations systems in social housing*, AHURI, 2005, p.43

While there are variations in the process, Australian states generally provide priority access to people who are in housing need (such as those at risk of or experiencing homelessness) or have other specific needs (such as people with a disability, a mental illness or escaping domestic violence).¹ Appendix 7 provides a table outlining the systems used in other Australian states and territories and in New Zealand.

A number of participants in the Inquiry commented on the move to the segmented waiting list approach in Victoria in the late 1990s. While concern was expressed at the move from public housing to what is considered a targeted 'welfare' housing system, many participants noted that the decision was inevitable in view of the rapidly growing waiting list.²

Furthermore, a view was expressed that a system for targeting allocations was a 'necessary evil' and most viewed it as preferable to an untargeted system in the context of unmet demand.³ St Vincent de Paul (SVDP) Aged Care & Community Services, for example, stated that the 'current system is preferable to one which is based on length of time on the wait list'.⁴

EFFECTIVENESS AND OUTCOMES

Despite the general support for a system of targeting on the basis of need, a number of participants suggested that the system was no longer effective for the purposes it strives to achieve. As discussed in Chapter 6, while there was some support for adjusting the existing system (as the Housing and Community Building Division's proposed changes to the segmented waiting list aim to achieve), the Committee heard from a number of other participants who expressed a view that the system itself was problematic.

¹ K Hulse, R Phillips, & T Burke, 'Improving access to social housing: paradigms, principles and reforms', No. 97, AHURI, April 2007, p.10.

² For example, see: *Submission 46* (Wintringham) & *Submission 59* (CEHL).

³ For example, see: *Submission 40* (Wombat); *Submission 61* (RHN); *Submission 70* (HomeGround); *Submission 72* (ACL); *Submission 85* (CHP); *Submission 100* (SVDP ACCS) & *Transcript of Evidence 13* (SVDP ACCS); *Transcript of Evidence 18* (PILCH HPLC); *Transcript of Evidence 22* (WAYSS).

⁴ *Submission 100* (SVDP ACCS), p.20.

Some Inquiry participants indicated that the segmented waiting list is one method of prioritising or targeting, implying that there are alternatives.⁵ Inner South East Partnership in Community & Health (ISEPCH) suggested that ‘the type of system required when the level of housing stock is grossly inadequate is most likely quite different to the type of system employed when the housing stock was reasonably adequate’.⁶

DEFINING NEED

Concern was expressed regarding the definition of ‘need’. While there was general agreement expressed for the need to prioritise access to public housing on the basis of need, some participants felt that there is ambiguity about how ‘need’ is currently defined. The Housing and Community Building (HCB) Division suggested that its proposed new segmented waiting list model ‘prioritises applicants according to their housing needs’.⁷ Yet it remains unclear how ‘housing need’ will be defined. Without a clear definition ‘housing need’ can be subjective – what is considered inappropriate housing is unclear and the cause of confusion for many seeking to access public housing.

Common Equity Housing Ltd (CEHL) expressed its view that the ‘arbitrary hierarchy of needs designated by the segments seem more a result of interpretation or lobbying by different advocacy groups’.⁸ It went on to explain that:

The segmented waiting list was introduced in the mid nineties as an effective way to ration the allocation of the scare resource that public housing had become...

There are differing views of its success. Supporters of the system claim it has been successful in allocating housing on a needs basis.

[Yet] there has not been any research published that looks at the success or failings of tenancies set up under the system or the impact it has on the operations of the public housing system.⁹

Other participants also raised questions about definitions of need within the current segmented waiting list. For example, National Disability Services (NDS) explained that ‘there appears to be a lack of clarity regarding the definitions of key descriptors relevant to the segmented waiting list, and the relative weightings of need within the segments’.¹⁰

Action for Community Living (ACL) also raised concerns about ‘people with disabilities often fall into two or all three of Segments 1, 2 and 3. The allocation system must have the flexibility to respond to people whose needs

⁵ Submission 94 (Frankston City Council - Community Development), p.8.

⁶ Submission 29 (ISEPCH), p.2.

⁷ HCB, *Improving Public Housing Responses Strategic Project, New segmented waiting list proposal*, 2009, p.3.

⁸ Submission 59 (CEHL), p.5.

⁹ Submission 59 (CEHL), p.5.

¹⁰ Submission 3 (NDS), p.3.

overlap the segment categories'.¹¹ While the proposed changes to the segmented waiting list appear to have addressed the potential for overlap by adjusting the categories of the segments, it remains unclear about how flexibility will be worked into the reforms.

Research findings support the views raised by participants, noting the challenges in defining the categories in a segmented waiting list system. In research surveying the views of community housing workers and housing officers in public housing, the following findings were reported:

There are differing views as to how tightly each segment should be defined. On the one hand, they have to be general enough to encompass the variety of needs to be considered and the discretion required for particular circumstances. On the other hand, there are problems if they are too general in confusing both workers and applicants and in the scope for worker bias as a consequence of discretion.¹²

A more flexible approach to defining need was identified in the priority points system that is used in Tasmania. Until recently, priority points systems were used in the UK and Canada, both of which are moving to choice-based approaches (to be discussed later in this chapter).

The points system adopted in Tasmania was identified by researchers as a system that has greater capacity for responding to variable needs. A priority points system:

Attempts to quantify housing need on an individual household basis and to order waiting lists according to points scored. Each application is assessed, and points allocated within the range available for each type of need.¹³

The researchers identified that there are considerable benefits to priority points systems, explaining that the system 'in principle ensures greater equity of treatment, and consistency and need can be reassessed at any time, so there is flexibility to changing circumstances. Priority points systems appear to be more "objective" and applicants may be told of the points allocated to their application'.¹⁴

The major drawback to priority points systems, however, is that they are more resource intensive, often involving interviewing applicants prior to approval. For already overworked housing officers in Victoria, this is potentially unrealistic.

¹¹ *Submission 72 (ACL)*, p.3.

¹² K Hulse & T Burke, 'The changing role of allocations systems in social housing', *Final Report*, No. 75, AHURI, March 2005, p.45.

¹³ K Hulse et al., 'The changing role of allocations systems in social housing', AHURI, 2005, p.46.

¹⁴ K Hulse et al., 'The changing role of allocations systems in social housing', AHURI, 2005, p.46.

RECOMMENDATION

10.1 That the Victorian Government undertakes an evaluation, and reports publicly on its findings, of its allocations system to determine its effectiveness for the changing tenant profile, with an emphasis on:

- ▶ eligibility
- ▶ housing offers
- ▶ matching individuals to properties
- ▶ the segmented waiting list
- ▶ defining the meaning of ‘need’

PREVENTING HOMELESSNESS

Concerns were expressed by participants that the current and proposed approach to categorising applicants into segments does not have the capacity to compliment or facilitate the Victorian Government’s broader commitment to preventing homelessness. The role of the waiting list in compounding people’s housing instability and situations of homelessness was discussed in Chapter 8.

Also outlined in earlier chapters was the focus of the current system on the negative aspects of people’s experiences – their housing history and their broader life experience. The Salvation Army East Care and Uniting Care Community Connections explained that:

Clients have often reported that the process and the documentation required is humiliating, demoralizing and complicated as the household is required to primarily focus on the failures and negative factors that contributed to their current circumstances for their application.¹⁵

The system prioritises people with high and complex needs, yet isn’t designed to support people in these circumstances. Wombat Housing and Support Services explained to the Committee that the consequence is that ‘those with complex needs are placed at a high risk of tenancy failure’.¹⁶ The support needs of public housing tenants are considered in Chapter 12.

Some participants were concerned that this approach does not focus on the positives in people’s lives or promote their capacity to begin a new life. EACH Social and Community Health emphasised that it is important to ‘ensure people are not set up to fail; offer long term sustainable housing in an environment which meets the cultural needs of individuals and families, close to public transport, employment, family and social networks and community resources’.¹⁷

¹⁵ Submission 42 (SAEC & UCCO), p.8.

¹⁶ Submission 40 (Wombat), p.5.

¹⁷ Submission 55 (EACH SCH), p.10.

In resolving these issues, some participants made the suggestion that the system of prioritisation needs a stronger focus on ‘risk’ in addition to ‘need’. For example, VACRO suggested that:

Recognising the need to prioritise and the complex nature of any system designed to quantify risk and need, VACRO has a range of concerns about the current prioritisation system ... we believe a prioritisation system focusing on those that are at highest risk (to themselves and others) and with high levels of need is a necessary system.

Good Shepherd expressed similar views, noting that ‘people who are at risk of becoming homeless actually become homeless because of the wait time. In situations of domestic violence, lack of access to permanent housing greatly hinders the ability to leave the relationship and creates a dangerous situation’.¹⁸

RECOMMENDATION

10.2 That the Victorian Government reviews its eligibility policy taking homelessness into closer consideration.

OUTCOMES OF TARGETING NEED: CONCENTRATION OF DISADVANTAGE

One of the outcomes of increased targeting of need is the changing face of public housing. The shift in the tenant profile towards people with very low incomes and high level needs was discussed in Chapter 1.

The resulting concentration of disadvantage in public housing from prioritising need has a range of consequences. Recent research findings highlighted the link between the concentration of disadvantage and the location of public housing stock:

The increased tenurial concentration of less well-off and problematic households in one particular sector [when] combined with the geographical concentration of public housing [resulted in] a more problematic public and political image of the role of public housing, an issue that has been highly damaging in relation to attracting a greater political support and investment in the sector.¹⁹

Participants in the Inquiry raised similar concerns. For example, Council to Homeless Persons (CHP) commented that ‘the concentration of public housing in specific locations combined with a housing allocation system based on high support needs has contributed to some community difficulties such as a greater incidence of anti-social behaviour and tenant and neighbourhood disputes in some areas’.²⁰

¹⁸ Submission 101 (Good Shepherd), p.3.

¹⁹ K Jacobs, R Atkinson, A Spinney et al., ‘What future for public housing? A critical analysis’, *Research Paper*, AHURI, February 2010, p.24.

²⁰ Submission 85 (CHP), pp.9-10.

The Brotherhood of St Laurence also highlighted the link to residualisation of public housing and social exclusion. It commented that ‘needs-based allocations have contributed to the geographic concentration of poverty and to social exclusion’.²¹ Similarly, the Port Phillip and Stonnington Housing Information Network (PPASHIN) expressed its view that the ‘segmented waiting list has led to over concentration of complex needs situated in public housing-need’.²²

Residents of the Delacombe Housing Estate emphasised the implication of concentrations of disadvantage on social exclusion, stating that:

The allocation of housing to families with complex needs compounds issues of disadvantage, social exclusion, welfare dependency and family dysfunction. The SEIFA index indicates that the estate is ranked in the lowest 0.5% of the state in terms of socio-economic advantage. The estate is further characterised by poor street design and urban amenity that contributes to residents' sense of physical and isolation. Leawarra Crescent is the only linkage in and out of the estate.²³

The Brotherhood of St Laurence also emphasised the increasing stigma in areas with high concentrations of disadvantage: ‘The shift over time toward needs-based allocation has contributed to the residualisation of public housing, that is, the tendency to house ever greater concentrations of the poorest and most disadvantaged households, with a concomitant rise in stigma toward those living in or next to public housing properties’.²⁴

The background to this experience of residualisation in public housing was outlined in Chapter 4. Importantly, the consequences of this trend have implications for future policy directions. Researchers identified the following impacts:

- ▶ challenges for social housing authorities to generate budget surpluses resulting from a shift in the income base of tenants in public housing – in 1966, over 80 per cent of public housing tenants were in paid employment, whereas by 1994, around 78 per cent were receiving government pensions and benefits
- ▶ concentrations of poverty within areas that have high densities of public housing, resulting in more challenging and resource intensive housing management
- ▶ social exclusion resulting from stigma and the poverty trap of rebated rent (which proved an incentive for public housing tenants to remain on low incomes and avoid rent increases)
- ▶ the stigmatisation of public housing has affected its public image and been damaging in regard to attracting increased political support and investment in the sector.²⁵

²¹ Submission 78 (BSL), p.16.

²² Submission 49 (PPASHIN), p.6.

²³ Submission 64 (Residents of Delacombe Housing Estate), p.1.

²⁴ Submission 78 (BSL), p.16.

²⁵ K Jacobs et al., ‘What future for public housing?’, AHURI, 2010, pp.24-28.

The same research team noted that while ‘residualisation (an increase in the concentration of the most disadvantaged household in public housing) has been noted in the UK, this process seems to be particularly acute in Australian public housing’.²⁶

One of the key outcomes identified by the Committee in relation to systems of targeting need is that the current public housing system contributes further to social exclusion through concentrations of disadvantage. This is a consequence of both the system of allocation and also the historical location of stock. Issues relating to the location of public housing stock are discussed in Chapter 15.

The policy solutions to the concentration of disadvantage are not simple – there is no quick fix. There is clearly a link between allocations policy and the degree to which disadvantage is concentrated in public housing. A number of participants recommended a broadening of eligibility criteria to diversify the mix of tenants in public housing.²⁷ Others, however, were opposed to any changes to eligibility due to the shortage of housing and the potential impacts for people experiencing housing crisis or homelessness.²⁸

In view of the policy challenge in overcoming the issue of targeting need and the resulting residualisation, alternative strategies have been devised to respond specifically to some aspects of residualisation. For example, the Victorian Government has focused on the issue of geographical disadvantage in areas of high-density public housing with its Neighbourhood Renewal Program. Interlinked in some instances, the Victorian Government has also sought to provide incentives for public housing tenants through its Public Tenants Employment Program (PTEP). This was discussed in Chapter 8.

The Victorian Government has introduced the Neighbourhood Renewal Program to address the concentration of disadvantage in some areas with high densities of public housing.

NEIGHBOURHOOD RENEWAL

Neighbourhood Renewal is a whole-of-government placed-based initiative that is narrowing the gap between disadvantaged neighbourhoods and the rest of the state.

Neighbourhood Renewal brings together the resources and ideas of residents, governments, local businesses and community groups to tackle disadvantage and build more inclusive communities.

The community and local stakeholders work with government to prepare an area-based local action plan and oversee its implementation.

²⁶ K Jacobs et al., ‘What future for public housing?’, AHURI, 2010, p.2.

²⁷ For example, see: *Submission 49* (PPASHIN), p.5 & *Submission 58* (NEMC&FSA), p.5.

²⁸ For example, see: *Submission 67* (MVCC), p.5 & *Submission 100* (SVDP ACCS), pp.20-21.

The action plan is the framework for achieving Neighbourhood Renewal's six key objectives (action areas):

- ▶ increased community pride and participation
- ▶ enhanced housing and environment
- ▶ improved employment, learning and local economic activity
- ▶ decreased levels of crime and improved personal safety
- ▶ better health and wellbeing
- ▶ increased access to services and improved government responsiveness.

There are 19 Neighbourhood Renewal locations across regional and metropolitan Victoria in areas with concentrations of public housing.

Source: DHS, Neighbourhood Renewal Evaluation: Summary, 2008

This approach was further endorsed by the Victorian Government in its recently released *Victorian Integrated Housing Strategy*, in which it emphasised its commitment to provide better public housing. The Strategy highlighted its progress with the Neighbourhood Renewal Program:

Public housing estates across Victoria are being redeveloped progressively to improve housing quality and support vibrant, healthy and safe communities. Major redevelopments underway include the Carlton Estate, Westmeadows and Roberts Street Northcote.²⁹

Researcher Ms Lyn Luxford explained that 'the creation of disadvantage is an unintended effect of housing assistance policies and programs... targeting of public housing to those most in need is contributing to a concentration of disadvantaged people in particular neighbourhoods'.³⁰ Neighbourhood renewal and regeneration programs, such as those underway in Victoria, are considered successful responses to the outcomes of policy directions targeting need resulting in geographical concentrations of disadvantage.³¹

The Committee recognises that these are important strategies. Yet it considered that there is an ongoing issue relating to the link between allocations policy in public housing and concentrations of disadvantage that necessitate programs such as Neighbourhood Renewal. The Committee agreed with the view expressed by Darebin City Council that:

As a matter of principal [sic], public housing should go to those in greatest need, but should be provided in a way that is sympathetic to the built form and social mix of the neighbourhood. Support commensurate to the need of tenants must always be provided.³²

²⁹ HCB, *The Victorian Integrated Housing Strategy, Affordable, Accessible and Sustainable Homes*, DHS, 2010, p.20.

³⁰ L Luxford, 'Housing assistance and disadvantaged places', *Research & Policy Bulletin*, Issue 85, AHURI, November 2006, p.1.

³¹ L Luxford, 'Housing assistance and disadvantaged places', AHURI, 2006, p.4.

³² *Submission 106* (Darebin City Council), p.5.

McAuley Community Services for Women (MCSW) identifies one of the critical issues in resolving the tenant mix in public housing, noting that the supply shortage is a significant preventative factor:

MCSW would prefer a system that could offer affordable and secure housing to all Victorians on low or moderate incomes as an alternative to home ownership. This would reduce the welfarisation and stigmatisation of public housing and increase the rental returns for the Office of Housing to make public housing more viable. To do this there needs to be a dramatic increase in the number of public housing properties.³³

The Committee recognises the challenges associated with achieving the most appropriate mix of tenants in public housing, but considers that it is critical for the Victorian Government to identify the optimal tenant mix based on evidence to inform its allocations policies to reduce concentrations of disadvantage and maximise the financial viability of public housing.

RECOMMENDATION

10.3 That the Victorian Government identifies an evidence-based, optimal mix of public housing tenants to reduce concentrations of disadvantage.

OUTCOMES OF TARGETING NEED: FINANCIAL VIABILITY OF PUBLIC HOUSING

One particular consequence of the current allocations system that targets need is its impact on the financial viability of public housing. In particular, with the changing tenant profile, the capacity of HCB to draw revenue to successfully manage its public housing program has decreased dramatically over recent decades. This was an issue raised by participants in the Inquiry and also identified in recent research into the future of public housing.

Since the mid-1990s, increased targeting has shaped the social and demographic profile of public housing tenants. Higher-income households (often with two incomes) have been replaced by mostly single-income households dependent on a pension or benefit.³⁴ Professor Terry Burke told the Committee that there is an issue with the:

Segmented waiting list and allocating priority to those with greatest needs, which logically one should do but it has the risk of undermining the public housing system ... [such as the] great effects on the financial viability of public housing agencies.³⁵

The Tenants Union of Victoria (TUV) similarly expressed the view that 'the increasingly targeted allocation of public housing to tenants with complex

³³ Submission 48 (MCSW), p.8.

³⁴ Dr Jon Hall & Prof. Mike Berry, 'The financial impact of welfare targeting in public housing', *Research & Policy Bulletin*, Issue 89, AHURI, November 2007, p.2.

³⁵ *Transcript of Evidence 30* (Prof. Terry Burke), p.3.

needs has led to increasing costs and diminishing returns. The financial position rather is precarious at best, and it is generally understood that the sector will not be sustainable long-term'.³⁶

Research by Dr Jon Hall and Professor Mike Berry identified two underlying causes of the financial outcomes from the targeting of need in public housing allocations:

- ▶ firstly, those on single and lowest income dominate new tenancies and the real medium-term rent received per tenancy has fallen significantly
- ▶ secondly, households receiving priority allocations have non-housing related problems that require service support – adding to the average real costs per household.³⁷

Rents are calculated as a fixed portion of household income – in Victoria, this is 25 per cent. Hall and Berry suggest that the effect of increasing targeting has resulted in a shift from about 70 per cent of tenants on rebated rents to approximately 88 per cent receiving rental rebates. In 2007, they estimated that the cost to Victoria of this shift was approximately \$32 million per annum in lost rental revenue when compared with approximate revenue figures in 1990.³⁸

The changing nature of households in public housing was also highlighted to the Committee by CEHL, which stated that ‘the trend in public housing over the last decade has been to only offer housing after the individuals have fallen through the safety net and become high needs clients. This in itself places enormous financial and social demands on the public housing system’.³⁹

Researchers Hall and Berry further comment that ‘revenues have not fallen as far as they might have, as state housing authorities have increased rents, and reduced arrears and vacancies from 2002/03’.⁴⁰ The Committee found that the Victorian Government has emphasised the importance of a strong debt management policy. It states that:

Failure to recover rent impacts on the Department’s housing services and consequently the ability of the Department to assist Victorians with their housing needs.⁴¹

The Victorian Government has a comprehensive debt management policy that informs its approach to recovering rental arrears. This is discussed further in Chapter 11, which also considers the implications of this approach for public tenants. Alternatives to current methods of financing public housing are discussed in Chapter 15.

³⁶ Submission 98 (TUV), p.10.

³⁷ Dr J Hall et al., ‘The financial impact of welfare targeting in public housing’, AHURI, 2007, p.2.

³⁸ Dr J Hall et al., ‘The financial impact of welfare targeting in public housing’, AHURI, 2007, p.1.

³⁹ Submission 59 (CEHL), p.4.

⁴⁰ Dr J Hall et al., ‘The financial impact of welfare targeting in public housing’, AHURI, 2007, p.1.

⁴¹ HCB, *Debt Management Manual, Rental Arrears Policy and Procedures*, DHS, 2006, p.1-6.

SECURITY OF TENURE

The issue of security of tenure has recently been explored by other jurisdictions in the search for an alternative method for targeting access to public housing. As a strategy for targeting access and addressing the mismatch between supply and demand, limiting tenure in public housing has been identified as a way forward.

This section explores the issue of security of tenure and highlights findings in the context of additional research evidence. Strong views were expressed by participants about the importance of security of tenure. The Committee heard that the majority of participants were significantly opposed to any move towards limiting tenure in public housing.

Security of tenure in public housing is based on the contract between the tenant and the landlord. Both tenants and the landlord have rights and responsibilities in line with the *Residential Tenancies Act 1997* (RT Act). If public tenants in Victoria meet their obligations set out in the lease contract they sign, they can remain in their tenancy indefinitely, regardless of the status of their income level.⁴²

IMPORTANCE OF SECURITY OF TENURE

A range of reasons were provided to the Committee by Inquiry participants regarding the importance of security of tenure. Security of tenure was seen to contribute to a sense of dignity and to underlie a sense of belonging and community connectedness.

Security of tenure was also emphasised as a key factor in increasing people's health and wellbeing, providing the necessary ongoing links to networks and supports. Professor Terry Burke also told the Committee that 'absence of security of tenure and the high mobility associated with it creates health problems and reduces the educational opportunities of children because they are moving from school to school, so security of tenure is something that we should try to retain, if possible'.⁴³

In addition, many participants stressed to the Committee that for people experiencing housing instability or homelessness, security of tenure is critical in enhancing stability following such periods of transience. Council to Homeless Persons (CHP) said that 'security of tenure ... [is] a foundation on which people can build or rebuild their lives, and may facilitate other activities such as study, employment and the fostering of relationships'.⁴⁴

⁴² J Lewis, 'How does security of tenure impact on public housing tenants?', *Research & Policy Bulletin*, Issue 78, AHURI, August 2006, p.2.

⁴³ *Transcript of Evidence 30* (Prof. Terry Burke), p.4.

⁴⁴ *Submission 85* (CHP), p.7.

Security of tenure was considered important for a range of people from specific population groups. For example, the importance of security of tenure for older people was emphasised. Spectrum Migrant Resource Centre (SMRC) told the Committee that interim forms of housing are inappropriate for its older clients. In addition to the fact that many older people experience decreased mobility, it noted that ‘changes in housing situations for SMRC’s elderly clients are extremely disruptive and distressing, so transitional housing should be avoided where possible’.⁴⁵

The importance of access to supports in a particular area has also been highlighted for people with a mental illness and people with a disability. NEAMI sought to emphasise this point to the Committee:

Security of tenure is a vital aspect of public housing. This cannot be underestimated for people with an enduring mental illness. Safe secure affordable housing in conjunction with wrap-around supports tailored to the individual’s needs has been shown to be extremely successful in supporting recovery and reducing acute in-patients stays for people with enduring mental illness.⁴⁶

Moonee Valley City Council indicated that ‘security of tenure becomes even more imperative for disabled people who would find it difficult to ensure accessibility requirements can be met outside of a long term secure residence’.⁴⁷

Other groups that considered security of tenure important included women and children who have left the family home due to experiences of family violence. Domestic Violence Victoria (DV Vic) explained that it ‘can be problematic for women and children re-establishing lives post family violence as private rental tenancies do not provide for security of tenure for longer than twelve months. Women and their children experiencing family violence require a continuum of immediate, transitional and long term stable housing accompanied by flexible and individualised supports’.⁴⁸

Aboriginal Housing Victoria (AHV) expressed that ‘security of tenure is critically important to Aboriginal community members. It forms a base on which to commence a process of gaining access to economic outcomes; without a house, you cannot get an income. As to education, children need to be in schools and getting an education. Also, employment provides a stable base on which to improve the health indicators of a family as a whole, particularly in relation to the “closing the gap” targets’.

Geelong Settlement Planning Committee (GSPC) informed the Committee that ‘without adequate accommodation, which offers personal safety, security of tenure, and at a rent they can afford, refugees find it very difficult to begin the next phase of their lives in this country’.⁴⁹

⁴⁵ Submission 53 (SMRC), p.3.

⁴⁶ Submission 104 (NEAMI), p.4.

⁴⁷ Submission 67 (MVCC), p.6.

⁴⁸ Submission 96 (DV Vic), p.9.

⁴⁹ Submission 24 (GSPC), p.7.

The Committee heard differing views about security of tenure and young people. Some promoted security of tenure for young people, noting the negative impacts of its absence.⁵⁰ Others suggested that limited tenures for young people are worth exploring to prevent long-term reliance on the public housing system.⁵¹

Research has also demonstrated the benefits of security of tenure for public housing tenants. Researcher, Ms Jeanette Lewis, explained that security of tenure benefits public tenants by contributing to:

- ▶ improved health and wellbeing through reduced stress associated with insecure housing and frequent moves
- ▶ family stability, providing improved opportunity for focus on personal relationships and education
- ▶ social cohesion by increasing attachment to neighbourhood and building bonds within neighbourhood communities
- ▶ workforce participation by raising self-esteem, stabilising residency and reducing stress. Given the value placed on security of tenure, it can be valuable to give up and lead people to forego work to sustain security of tenure.⁵²

In addition, national surveys have emphasised the importance that public tenants give to security of tenure. For example, the 2005 *Public Housing National Social Housing Survey* revealed that the most frequent reasons given for choosing to move to public housing included inability to afford private rental and the security of tenure offered by public housing.⁵³

SHORT PUBLIC HOUSING TENURES

In its submission guide, the Committee sought views on the issue of shorter public housing tenures. This is an approach being considered or trialled by other jurisdictions, such as New South Wales.

In 2005, the Victorian Government explored the introduction of a system of tenure reviews. The HCB *Allocations Manual* states that:

Tenants of the OOH who were housed after 17 November 1997 may have their eligibility for on-going housing reviewed every five years. Section 262 of the Residential Tenancies Act 1997 authorises the Director of Housing to issue a 90 day notice to vacate if a public housing tenant ceases to meet one or more of the published public housing eligibility criteria.⁵⁴

⁵⁰ Submission 47 (YMCA Vic), p.4.

⁵¹ Submission 90 (Prof. Terry Burke), p.6.

⁵² J Lewis, 'How does security of tenure impact on public housing tenants?', AHURI, 2006, p.1.

⁵³ Australian Institute of Health and Welfare (AIHW), *Public Housing National Social Housing Survey - Key Results*, Bulletin, AIHW, 2006, p.6.

⁵⁴ HCB, *Allocations Manual, Chapter 1 - Introduction and Overview*, 2010, p.1-11.

The Committee was advised, however, that ‘preliminary investigation by HCB found that only a small number of households had incomes above the tenure review income limits. In most cases, these were temporary increases in income’.⁵⁵ The outcome of these investigations, which revealed similar results in subsequent years, was that ‘the implementation of the tenure review policy ... has been deferred until further notice’.⁵⁶

PARTICIPANT VIEWS

Many participants suggested to the Committee that limiting tenure in public housing would ignore the vulnerability of people who access public housing. Furthermore, such an approach could potentially contribute to cycles of homelessness.

A range of views were presented in opposition to the concept of short tenures. In particular, the lack of alternative options for security of tenure for people on low incomes and in disadvantaged circumstances was highlighted.

Private rental is generally the alternative option for people who would otherwise access public housing. With the current arrangements under the RT Act, the longest tenancy period is usually twelve months, following which there is always the potential that the house might be sold or the tenancy might be ended.

In addition, the Committee heard that the quality of private rental in the more affordable range was often considered poor. For example, the Australian Association of Social Workers (AASW) stated that:

The broader community often don’t have direct knowledge of the private rental housing on offer to very low income households so lack a true understanding of the substandard quality, limited availability and often high expense incurred. Too often some of the sub-standard accommodation available, that many low income renters have to ‘put up with’, masks the true extent of homelessness and desperate need for affordable housing (and demand for public housing) in our society.⁵⁷

In addition to these conditions, the lack of tenure in private rental is a significant issue for many people on low incomes. The Committee heard that there is a need to reconsider the tenure provisions under the RT Act and provide options for greater security of tenure in the private rental market.

The option of home ownership as a means of achieving security of tenure is out of reach for the majority of people who would otherwise seek access to public housing. Shared equity schemes were promoted by some participants.

⁵⁵ HCB, *Response to Request for Additional Data and Information*, Correspondence to FCDC, 29 June 2010.

⁵⁶ HCB, Correspondence to FCDC, 29 June 2010.

⁵⁷ *Submission 41* (AASW), p.6.

Many people seeking to access public housing are often in neither private rental nor their own home. Temporary housing options are the only places that many people can access. These include transitional housing, crisis accommodation, motels, caravan parks and rooming houses. These housing options often do not provide the security of tenure individuals and families seek.

The Committee heard the view that the current transitional housing system already provides a form of housing with short tenure. Yet many participants expressed the view this has not been as effective as hoped.

THE TRANSITIONAL HOUSING SYSTEM

In Victoria, transitional housing was developed as a solution for housing people experiencing homelessness and to provide a gateway to public housing. Transitional housing has been in existence since 1997–98. Tenures in transitional housing vary, but generally the expectation is that people will move on and secure long-term housing within three months.

Crisis and transitional accommodation were broadly considered as positive interim options for people in housing crisis. The aim of transitional housing is to provide housing assistance to individuals and families in housing crisis or at risk of homelessness through the provision of transitional housing, information and referral services, and support where required.

The Committee heard, however, that ‘the concept of transitional housing needs to be reconsidered in the context of a changing public housing system....’⁵⁸ HomeGround Services suggested that ‘increasing management transfers between transitional and public tenancies... [could mean] a person would be able to stay in their home and maintain their community connections and not have to “graduate” from transitional to public housing, often in different communities’.⁵⁹

The Salvation Army Eastcare and Uniting Care Community Options expressed the view that Victoria has led the way with interim housing options, but also suggested that ‘overall the interim responses available to households has and will continue to fail this population’ due to the shortage of supply and the short tenures.⁶⁰

In 1998–99, the *Summary of Housing Assistance Programs* reported on outcomes from a review by an external consultant:

During 1998/99 an external consultant was contracted to conduct an analysis of whether aims and objectives of the program are being met and to identify any inadequacies or gaps in the structure. Improved reporting arrangements

⁵⁸ Submission 70 (HomeGround), p.10.

⁵⁹ Submission 70 (HomeGround), p.10.

⁶⁰ Submission 42 (SAEC & UCCO), p.11.

were developed during the year. These indicate that average length of stay is 20 weeks rather than the 13 weeks estimated in the 1997-98 report.⁶¹

Ten years later, the target for support episodes in transitional housing remains 13 weeks.⁶² This target exists in spite of increasing waiting times for people on the early housing waiting list. Public housing is the general exit from transitional housing. The HCB proposed changes to the waiting list aims to further strengthen this connection.

In light of these pressures on the system, it is not surprising that the Committee heard that many housing providers that operate transitional housing services are struggling to meet the targets associated with their funding.

Participants told the Inquiry, however, that these housing options are increasingly limited in their effectiveness for people in housing stress seeking public housing. For example, Hanover Welfare Services told the Committee:

When transitional housing was first established, the system worked well with individuals able to move into public housing within a reasonably short space of time. As the availability of public housing has decreased relative to demand, the length of time people spend in transitional housing has increased.⁶³

SVDP Aged Care & Community Services supported this view, explaining to the Committee that while transitional housing is:

intended for a three to six month period... [t]he reality is that people usually remain in this form of housing for longer periods, often twelve months, due to the lack of long term housing options, they can relocate to, such as public housing.⁶⁴

Blockages in the transitional and crisis accommodation systems suggest that interim accommodation options provided by the Victorian Government are not achieving what they were initially designed for.

In view of its interim status, residents in transitional housing are subject to a range of conditions regarding their tenancy that are unlike other private rental and public housing tenancies. For example, Hanover Welfare Services informed the Committee of the increased likelihood of eviction for tenants of transitional housing under circumstances tenants in other forms of housing would not experience:

If a client declines an offer of public housing, for whatever reason, they will experience two outcomes. The first is that they will lose their priority listing

⁶¹ HCB, *Summary of Housing Assistance Programs 1998-99*, DHS, 2000, p.29.

⁶² HCB, *Housing and Community Building Policy and Funding Plan 2009 to 2012*, DHS, 2009, p.60.

⁶³ *Submission 93 (Forensicare)*, p.7.

⁶⁴ *Submission 100 (SVDP ACCS)*, p.13.

for public housing and second, they will likely receive an eviction notice from the transitional housing provider.⁶⁵

The Committee heard that the expectations of transitional housing providers vary. Transitional Housing Managers are placed in a difficult situation due to the funding arrangements they are signatory to. Participants explained that transitional housing procedures differ across organisations. Funding agreements require them to meet specific performance targets, and these require a turnover of tenancies. Yet, they also have the conflicting obligation to assist in preventing homelessness.

The disruptive aspect of transitional housing was raised by other participants in the Inquiry. The Committee heard that for people in housing crisis, continual house moves can be detrimental to their efforts to participate in the community. SVDP Aged Care & Community Services suggested to the Committee that in view of the link between transitional housing and the uncertainty and disruption experienced by tenants that:

Where someone is a tenant of transitional housing it is the tenancy management not tenure type which should shift. The ‘pooling’ of transitional and public housing would enable households to stabilise in community, with strong client-centred tenancy management and tenacious support, and have tenancy management transfer to Office of Housing when the issues impacting their capacity to obtain and sustain housing have been addressed, with Office of Housing then providing the next vacant property to the Transitional Housing Manager.⁶⁶

This approach was supported by other participants concerned by the disruption caused by frequent house moves. The Homeless Outreach Psychiatric Service (HOPS) in Geelong suggested that:

There needs to be a smoother process for tenants within Transitionals who are eligible for public housing and waitlisted, who are settled and established within a neighbourhood, and would benefit from staying on in this housing. They could be offered that property in lieu of a future offer. The benefits of this sort of stability once established should be built into the system in some way.⁶⁷

Hanover Welfare Services expressed that it considers the homelessness services system provides a fragmented accommodation ‘journey’ and proposed a similar solution to the Committee:

This involves an individual or family being placed into one property that starts by being designated as a crisis property and, as their support needs change, the property is re-classified as transitional and finally public housing once they have been approved. In this way, provided they are approved for public

⁶⁵ *Submission 92 (Hanover)*, p.14.

⁶⁶ *Submission 100 (SVDP ACCS)*, p.23.

⁶⁷ *Submission 91 (HOPS)*, p.7.

housing, the individual or family do not need to move, with all the economic and social costs that places on them.⁶⁸

In view of the broad support for a review of the way transitional housing operates, the Committee considers there is room for the Victorian Government to give consideration to these views.

EACH Social and Community Health drew the Committee’s attention to a program known as the Transitional Pathways Initiative, which sought to achieve the objectives outlined above. It explained that a:

model was developed for the Transitional Pathways Initiatives, which meant that people who had been transient, homeless or at risk of homelessness could eventually remain in the Transitional property through what was known as a swap. The person signed up with the OoH, general housing stock and the THM received a replacement property.⁶⁹

EACH SCH explained, however, that the program had limited success: ‘unfortunately few swaps were achieved and the subletting of private properties also prevented this opportunity. People have been living in Transitional Housing for a few years causing mass blockages in the system’.⁷⁰

While the reasons for this initiative’s seeming lack of success are unknown, the Committee identified considerable interest in the concept. There is a need, therefore, to further explore the possibilities for individuals and families to continue their public housing tenancy in a transitional property to minimise disruption to their lives.⁷¹ Importantly, however, the Committee believes it is necessary for public housing stock to be transferred to transitional housing managers to ensure there is no loss of housing stock.

RECOMMENDATIONS

10.4 That the Victorian Government revisits the concept for movement between transitional and public housing properties to reduce disruption to tenants and ensure that transitional housing stock is replenished if tenants are to remain permanently in a transitional property.

10.5 That the Victorian Government reviews the Transitional Housing program to determine its effectiveness in the context of extensive waiting times to access public housing and in context of broader changes to social housing provision.

⁶⁸ *Submission 92 (Hanover)*, p.14.

⁶⁹ *Submission 55 (EACH SCH)*, p.10.

⁷⁰ *Submission 55 (EACH SCH)*, p.11.

⁷¹ See: *Submission 74 (Mark Dixon)* for extensive information about a flexible leasing model.

COMMON REGISTER

A key issue under consideration is the need for ‘common waiting lists’ or registers. Through the National Affordable Housing Agreement (NAHA), all states and territories have committed to introducing a system that integrates their waiting lists. Similarly to the variations in approach to existing segmented waiting lists across jurisdictions, different strategies to the common register are already emerging.

WHAT ARE COMMON HOUSING REGISTERS?

There is no single model of the common housing register. Other variations include centralised waiting lists and common assessment frameworks. The central aim of common registers is to provide administrative simplicity and some choice for applicants. Some of the key elements of common registers include a single application form across housing types, a single point of registration and an emphasis on applicants having the opportunity to state their preferences for one or more providers.

Generally with a common register, providers maintain their own waiting lists and continue to undertake their own matching of household and properties according to their own allocation policies and processes.

Importantly, common housing registers are different from a common allocations policy. The system is broken into four components:

- ▶ registration – getting information, making an application
- ▶ assessment
- ▶ waiting list management
- ▶ offers of accommodation.

Generally, models of common housing registers only address the first component. That is, they include two aspects:

- ▶ common application form
- ▶ receipt and registration of applications on a common database.

Source: Hulse & Burke (2005) *Changing role of allocations systems*, p.63.

Various views were expressed to the Committee about common housing registers, some in support and others with reservations. These views varied depending on the model of ‘common housing register’ being discussed and how relevant it was considered to the Victorian context.

Wintringham, for example, considered that ‘a centrally administered waiting list with the power to refer clients to Housing Associations seems inevitable’.⁷² The TUV advised the Committee that:

The separate waiting lists for public and community housing remains problematic. The TUV is concerned the remains a considerable lack of awareness and knowledge among applicants of the community housing and the distinction between community and public housing in terms of management and rent levels/model.

We recommend a single entry point and waiting list as a preferable system.⁷³

Wesley Mission Victoria (WMV) similarly supported the creation of a ‘common waiting list’.⁷⁴

Despite a degree of support for a common register, or a sense of its inevitability, some participants expressed reservations. Most of those who had reservations were community housing organisations (CHOs) or housing associations. They were particularly concerned about maintaining a degree of control over their allocations for financial reasons and to maintain their speciality.

From the perspective of a housing association, Wintringham stated that while considering the introduction of a common waiting list, ‘the issue is to ensure that its advent does not diminish our ability to place and support the elderly homeless in an appropriate manner’.⁷⁵ SVDP Aged Care & Community Services also emphasised the point about having discretion over who it allocates housing to, noting that:

In order to talk about one common waiting list, that may work if we could guarantee that the people who we are seeing would have access to that housing.⁷⁶

SVDP Aged Care & Community Services explained that ‘our entire focus for becoming a housing association was, if you like, to accommodate what is a sort of niche market of homeless single people’.⁷⁷

In addition to specialising in housing support to particular groups, housing associations expressed the importance of flexibility in successfully meeting their financial obligations. The income received from rent is critical to the capacity of housing associations to meet debt obligations acquired through leveraging. The Community Housing Federation of Victoria (CHFV) explained to the Committee that ‘removing the discretion CHOs have over their tenant selection has financial implications’.⁷⁸

⁷² Submission 46 (Wintringham), p.4.

⁷³ Submission 98 (TUV), p.21.

⁷⁴ Submission 86 (WMV), p.2.

⁷⁵ Submission 46 (Wintringham), p.4.

⁷⁶ Transcript of Evidence 13 (SVDP ACCS), p.5.

⁷⁷ Transcript of Evidence 13 (SVDP ACCS), p.5.

⁷⁸ Submission 99 (CHFV), p.3.

The Committee noted that at a national level, there has been an agreement to integrate public and community housing waiting lists as part of the NAHA. The Executive Director of HCB, Ms Margaret Crawford, highlighted the opportunities and the challenges that this creates for Victoria:

In terms of the common waitlist, that is a requirement under the Commonwealth reforms that were associated with the COAG agreement on NAHA — the National Affordable Housing Agreement. It sort of sounds easy to have a common waitlist, but I do not think it is going to be. Really it is not so much potentially one list, it is more about having an agreement about common assessment processes — how to prioritise the best sort of policy outcomes that we hope to achieve to build diverse communities et cetera. That work we are just kicking off now, and it is an exciting opportunity.⁷⁹

HCB also informed the Committee that it has recently started to work with community-managed social housing providers to create a Common Housing Register. The objective of this approach is to create a single application form in a social housing system where there are 40 registered community housing providers, each with their own application forms and procedures.

Research has indicated that there are issues associated with the development of common housing registers. Hulse, Phillips and Burke identified three broad issues and remaining questions about common housing registers

- ▶ do they lead to pressure for common allocation policies that undermine the independence of non-government social housing providers?
- ▶ do they have the potential to exclude households from all social housing in an area due to their previous tenancy history?
- ▶ do they enable access to social housing for the most vulnerable households, including homeless people?⁸⁰

In an earlier research project, Hulse and Burke noted that there is ‘concern that, without other changes, common housing registers in themselves may be a rather limited reform. The applications/allocation process may be simpler and more seamless for households but may still seem to be, from an applicant’s perspective, a “secretive” bureaucratic process in which they are offered little effective choice or control over their housing’.⁸¹ The next section outlines the Victorian Government’s considerations relating to the development of a ‘choice-based’ letting scheme, which has greater focus on offering choice to tenants.

While noting that there has been very little evaluation of common housing registers, researchers identified some key elements for success in developing a register system. In particular, these elements relate to the nature of the

⁷⁹ *Transcript of Evidence 34* (HCB), p.9.

⁸⁰ K Hulse, ‘Improving access to social housing’, AHURI, 2007, pp.46-47.

⁸¹ K Hulse et al., ‘The changing role of allocations systems in social housing’, AHURI, 2005, p.72.

partnership between participants. Additionally, the context in which the negotiations are conducted are critical. They include:

- ▶ voluntary or mandatory participation
- ▶ opportunity to evolve the model to suit local conditions
- ▶ willingness to negotiate practicalities – such as sharing costs in developing and managing the register
- ▶ agreement on issues relating to privacy and confidentiality
- ▶ agreement on the management and governance arrangements for the list.⁸²

In view of the mixed findings relating to common housing registers or common waiting lists, the Committee considered that there is further scoping to be achieved by the Victorian Government before implementing any related strategy. In particular, this scoping would need to involve further clarification of the future role of public housing and housing associations in the delivery of social housing.

The Committee also determined that it is critical that the Victorian Government considers:

- ▶ the model of the common housing register that Victoria would introduce
- ▶ the expected benefits of a common housing register
- ▶ the costs associated with a common housing register.

Based on information provided to the Committee, it understands that these considerations are in progress. HCB is currently engaged in negotiations with the community housing sector and has indicated it would pursue a staged implementation. Firstly, HCB will identify the most suitable model. Secondly, it will design the most appropriate model. Finally, it will implement and transition to the new system.⁸³

The Committee notes that the Victorian Government's current consideration of a single application system is focused on retaining 'the best features of the current diversity amongst providers of affordable housing' with the simultaneous 'aim to streamline the process to make it easier for clients'.⁸⁴

The Committee supports the approach under consideration by the Victorian Government. It noted that there is no clarity regarding how the new single application system will intersect with the proposed changes being considered for the existing segmented waiting list. In view of the concerns expressed by housing associations, the Committee considers there is a need to ensure any proposed model is supported by housing associations and is well tested prior to implementation.

⁸² K Hulse et al., 'The changing role of allocations systems in social housing', AHURI, 2005, p.70.

⁸³ HCB, Correspondence to FCDC, 29 June 2010.

⁸⁴ HCB, Correspondence to FCDC, 29 June 2010.

CHOICE-BASED LETTING

As outlined in Chapter 9, a key issue for many applicants – the current system of public housing in Victoria – is the lack of choice and flexibility. The Committee identified that lack of choice in the matching of households to properties potentially leads to greater numbers of inappropriate allocations and higher levels of transfer activity.

To address some of these issues relating to lack of choice in accessing public housing, a further reform under consideration is ‘choice-based letting’.

WHAT IS CHOICE-BASED LETTING?

Similarly to common housing registers, there is no single model of choice-based letting. Generally they involve the advertisement of individual social housing vacancies enabling applicants to bid or express an interest in a property.

Advertised properties can be targeted to specific groups, for example, indicating that they are only available to older people or people with a disability.

The expressions of interest are then ranked and an offer made to the highest ranking bidder. This ranking process is based on the prioritisation policies of the providers.

Seven principles have been identified for effective choice-based lettings:

- ▶ the applicant should take the initiative in securing their housing (eg. in responding to advertisements)
- ▶ information should be supplied on the social housing market
- ▶ good information should be available on individual properties and their neighbourhoods
- ▶ schemes require labelling of advertisements to indicate property matching
- ▶ needs of vulnerable households, including homeless households, must be protected
- ▶ communications must be high quality and varied (eg. paper based advertising and web-based systems)
- ▶ good information, advice and support should be an integral part of the scheme (eg. about the operation of the scheme).

Choice-based letting has been developed in the Netherlands and in the England, where in 2005 social housing represented 35 per cent and 20 per cent of all housing retrospectively. In Victoria, in 2009 social housing represented only 3.8 per cent of all housing.

The level of available social housing has implications for the effectiveness of choice-based lettings schemes as a reform to allocation systems.

Source: Hulse, Phillips, Burke (2007) *Improving access to social housing*, p.38

A number of participants suggested to the Committee that choice-based letting is a possible future direction for improving the matching of households to individual properties. The Committee heard general support for the exploration of a system of choice-based letting.⁸⁵

In particular, support for a system of choice-based letting related to the potential benefits for prospective and existing tenants of both public housing and community housing. The Brotherhood of St Laurence, for example, explained that:

Choice-based letting systems offer some considerable advantages over the current needs-based allocation system... In choice-based lettings the customer is aware of all of the available properties for which they are eligible and is able to make their own choice from among the available vacant properties.⁸⁶

The Victorian Council of Social Services (VCOSS) similarly highlighted the greater choice available to tenants through a system of choice-based letting. It suggested that such a system ‘has increased tenant satisfaction, it has reduced tenancy turnover and it has also made improvements in tenancy turnaround time, so they are vacant for less time’.⁸⁷

Research findings support the positive comments made by participants recommending further exploration of a system of choice-based letting. In 2007, Hulse, Phillips and Burke examined a range of evaluations of systems of choice-based letting. They found the following:

Unlike common housing registers, a number of objectives of choice-based lettings have been articulated which can be summarised as: improved choice and satisfaction for households...; greater efficiency and effectiveness for providers...; and improvements to planning for, and investment in, social housing.⁸⁸

The evaluations have identified that choice-based lettings work well in areas of high and low demand, have not led to a loss of control over allocations for providers and give households a sense of greater control. The main negative finding is that vulnerable households can be excluded from housing options. The Committee had concerns that some individuals and families with specific

⁸⁵ For example, see: *Transcript of Evidence 1* (AHURI); *Transcript of Evidence 8* (BSL); *Transcript of Evidence 17* (VCOSS); *Transcript of Evidence 29* (CHFV); *Transcript of Evidence 30* (Prof. Terry Burke); *Transcript of Evidence 31* (TUV); *Transcript of Evidence 37* (LMHS) & *Submission 26* (WHL); *Submission 49* (PPASHIN); *Submission 78* (BSL); *Submission 87* (VCOSS); *Submission 90* (Prof. Terry Burke); *Submission 98* (TUV).

⁸⁶ *Transcript of Evidence 8* (BSL), p.4.

⁸⁷ *Transcript of Evidence 17* (VCOSS), p.4.

⁸⁸ K Hulse, ‘Improving access to social housing’, AHURI, 2007, pp.47-48.

support needs might be disadvantaged by a system of choice-based letting in Victoria.

In regard to some of the challenges, the researchers noted that ‘the biggest barriers to successful implementation are inability to embrace a cultural change which views households as consumers and active bidders rather than passive welfare recipients, and the procurement and implementation of quite complex hardware and software systems’.⁸⁹

The researchers identified that the key to successfully implementing a choice-based letting system includes a ‘need for clear objectives and targets, benchmarking data prior to implementation, and adequate information systems to enable regular monitoring and evaluation against objectives and targets’.⁹⁰

The Committee was advised by the Victorian Government that it has committed to trialling a choice-based letting system. It explained that the planning for the trial is in its early stages and that it will target one region during 2010–11. This is part of a broader commitment outlined in the *Victorian Integrated Housing Strategy* to improve tenant participation and choice.

The Committee recognises that issues relating to policy transfer need to be considered when adopting models that have been developed and used in other countries. As noted above, both the Netherlands and England have pursued choice-based lettings as a strategy for creating greater choice for prospective and existing tenants of social housing. Both countries, however, have a significantly greater percentage of social housing stock than Victoria possesses. Secondly, England has a long history of housing allocations being developed and implemented at a local level, whereas in Australia, governments have adopted a more centralised approach to allocations.

RECOMMENDATION

10.6 That the Victorian Government’s choice-based letting pilot considers the support needs of people requiring assistance to navigate such a system.

LOCAL AREA ALLOCATIONS

In his submission to the Committee, Professor Terry Burke suggested that the model of ‘local area allocations’ has potential for improving outcomes and efficiencies in allocation.⁹¹ This approach recognises and accounts for the reality of local housing markets and conditions. It acknowledges that a one (statewide) size approach will not always be the best fit for everyone.

⁸⁹ K Hulse, ‘Improving access to social housing’, AHURI, 2007, p.2.

⁹⁰ K Hulse, ‘Improving access to social housing’, AHURI, 2007, p.47.

⁹¹ *Submission 90* (Prof. Terry Burke), pp.3-4.

WHAT IS LOCAL ALLOCATION?

Key elements

A hybrid model that combines elements of both household choice and neighbourhood stability/sustainability.

Common objectives

- ▶ promotion of balanced communities
- ▶ promotion of sustainable tenancies
- ▶ responding to low demand
- ▶ promotion of tenant satisfaction
- ▶ exclusion of potentially disruptive tenants.

Process

- ▶ identify aims of local allocation policy
- ▶ identify areas to which they apply
- ▶ consultation with local communities
- ▶ setting of allocation targets that can be monitored
- ▶ process takes place in context of overall planning of allocations
- ▶ have to meet legislative and equal opportunity requirements.

Source: Hulse, Phillips, Burke (2007) *Improving access to social housing*

Research into allocation systems indicates that many public housing workers support more local control over allocations.⁹² In its submission Frankston City Council also indicated its support for a place-based approach. It suggested that ‘meaningful explicit local allocation systems, sensitive to the differences in local housing markets and conditions would allow for a more sustainable mix of tenancies’.⁹³

It is argued that by giving local areas some discretion in allocation practices they can pursue objectives specific to the profile of their area. Such an approach might, for example, favour a tenant mix high in those with employment prospects if employment was locally available, or avoid placing such tenants in the area if the opposite was the case. Similarly, in cases where social disengagement is an issue, local area management could favour a tenant mix of those with existing social and family supports in the area. It should be noted that such a local approach can be found within the community housing sector.⁹⁴

⁹² DK Hulse & Prof. Terry Burke, ‘Social housing allocation systems - how can they be improved?’, *Research & Policy Bulletin*, Issue 64, AHURI, September 2005, p.3.

⁹³ *Submission 94* (Frankston City Council - Community Development), p.1.

⁹⁴ K Hulse et al., ‘The changing role of allocations systems in social housing’, AHURI, 2005, p.4.

Professor Burke stressed this approach should not be a replacement for the current system. For example, two-thirds of stock could remain within the statewide segmented allocation system, with one-third being made available to fit the local housing market.⁹⁵ The increased flexibility would potentially improve the fit between tenant and stock to produce more successful tenancy outcomes.

The Committee noted that the Victorian Government is currently piloting local allocation schemes in Fitzroy and in Mildura.

VICTORIAN PILOT OF LOCAL ALLOCATIONS POLICIES

In Victoria, which has had a highly targeted system for longer than any other Australian jurisdiction, there is recognition that this can create pressures on specific locations and that modification is required for better client and estate outcomes. This has resulted in the development of two pilot sites to implement what are probably the most detailed and comprehensive local allocations plans proposed in Australia. The first site is in the Mildura area, which is comprised of the suburbs of Irymple, Merbein, Mildura, Mildura South and Red Cliffs. All public rental properties in the area are included in the pilot.

The second pilot site is the Inner Metropolitan East area, which is distinct from the first pilot as the plan is relevant only to properties on specific estates. The Collingwood, Fitzroy and Richmond high-rise and surrounding walk-up estates form the plan area, with the first two being neighbourhood renewal areas. Other properties in these suburbs, and the other suburbs that form the broader Inner Metropolitan East area, are excluded from the plan area and as such normal allocations policy applies.

Both plans still operate within the overall Victorian framework, which is a priority system with four predominate segments, but with more local flexibility to encourage sustainable tenancies. The focus of the plans is to guide allocation decisions in the plan areas in order to achieve a particular set of outcomes, based around encouraging a compatible mix of tenants, reducing concentrations of disadvantage, and producing positive outcomes for clients and the provider.

Source: Hulse, Phillips, Burke (2007) *Improving access to social housing*

⁹⁵ Submission 90 (Prof. Terry Burke), p.4.

SUSTAINING TENANCIES

CHAPTER 11

RENT COLLECTION & RECOVERY

FINDINGS

Rent collection

- ▶ That rental rebates are critical to rental affordability for Victorians in public housing.
- ▶ That the process for calculating rental rebates is complex and often confusing for tenants in public housing.
- ▶ That rental revenue is the primary income for expenditure on public housing programs.
- ▶ That the proportion of rental income to annual expenditure has declined over time.
- ▶ That long-term projections for rental revenue indicate a continued reduction in revenue.

Outstanding rent

- ▶ That increased allocations to tenants who need to prove their history of homelessness and/or tenancy failure will potentially contribute to greater debt from rental arrears.
- ▶ That recovery of rental arrears is a major focus of regional housing offices in Victoria due to the importance placed on rental income for the management of public housing programs.

Local recovery of outstanding rent

- ▶ That early intervention to resolve rental arrears cases is important in avoiding escalation and legal intervention.
- ▶ That improvement in rental arrears procedures and their implementation will potentially lead to greater rental recovery for the Victorian Government.

Legal interventions

- ▶ That VCAT conducts a disproportionate number of RT Act hearings for public housing tenants.
- ▶ That attendance at VCAT RT Act hearings by tenants is poor.
- ▶ That Orders for Possession (of dwellings) constitute the majority of VCAT's workload with public housing tenants.
- ▶ That a very small number of police-assisted evictions occur from public housing dwellings annually.

Alternative Rent Payment Model

- ▶ That the present rebated rent model does not encourage tenants to pursue employment opportunities.
- ▶ That economic participation of public tenants could be improved by considering alternative rental models.

The Committee identified a policy tension between the Victorian Government's commitment to preventing homelessness through sustainable tenancies and its need to improve the financial viability of public housing.

Participants in the Inquiry expressed views about the challenges for some individuals and families to sustain their tenancy in public housing due to their history of failed tenancies and the need for extensive support to build their capacity to sustain their housing. In this context, the Victorian Government's policies relating to rental arrears and evictions were questioned by some participants in the Inquiry.

At the same time, however, the Committee identified the current importance of rental revenue in funding the management of public housing, including support to people when their tenancy is at risk and to assist people at risk of, or experiencing, homelessness.

This chapter considers the issue of sustaining tenancies, preventing homelessness and the role of rental revenue in the financial viability of public housing.

SUSTAINING TENANCIES

Throughout the report, the Committee has highlighted its awareness of the Victorian Government's commitment to prevent homelessness, and support social inclusion.

A central strategy in this is to sustain tenancies. In a project on high risk tenancies, the Victorian Government acknowledged that:

Instability of a public housing tenancy and/or tenancy failure is costly to tenant families, individuals, local communities and the housing and broader service sectors.

Housing instability works against people organising their lives, dealing with their problems and developing/consolidating the independent living skills required to manage a tenancy. Above all, unstable housing deleteriously affects the growth, development and social adjustment of children. In sum, stable housing is fundamental to the development and healthy growth of human beings and communities in most modern societies.¹

Sustainable and stable housing is critical to minimising tenancy failure. The current understanding of 'sustainable housing' is 'housing that is affordable, offers secure tenure, and is appropriate for the client given their needs and history, such as support for sustaining housing'.²

¹ HCB, *Final report - Support for High-Risk Tenancies Strategic Project*, Portfolio Services and Strategic Projects Division, DHS, 2006, p.19.

² HCB, *Homelessness 2020 strategy: A discussion paper*, 2009, p.20.

In a context in which the Victorian Government allocates the majority of its public housing to people who have experienced homelessness and/or tenancy failure, the focus on sustaining tenancies is increasingly important. As noted, turnover of tenancies is also costly for tenants and the government.

The importance of support programs to assist in sustaining tenancies is discussed in Chapter 12.

FINANCIAL VIABILITY OF PUBLIC HOUSING

For historical reasons, the main source of income for managing public housing programs is from rental revenue. In 2005–06, a research report outlined that in Victoria, ‘real rents constituted 97 per cent or more of annual operating incomes throughout the decade’ from 1990–91 to 2000–01.³

For the Victorian Government, high levels of rental arrears and tenancy turnover can contribute to a loss of income. Furthermore, these are two of a number of measures used by the Productivity Commission to compare the performance of states and territories in Australia on their efficiency in the provision of public housing – that is ‘turnaround time’, ‘occupancy rates’, ‘rent collection rate’ and ‘net recurrent cost per dwelling’.

The Victorian Government has therefore taken three approaches to increasing its rental revenue:

- ▶ collecting rent by increasing the percentage of income paid in rent by public tenants over a 15-year period
- ▶ reducing turnover and associated costs by sustaining tenancies through programs such as the Social Housing Advocacy and Support Program (SHASP)
- ▶ recovering outstanding debt through a comprehensive rental arrears policy.

Rental rebates have increased substantially over the past 15 years. In 1995, tenants in public housing eligible for rental concessions paid 10 per cent of income in rent. By 2003, this had increased to 25 per cent of tenants’ incomes for all public housing tenants. This is not a source of income that can continue to offset operating deficits.

In research into operating deficits and public housing, Dr Jon Hall and Professor Mike Berry explain that ‘if the affordability benchmark of 25 per cent of assessable income in rent is maintained, changes to rent charging will not be an available tool to relieve growing deficits’.⁴

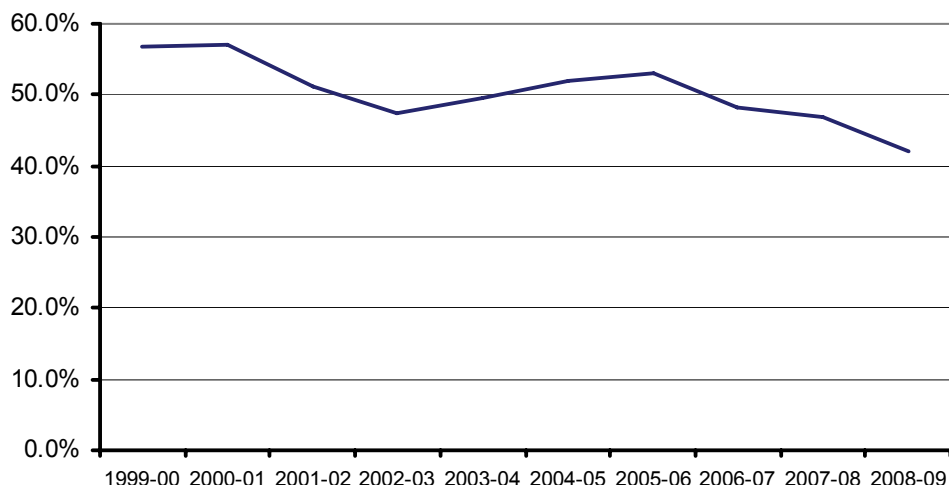
In 2007, the researchers Dr Hall and Professor Berry estimated that the cost to Victoria of this shift was approximately \$32 million per annum in lost rental

³ Dr Jon Hall & Prof. Mike Berry, ‘Operating deficits and public housing: policy options for reversing the trend: 2005/06 update’, *Final Report*, No. 106, AHURI, October 2007, p.75.

⁴ Dr J Hall et al., ‘Operating deficits and public housing’, AHURI, 2007, p.9.

revenue when compared with approximate revenue figures in 1990.⁵ Figure 11.1 outlines the gradual reduction in rental receipts as a percentage of annual expenditure, based on figures provided in the annual *Summary of Housing Assistance Programs*.

Figure 11.1: Rental Receipts (Income) as a percentage of Annual Expenditure – 1999-00 to 2008-09



Source: HCB, Summary of Housing Assistance Programs 1999-00 to 2008-09.

Dr Hall and Professor Berry further commented, however, that ‘revenues have not fallen as far as they might have, as state housing authorities have increased rents, and reduced arrears and vacancies from 2002/03’.⁶ The Committee found that the Victorian Government has emphasised the importance of a strong debt management policy. It states that:

Failure to recover rent impacts on the Department’s housing services and consequently the ability of the Department to assist Victorians with their housing needs.⁷

For people living in public housing, these approaches have both benefits and challenges. The Committee found that broadly the policies and procedures relating to rental recovery are sound. The variability in the implementation of these processes by local housing offices, however, was notable and in need of improvement.

In view of the increased targeting of allocations to individuals and families with histories of homelessness and tenancy failures, the Committee considers that the Victorian Government needs to have a clear strategy regarding its projections for future debt levels and its proposed approach to responding to these in the context of the ongoing financial viability of public housing.

⁵ Dr Jon Hall & Prof. Mike Berry, ‘The financial impact of welfare targeting in public housing’, *Research & Policy Bulletin*, Issue 89, AHURI, November 2007, p.1.

⁶ Dr J Hall et al., ‘The financial impact of welfare targeting in public housing’, AHURI, 2007, p.1.

⁷ HCB, *Debt Management Manual, Rental Arrears Policy and Procedures*, DHS, 2006, p.1-6.

The CEO of the Advocacy Rights Centre (ARC) in Bendigo, Mr Alex Mactier, expressed views relating to the need to source funds separately from rental revenue. In particular, he identified a strategy that:

Will not cost any money but might change the philosophy of public housing...

[Currently] we say, 'Here's the revenue and this is what you can spend. The revenue is what you earn and Treasury has said you can spend only what you earn.

If we broke the nexus — and it is a challenge, because Treasury would have to do it — between revenue and expenditure, even if the expenditure was the same amount as it is now, over a period of time you may change the culture on what public housing is about...⁸

There is clearly an issue for the Victorian Government in its provision of housing services to public housing tenants in the greatest housing need while also relying on revenue generated from these individuals and families on very low incomes, who at times experience financial hardship and inability to meet their rental commitments.

Mr Mactier advised that adopting a philosophical change to decouple source from supply may be the key for the Victorian Government to concentrate on how it can best provide public housing services to the community.

The public housing strategy needs to reflect that the individual/family needs should be the focus of the strategy, not Housing Stock, Service Hours, or Program provision. This is challenging, however, if the achieved change of focus is attained then better outcomes for the individual must be realized.⁹

RENT COLLECTION

The collection of rent is a significant component of the management of public housing. To be affordable for a majority of the tenants in public housing, rent is charged at an amount less than the market rent of a property. The Housing and Community Building (HCB) Division *Rental Rebate Manual* draws attention to the importance of rental income as revenue and the tension that creates for the Victorian Government's commitment to supporting people on low incomes in housing need:

The rebate policy must balance the provision of equitable and affordable rents to tenants while ensuring that sufficient rent revenue is received by the Department to cover costs not met by grant funding through the CSHA.¹⁰

⁸ *Transcript of Evidence 36* (ARC), pp.2-3.

⁹ *Submission 66* (ARC), p.6.

¹⁰ HCB, *Rental Rebate Policy & Procedures Manual*, 2009 (Introduction), p.xx.

Acknowledging that rent is the main source of revenue, the Executive Director of HCB, Ms Margaret Crawford, explained to the Committee that ‘we spend a lot of time doing income-confirmation activities and the like’.¹¹

CALCULATING RENT – RENTAL REBATES

The majority of public housing tenants are charged rent that is proportional to their income. It is calculated to equal 25 per cent of the total household income and is reviewed biannually. This is known as rebated rent. Between the reviews, the rent stays at a fixed amount for two periods of 26 weeks.

In 2008–09, a total of \$320 million was collected from Victoria’s public housing tenants from a total of \$325 million rent charged. At 98.5 per cent, Victoria’s public housing rental collection ratio was lower than other states and territories, but not much less than the national average of 99.8 per cent.¹² It was unable to be determined if this may be associated with Victoria’s high proportion of priority allocations of public housing with people experiencing homelessness and other urgent issues, in comparison to other jurisdictions.

In view of the significance of rebates in their effect on rental revenue, the Victorian Government has regularly reviewed the percentage of income that a tenant in public housing is expected to pay in rent. Research has revealed the increasing importance of rental revenue, noting that ‘real average rental rebates per dwelling have actually increased significantly from \$2,434 in 1990/91 to \$3,320 in 2000/01. Conversely, net grants applied to public housing have decreased rapidly, from just over \$1,000 to negative -\$47 per annum’.¹³ These trends have broadly continued.

CHANGES TO RENTAL REBATES

The following increases to rental rebates for assessable incomes were made between 1995 and 2007:

October 1995	from 10 to 15 per cent
October 1996	from 15 to 20 per cent
November 1997	from 20 to 25 per cent (for new tenants only)
April 1998	from 20 to 23 per cent (existing tenants)
August 2003	from 23 to 25 per cent (all tenants)

Source: Hall & Berry (2007) *Operating deficits and public housing*, pp.82-83.

Rental rebates cover the difference between the market rent and 25 per cent of the income of the household. Once a household income increases and market rent is less than 25 per cent, households are charged at market rent.

¹¹ *Transcript of Evidence 34* (HCB), p.18.

¹² Australian Institute of Health and Welfare (AIHW), *Public rental housing 2008-09, Housing Assistance Data Development Series*, AIHW, 2010, p.22.

¹³ Dr J Hall et al., ‘Operating deficits and public housing’, AHURI, 2007, p.81.

When market rent is more than 25 per cent of household income a rebate on the rent reduces it to that level.

Example of the rental rebate calculation

The following considerations are made for a single parent with one child receiving a single parent pension also an income from casual work of \$60 per week.

A	B	C	D	E	F	G
Family income per week	Assessed market rent per week	25% of A	Rental rebate (Difference between B and C)	Actual Rent paid	Disposable income left	Disposable income if no rebate (private market outcome)
\$344.90	\$220.00	\$86.25	\$133.75	\$86.25	\$258.65	\$124.90

While not seeking change, Justice Bell observed that the present rebated rental system is complex and can present practical problems for the Victorian Civil and Administrative Tribunal (VCAT):

... it is quite difficult to work out what is the rebated rent and what is not. Often it is unclear because of the rapidity with which a family's circumstances may change.¹⁴

The tenant, housing service officer (HSO) and the Presiding Member at VCAT often have to unwind a complicated situation regarding the correct rental amount applicable to the tenant to resolve a repayment agreement.

The Committee notes that the Victorian Government has made some efforts to simply the rental rebate system. For example, in 2008 it introduced a system of 'fixed rent' periods for rental rebates. The 'fixed rent' policy moved away from a process of continual assessment of rental rebates which often contributed to rental arrears due to confusion about the information required by HCB for calculating rents.

All households that are entitled to a rebated rent have their rents unchanged for up to 26 weeks during the Fixed Rent period. Scheduled fixed rent reviews occur in June and December unless an earlier rebated rent review is undertaken. Any increase in tenants' incomes between the fixed rent effective dates (FRED) does not affect the rental charge until the next scheduled FRED except in certain circumstances outlined in the manual.

The Fixed rent policy is aimed at simplifying the OOH's rent calculation process, and enables tenants to seek employment opportunities without having to consider an immediate rent increase.¹⁵

¹⁴ Transcript of Evidence 3 (VCAT), p.4.

¹⁵ HCB, *Rental Rebate Policy & Procedures Manual*, 2009 (Introduction), p.xx.

The Committee recognises the efforts made to simplify the processes for rental rebates that can contribute to rental arrears. Despite these improvements, however, it also heard that the system remains complex, with ongoing uncertainty about the types of income used to calculate the rebate amount.

RECOMMENDATION

11.1 That the Victorian Government explore strategies to reduce the complexity of calculating rental rebates and reports publicly on its findings.

ALTERNATIVE RENT PAYMENT MODEL

A number of Inquiry participants suggested that the current method of calculating rebated rental can reduce employment incentives.

Hanover Welfare Services spoke strongly about the perverse incentives built into the present public housing rental charge system:

For many, the costs of working outweigh the benefits. The combined impact of the federal tax and income support systems and state and territory rent policies can present major barriers and disincentives to workforce participation for public housing tenants. The combined effect of reduced or total loss of pensions and benefits, increased tax payments and increases in public housing rent, reduces any financial gains from employment.¹⁶

It drew attention to a 2005 Australian Housing and Urban Research Institute (AHURI) report *Housing assistance and workforce participation* which proved that the average extra costs of working for an (unemployed) public housing tenant (increased rent, loss of concessionary benefits, transport to work) balanced that of the fresh income earned from being employed.

Hanover Welfare Services supported the proposals outlined in the report, recommending to the Committee that a review of the current approach to charging rent be undertaken to improve employment incentives.

The Brotherhood of St Laurence (BSL) explained that one of their key concerns with the provision of public housing is ‘the effective exclusion of working age people from economic participation’. BSL reports:

Public housing tenants have very low rates of economic participation. Since the early 1980s there has been a steady decline in the employment opportunities for public tenants (Wood, Ong and Dockery 2009).¹⁷

BSL resonates with Hanover’s critique, observing:

¹⁶ Submission 92 (Hanover), p.12.

¹⁷ Submission 78 (BSL), p.22.

The combined effect (stacking) of increased rent with loss of benefits and concessions withdrawn at the same time can result in no financial gain from taking up paid work. Public housing renters are generally well aware of how a new job will affect their rent and income support (as indicated by our case studies). Their calculations often indicate that they would be better off unwaged or in short term casual work which provides some additional income without affecting their rent, particularly where 'rent holidays' exist (Dockery et al 2008b).¹⁸

BSL highlighted how the recently introduced 'fixed rent' policy with biannual reviews of household income can create a 'rent holiday' or a window in which casual or short-term work can be more attractive. In this period tenants can profit from extra income without it being diminished by an increased rent.

BSL is critical, however, that this system does not reward those who make an effort to seek steady or full-time work. It summarises why it believes this needs to be addressed:

The benefits of paid work, particularly for members of the community at risk of social exclusion are well known. In addition, increasing the financial independence of public tenants leads to exits from public housing (Dockery et al 2008a). Encouragement of economic participation of tenants through the removal of structural disincentives is likely to deliver positive outcomes for tenants as well as increase the turnover of public housing, thereby easing the pressure on waiting lists.¹⁹

Hanover and BSL are two large, statewide organisations with front-line experience in supporting disadvantaged and low-income Victorians. Both provide compelling evidence that a reformed rental charge model is required for public housing tenants seeking to improve their employment opportunities. The Committee heard that reviewing the rental model to provide flexibility for specific individuals and families receptive to such incentives could have broader implications for reducing disadvantage, stigma and tenancy turnover.

Registered housing association, Loddon Mallee Housing Service (LMHS) supported opportunities for increasing incentives through alternative rent models. It operates a unique rental charge model specifically engineered to provide incentive for tenants to work:

What we want to do is create opportunities for people. We want to create a rent model so that if people's circumstances increase, their rent actually goes down in percentage terms, which removes the perverse disincentive that public housing has built into its rent model where people's income goes up, their rent goes up and there is a withdrawal from benefits.²⁰

¹⁸ Submission 78 (BSL), pp.22-23.

¹⁹ Submission 78 (BSL), p.23.

²⁰ Transcript of Evidence 37 (LMHS), p.7.

Specifically:

We house three cohorts of people. ... A third of our clients who are on minimum statutory incomes — many of them with high needs, and some of them are from our homelessness portfolios — get 30 per cent off market rent. The upper third of our tenant cohort are people who are genuinely low-income workers and are struggling in the private market, and they pay market rent less 10 per cent. The middle third, roughly, are people who might be part statutory income and part wage, and they pay market rent less 20 per cent.²¹

By shifting the emphasis from rent proportional to income, to rent proportional to property values, LMHS provides a mechanism where residents are encouraged to work as they can benefit from the rewards. When a tenant's income increases through work, they profit from this, creating a pathway for them to save and improve their circumstances.

The CEO of LMHS, Mr Marchingo, reported that through this system, if a tenant reaches a point where they are no longer eligible for a discounted rent, they will be in a position where they have greater opportunity to purchase their own home.

The key to this model is that rent is 'pegged' or has a stronger connection to the market rate of the dwelling rather than the tenant's income. This model places the tenant in a situation more closely aligned to that experienced in the private market. It is a design that has merit, especially for public housing tenants who are able to work, as a way to ease residents into the private rental and purchasing markets.

In summary, there is strong, existing evidence to confirm that the present rebated rent model does not encourage steady, on-going work. It has also been identified that the economic participation of working-age public housing tenants needs to be improved.

RECOMMENDATION

11.2 That the Victorian Government explore alternate rent models to maximise employment incentives for public housing tenants and reports publicly on its findings.

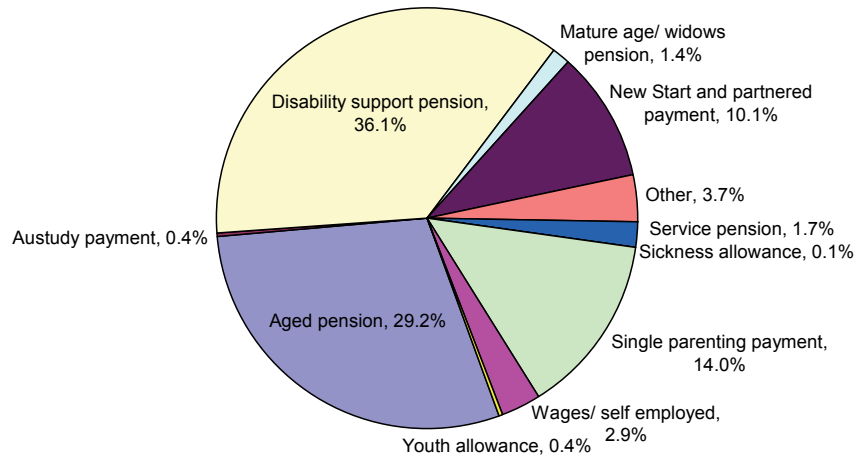
PROFILE OF TENANTS RECEIVING RENTAL REBATES

In 2009, nearly all rebated public housing households were reliant on Centrelink benefits as their main source of income. Of these, the majority of tenants were in receipt of an aged pension, a disability support pension or a supporting parent's benefit.

²¹ *Transcript of Evidence 37 (LMHS), p.7.*

Only three per cent of those on rebated rents were reliant primarily on wages or self-employment for income. Their need for a rebate potentially relates to underemployment, low wages, and/or the effect of market rent rises in their housing.

Figure 11.2: Rental Rebate Statistics 30 June 2009



Source: Summary of Housing Assistance Programs 2008-09 p.14

At 30 June 2009, the amount of households receiving rebated rents was 48,956, or 80.3 per cent of the total households in the Rental General Housing Program. The amount of households receiving rebated rents has been declining since 2005.

Table 11.1: Rental General Housing Program percentage of tenants on rebates 1997-8 to 2008-09

1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-06	2005-06	2006-07	2007-08	2008-09
86.7	87.4	88.6	88.7	89.3	88.9	87.6	87.9	86.3	82.7	84.3	80.3

Source: Summary of Housing Assistance Programs 1998-99 to 2008-09

Table 11.1 demonstrates, therefore, that in 2008-09 19.7 per cent of all public housing households received no rental rebate.

RENTAL ARREARS

As noted, HCB emphasises the importance of rent collection and related activities. Equally important, therefore is the recovery of outstanding rent:

Rent is the main source of revenue for the Office of Housing (OOH) within the Department of Human Services (DHS). Failure to recover rent impacts on the Department’s housing services and consequently the ability of the Department to assist Victorians with their housing needs.²²

²² HCB, *Debt Management Manual: Rental Arrears Policy and Procedures*, 2006, pp.1-6.

In view of the importance of rent as revenue, the Victorian Government has an extensive debt management and rental arrears policy. The goal of this policy is to balance the recovery of outstanding rent with the need to provide opportunities to repay any outstanding debts with minimal impact.

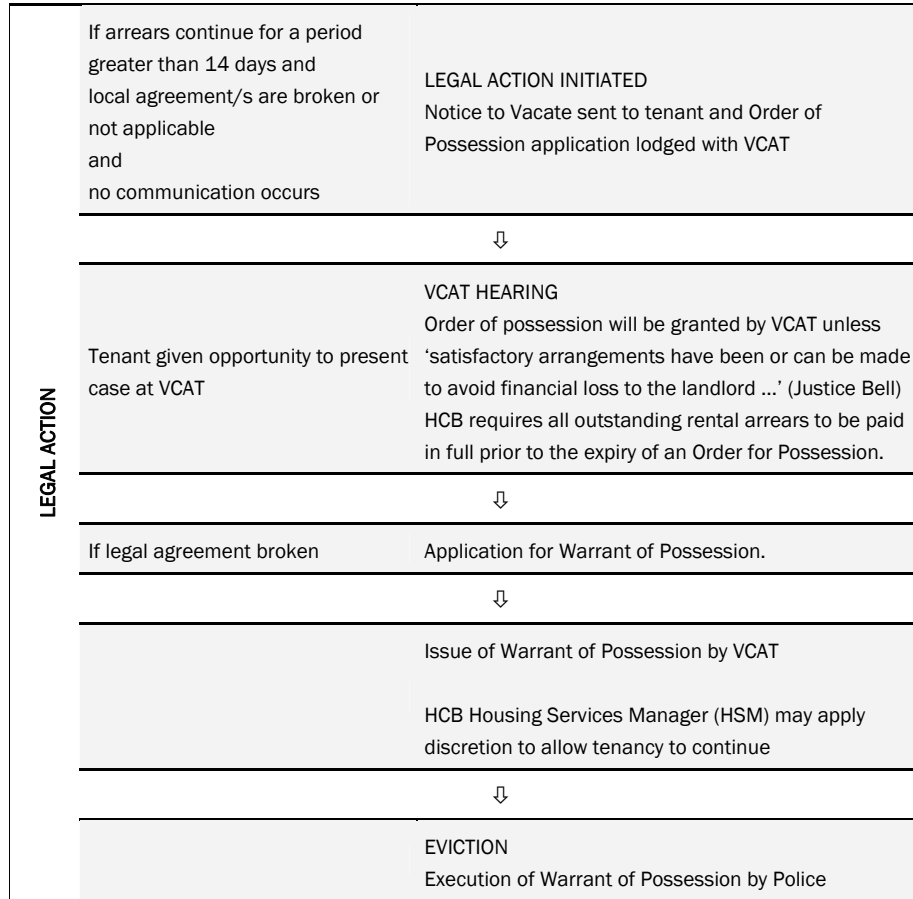
With an increasing profile of tenants with poor tenancy histories, the potential for rental arrears to increase as a portion of total tenancies is significant. The Committee considers the Victorian Government needs to make projections regarding this risk and the implications for future rental income. In Chapter 15, the Committee identifies a need to explore alternative funding and investment models to ensure the financial viability of public housing and to enable the Victorian Government to continue providing housing to individuals and families in greatest need.

Tenants who fall into rental arrears initially have options to repay their outstanding rent through a system of local agreements. According to the *HCB Rental Arrears Manual*, early steps in the process seek to establish communication between the tenant and the local housing office, in addition to providing an avenue for the repayment of the arrears.

In the event that local (internal) resolution steps cannot resolve arrears, the housing office can escalate the matter by taking legal action. As discussed in a later section, this is through a process of seeking an Order for Possession through VCAT. Through VCAT, legal repayment agreements are determined to recover rent. Only when all options are exhausted does the Director of Housing seek a warrant for eviction.

The following diagram demonstrates the process of managing rental arrears by HCB:

	TENANT	HCB ACTION
LOCAL ACTION	Arrears of greater than \$5 during a period of 0-14 days	An arrears reminder letter is sent automatically. LOCAL AGREEMENT SOUGHT to repay arrears if within a period of 14 days
		↓
	If arrears continue for a period greater than 14 days and no communication has occurred between tenant and HCB up to this point	FINAL OPPORTUNITY FOR LOCAL AGREEMENT effort is made to visit tenant if other communications fail a maximum of two local agreements are permitted to redress arrears Note: the number of local agreements that can be arranged is conditional on whether they have an existing local agreement as well as if they have had any other agreements since 1 March 2003.
		↓



In addition, the HCB *Rental Arrears Manual* makes some specific points to direct housing officers working through a rental arrears process:

- ▶ Communication with the Aboriginal Housing Services Officer is required if the tenant in arrears is Aboriginal. In this circumstance, HCB must refer to Aboriginal Housing Victoria’s (AHV) policy and procedures manual and ‘approval is requested from the AHV prior to commencing legal action for tenants in Aboriginal Housing’.²³
- ▶ Wherever possible, conduct a home visit to sign the local agreement.²⁴
- ▶ Local strategies should be in place to achieve early identification of tenants who receive support from other DHS programs.²⁵

The Committee heard that while these processes are theoretically sound, the practice in local housing offices varies.

RENTAL PAYMENT SUMMARIES

One issue identified by the Committee is that standard correspondence templates used to notify tenants of rental arrears (that are included in the

²³ HCB, *Debt Management Manual: Rental Arrears Policy and Procedures*, 2006, p.1-11.
²⁴ HCB, *Debt Management Manual: Rental Arrears Policy and Procedures*, 2006, pp.1-16.
²⁵ HCB, *Debt Management Manual: Rental Arrears Policy and Procedures*, 2006, pp.1-11.

HCB *Rental Arrears Manual*) contain no recent payment history, particularly to confirm if rebates or changes have effected rental payments. This presents difficulties for tenants in tracking their rental payments and changes to rental charges.

In addition, the first time any contact information is included in these templates (to identify helpful community support services, such as financial counselling) is when notification of an Order for Possession is served. This absence of helpful information is inconsistent with HCB's *Customer Service Charter* standards.

McAuley Community Services for Women's (MCSW) submission refers to a BSL report: *Policy in arrears. Comparing arrears procedures of the Office of Housing with those of publicly-regulated utility companies*. The report sets out the differences between HCB arrears debt management policy to that of public utilities as well as the effect of the Office of the Regulator General's role to ensure utility customers are treated fairly. It recommends that HCB's arrears debt management procedures should be equal to the companies providing essential services in which:

Utility customers are able to enter into at least two payment arrangements in 12 months before action is taken to restrict supply.

Utility companies must take into account a customer's capacity to pay when determining a repayment amount.

Utility companies must not disconnect or restrict supply if a customer is unable (as opposed to unwilling) to pay their bill.²⁶

HCB's present rental arrears policy and procedures place greater restrictions on the options and resolutions available to tenants in each of the three equivalent tenancy scenarios. This is most notable in the complicated restrictions placed on tenants with repayment options for local agreements.

The Committee considers that the process of recovering outstanding rent could be improved if it was more closely aligned with processes used by public utility companies. This would provide more equitable options for repayment and the correction of debt. It would be helpful if the manual also included correspondence templates that appear to be missing (such as the Notice to Vacate) for purposes of transparency.

RECOMMENDATIONS

11.3 That the Victorian Government review its provision of rental payment summaries to assist tenants to track their rental charges and payments so they are comparable with the payment histories provided with essential utility bills.

²⁶ M Lyons, *Policy in arrears, Comparing arrears procedures of the Office of Housing with those of publicly-regulated utility companies*, Brotherhood of St. Laurence, 2000, p.2.

11.4 That the Victorian Government consider the provision for tenants to enter into two rental payment arrangements in any 12-month period without restriction.

11.5 That the Victorian Government review its referral pathways to financial counsellors to ensure that tenants experiencing financial difficulties can be linked to the support they require to prevent rental arrears.

RENTAL ARREARS – THE FIGURES

In view of the increasing numbers of individuals and families allocated to public housing with poor tenancy histories and experiences of homelessness, it follows that there is a potential for higher levels of rental arrears activity.

The Committee was advised that from 2004–05 to 2008–09, an average of 8.2 per cent of public housing households have been subject to a VCAT case determining an Order for Possession relating to rental arrears, annually.²⁷ Of particular interest to the Committee was the number of tenants in rental arrears that successfully avoided legal intervention through resolution at the local level.

The Committee requested data from HCB to examine the trends over a five-year period. Data was provided, however, for just under a 12-month period. In its reply to the Committee, HCB advised that ‘only current point in time data is available’.²⁸ The information provided included the majority of the 2009–10 financial year. The data provided is in Table 11.2.

Table 11.2 Tenancy and rental arrears activities, after 1 July 2009

	TENANCY VACATED	DECREASE IN ARREARS	NO LONGER IN ARREARS	INCREASE IN ARREARS	TOTAL
Local Agreement	295	796	1421	440	2952
VCAT Agreement	166	1253	461	273	2153
Order for Possession - Final Agreement	74	224	172	90	560
Total Agreements	535	2273	2054	803	5665

Source: HCB, Response to Request for Additional Data & Information, Correspondence to FCDC, 29 June 2010.

This information reveals that over half of all agreements to resolve rental arrears were local agreements (52 per cent). This indicates the actions of HCB staff and the first sequence of internal procedures can have a significant impact on the reduction of arrears. These early interventions can also prevent legal interventions that the Committee heard are often intimidating for tenants in public housing.

²⁷ VCAT, *Response to Request for Data and Information*, Correspondence to FCDC, 19 July 2010.

²⁸ HCB, *Response to Request for Additional Data and Information*, Correspondence to FCDC, 29 June 2010.

In order to access data that HCB could not provide regarding rental arrears, the Committee turned to older data provided by the Office of Housing in 1999–00 for a report produced by the Brotherhood of St. Laurence (BSL) – *Policy in Arrears*. The report records that in the DHS Southern Metropolitan region at this time, the average number of days in arrears was 5.8 days.

Table 11.3: Rental arrears data, Southern Region 1999-00, rental general stock and moveable units

	Cheltenham	Dandenong	Frankston	Prahran	South Melbourne	Southern Metropolitan Region
Total no. of tenancies	2615	4200	2830	1975	1650	13270
% of total tenancies	19.7	31.7	21.3	14.9	12.4	100
% of tenants in arrears	19.9	22	23	9.9	23	20.1
Avg number of days in arrears	4.4	6.6	7.8	4	6.4	5.8
No. of tenants on local agreements	42	116	113	38	51	360
No. of tenants on legal agreements	32	109	98	7	33	279
Total no. of tenants on agreements	74	225	211	45	84	639
% legal agreements of total agreements	43.2	48.4	46.4	15.6	39.3	43.7
% of tenants in arrears on local or legal agreements	14.2	24.3	32.5	23.1	22.1	23.9
Warrants obtained 1999-00	43	47	65	10	10	175
Warrants executed 1999-00	12	17	29	5	7	70
% of Warrants Obtained to Warrants Executed	27.9	36.2	44.6	50	70	40
% of evictions [occurring in cases of rental arrears]	17.1	24.3	41.4	7.1	10	100

Source: BSL, *Policy in Arrears*, Table 2.1, p.14.

Given the average was under 14 days, it follows that the majority of arrears cases (at that time, and in that region) were also being successfully managed by HCB without the need to escalate to legal action through VCAT.

Based on the information available to the Committee, it appears that a significant proportion of rental arrears cases are resolved through HCB policy and procedures at a local level. This fits with evidence that suggests a focus of the Victorian Government has been to increase rental revenue and to target high-risk tenancies with support.²⁹

Some Inquiry participants suggested practical improvements to the procedures for the handling of arrears by local offices as well as changes to guard against actions that may lead to eviction into homelessness. With just under 10 per cent of all arrears agreements after 1 July 2009 resulting in voluntary vacation of dwelling/self-eviction,³⁰ the Committee considers that these observations have merit. This is discussed later in the chapter.

²⁹ Dr J Hall et al., 'Operating deficits and public housing', AHURI, 2007, p.83.

³⁰ VCAT, Correspondence to FCDC, 19 July 2010.

PROFILE OF PUBLIC TENANTS IN RENTAL ARREARS

As noted, in view of the increased targeted access to public housing and the high level of people who have experienced homelessness being allocated to public housing (over 70 per cent), research evidence has suggested that there is likely to be an increase in rental arrears.³¹

In its own research, HCB reported that:

- ▶ those that entered public housing via Segment 1 or Segment 3 (excluding those that entered on health need) are over-represented, accounting for 40 per cent of arrears cases
- ▶ sole parents and, to a lesser degree, couples with children (Segments 1, 3 and 4) are over-represented [38 per cent of arrears cases]
- ▶ older tenants, regardless of segment entry type, and all Segment 2 households, are under-represented.³²

The identification of these groups appears to have previously informed the selection criteria of the HCB program to sustain tenancies (SHASP) discussed in Chapter 12.

North East Metro Child and Family Service Alliance (NEMC&FSA) alerted the Committee to the high representation of single-parent families in arrears (in addition to other behaviours that put their tenancy at risk, such as anti-social behaviour and neighbourhood disputes). It noted that in Melbourne's north-east, 24 per cent of the tenancies were single parent households and further stated that 'of these families, 68 per cent have entered through the homeless sector on a Segment 1 or 3 application'.³³ In addition, NEMC&FSA pointed out that 'single parent families make up 33 per cent of anti-social evictions, and 20 per cent of abandonment cases and arrears evictions'.³⁴

EXPERIENCES RELATING TO RENTAL ARREARS

Only a small number of contributors to the Inquiry made particular reference to issues of rental arrears. Notably, the Committee's Submission Guide did not directly seek responses relating to this issue. The Committee heard, however, that local level resolutions of rental arrears are largely supported. Concerns about rental arrears tended to relate more to variations in the implementation by HSOs at local housing offices.

PROCESSES

The Committee heard that one of the key tensions for staff is the need to focus on rent collection and minimising arrears while at the same time providing

³¹ Dr J Hall et al., 'Operating deficits and public housing', AHURI, 2007, p.83.

³² HCB, *Final report - Support for High-Risk Tenancies Strategic Project*, 2006, p.38.

³³ *Submission 58* (NEMC&FSA), p.6.

³⁴ *Submission 58* (NEMC&FSA), p.6.

support and advice to those with tenancies at risk. Wombat Housing and Support Services expressed a view that HCB staff are often too focused on Key Performance Indicators (KPIs) based on rental collection. Other participants agreed, suggesting that there is a need for greater flexibility in the handling of arrears as well as improved staff capacity in responding to public tenants with complex needs.

The Public Interest Law Clearing House (PILCH) Homeless Persons Legal Clinic (HPLC) provided an example to demonstrate the inflexible approach they have encountered from some workers in relation to rental arrears:

Catherine was temporarily studying outside Victoria, and having trouble keeping Centrelink and the OOH notified of her income and change in circumstances. When Catherine's Centrelink payments were stopped, she ... remained unaware that the rebate or automatic deduction had ceased to have effect ... and fell in to rental arrears. The other three children, aged 18, 14 and 13, who were receiving care ... while their sister was away, were served with notices of hearings issued by the OOH, seeking a possession order.

When HPLC lawyers attempted to present the tenants' complex issues to OOH officers, they were resisted at every turn. OOH officers refused to negotiate a payment plan, adjourn the hearing or otherwise seek an outcome that would keep these vulnerable children in a home. ... However, when the matter was brought before the VCAT, a satisfactory payment plan was ordered.³⁵

PILCH HPLC emphasised the need for communication and engagement by HCB staff with tenants in arrears.

This observation was supported by MCSW which proposed a review of the HCB *Debt Management Manual* procedures for rental arrears. MCSW identified several specific changes to improve the procedures, particularly to enhance current official communications with tenants, and to provide more flexibility in repayment, including:

review all information or correspondence provided to tenants, in particular Rental Account Statements and arrears letters, to maximise clarity and to include information on how and where to gain assistance if they have difficulty paying rent;

include a list of relevant support services in ALL correspondence relating to rental arrears ...

provide a flexible response based on the needs of each tenant ...

stop demanding unreasonable lump sum payments from tenants when an Order for Possession is about to expire if the tenant has maintained a repayment agreement.

³⁵ Submission 103 (PILCH HPLC), p.47.

contact tenants by phone or home visit if they do not respond to an Order of Possession letter.³⁶

HCB's *Rental Arrears Manual* requires telephone contact or home visits to occur at multiple occasions during the escalation of a case involving arrears. It appears from the issues raised by PILCH HPLC and MCSW that these steps are not always followed by staff.

As MCSW noted, the HCB requires a lump sum payment at the end of a local agreement for the repayment of rental arrears. There is no clear rationale for this requirement and it is at odds with the measured, regular repayment amounts set by HCB and VCAT. The Committee therefore considers that there is room for review and greater flexibility.

Banyule Community Health (BCH) West Heidelberg Community Legal Service (CLS), for example, reported an arrears case involving a tenant aged over 65 years. The tenant had got into arrears following a special rent arrangement when the local housing office was unable to arrange a direct debit. An automatic process triggered by the database led to a Notice to Vacate (NTV) being issued. The NTV was successfully withdrawn, but only after considerable pressure from the community lawyer at the service.³⁷

These examples support the perspective that the early stages of rental arrears are managed by some local housing offices in a detached or automatic fashion, with home visits not always made and the level of attention minimal. It further emphasises that while the policy and procedures are sound, they are not always implemented as the policy intends them to be. This points to the importance of building workforce capacity, which is discussed in Chapter 13.

PILCH HPLC identified that a statement in the revision history of the HCB *Tenancy Breaches & Dispute Resolution Manual* was the only reference they could find to the review of the manual in consideration of the *Charter of Human Rights and Responsibilities Act 2006* (the Charter). In view of the processes used to evict tenants from their home, it would seem equally relevant that the HCB *Debt Management Manual: Rental Arrears Policy and Procedures* is also reviewed in relation to the Charter.

NEMC&FSA argued for HCB policies to be revised to provide consistency with the *Child Wellbeing and Safety Act 2005*. The first main purpose of this Act is 'to establish principles for the wellbeing of children'.³⁸ The Committee considers that for families with tenancies at risk, there is a need to consider how decisions by housing staff can impact on the safety, health and development needs of children.

³⁶ Submission 48 (MCSW), p.7.

³⁷ Submission 22 (BCH&WHCLS), p.17.

³⁸ *Child Wellbeing and Safety Act 2005*, Act No. 83/2005, Parliament of Victoria, p.1.

NEMC&FSA argues that it is vital for the wellbeing of children to be considered in HCB policy, particularly when there is a potential eviction.

RECOMMENDATIONS

11.6 That the Victorian Government review its debt management policies and procedures to assist tenants in preventing the escalation of rental arrears.

11.7 That the Victorian Government identify strategies to support housing service officers in properly implementing debt management policies.

11.8 That the Victorian Government ensure that the health, safety and developmental needs of children are considered when a tenancy is at risk.

LEGAL INTERVENTION IN RENT RECOVERY

When efforts to recover outstanding rent have been unsuccessful at the local level, the Director of Housing can escalate a case to recover rental arrears through legal intervention. The Committee heard that the legal process for recovering rent can be intimidating for many tenants. Once it escalates to a legal course of action, the potential for a tenancy to fail is higher. In particular, the Committee heard that tenants often do not appear at their hearings which further disadvantages them and puts their tenancy at greater risk.

RESIDENTIAL TENANCIES ACT

Under the *Residential Tenancies Act 1997* (RT Act), VCAT is the body responsible for hearing and determining outcomes for disputes between the Director of Housing (HCB) and public housing tenants.

RESIDENTIAL TENANCIES ACT

Public housing tenancies are subject to the *Residential Tenancies Act 1997* (RT Act). One of the key purposes of the RT Act is ‘to define the rights and duties of landlords and tenants of rented premises’.

Another central object of the RT Act is ‘to provide for the inexpensive and quick resolution of disputes under this Act’.³⁹

Part eleven of the RT Act provides for the role of the Victorian Civil and Administrative Tribunal (VCAT) to hear and determine any matter arising from the Act, subject to certain limits.

Former VCAT President, Justice Bell, informed the Committee that the RT Act makes ‘no distinction between public and private housing’, and that ‘all

³⁹ *Residential Tenancies Act 1997*, No. 109 of 1997, Parliament of Victoria, p.1.

landlords [are given] the [ability] to regain possession when the statutory criteria are met'.⁴⁰ The landlord applicable to public housing tenancies is the Director of Housing. HCB staff represent the Director in their undertaking of tenancy management at each local office.

The legal provisions for eviction and the termination of tenancies are described in the RT Act. Termination of tenancies can be due to *damage* (s.243 of RT Act); *danger* (s.244); *condition of premises* (s.245); *non-payment of rent* (s.246) and *use of premises for illegal use* (s.250).⁴¹

Sources: *Residential Tenancies Act 1997*; *Transcript of Evidence 3* (VCAT).

CASES AT VCAT

The Committee heard that the majority of cases involving HCB that appear before VCAT relate to the recovery of rental arrears. In evidence to the Committee, former VCAT President, Justice Bell, explained that during the financial year 2008–09 there were approximately 12,000 residential cases for which the Director of Housing was a party.

In circumstances relating to rental arrears, VCAT has some flexibility that enables it to consider a legal agreement for repayment of the outstanding rent. The RT Act provides a provision for this.⁴²

The Committee found that the use of legal agreements for recovering outstanding rental arrears assists in minimising the number of evictions. A key goal of the present system is to support tenants in rental arrears to enter into repayment agreements. In 2008–09 the following outcomes were achieved:

- ▶ 4,090 applications for hearings were made by the Director of Housing regarding orders for possession of the premises against the tenant (relating to rental arrears)
- ▶ 2,884 orders of possession were actually issued by the tribunal
- ▶ of these, only 436 warrants for possession were issued
- ▶ finally, only 203 warrants for possession (or 0.3 per cent of public housing households) were executed by local police.⁴³

According to Justice Bell, VCAT hearings that determine Orders for Possession of public housing dwellings arise predominately from cases of rental arrears. Data provided by VCAT for the period 2004–05 to 2009–10 shows the proportion of applications to VCAT for Orders for Possession relating to rental

⁴⁰ *Transcript of Evidence 3* (VCAT), p.3.

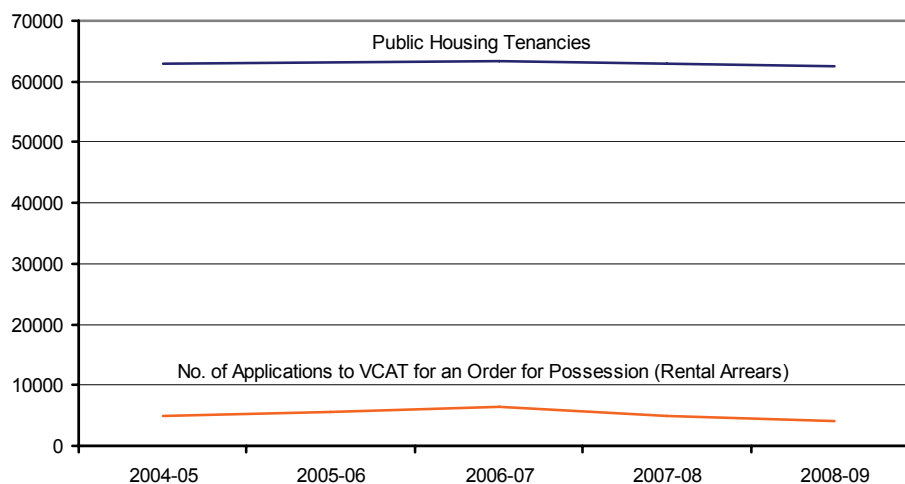
⁴¹ *Residential Tenancies Act 1997*, No. 109 of 1997, Parliament of Victoria, pp.143-145.

⁴² *Residential Tenancies Act 1997*, No. 109 of 1997, Parliament of Victoria, p.185.

⁴³ VCAT, Correspondence to FCDC, 19 July 2010.

arrears have remained at a reasonably stable proportion to the total number of public housing tenancies.

Figure 11.3: Public Housing Tenancies & Applications for an Order for Possession due to Rental Arrears, 2004-05 – 2008-09



Source: HCB, Summary of Housing Assistance Programs 2004-05 to 2008-09 & VCAT, Data provided to the Committee. 19 July 2010.

The number of RT Act hearings conducted arising from an order of possession for public housing tenants is greater than for private tenants. ABS data estimates a total of 471,061 private (and other) rental households in Victoria in 2007–08. In this same year VCAT conducted 19,242 hearings for this group (4.1 per cent). By comparison, for 62,952 public housing households, they conducted 5,567 hearings (8.8 per cent).⁴⁴ This is a noticeable difference between the two sectors.

In 2006, HCB identified that approximately 22 per cent of public housing households incur rental arrears at any point in time.⁴⁵ From the information provided by HCB, the Committee could not determine if legal action arises disproportionately in HCB tenancy management due to local-level approaches.

The Committee heard that public housing tenants are reluctant to communicate financial difficulties with the HCB which can prevent the necessary interaction to achieve resolution without legal intervention.

Evidence from the Mental Illness Fellowship and the former President of VCAT, Justice Bell, illustrated that a reliance only on postal correspondence to communicate matters regarding rental affairs by both HCB and VCAT is not

⁴⁴ Calculations based on data reported in: Australian Bureau of Statistics (ABS), *ABS 4130.0 - Housing Occupancy and Costs, 2007-08, Data Cube - State and territory data, 1994-95 to 2007-08, 2009, Table 18 - VIC households, Selected household characteristics*; HCB, *Summary of Housing Assistance Programs 2007-08, DHS, 2009* & VCAT, Correspondence to FCDC, 19 July 2010.

⁴⁵ HCB, *Final report - Support for High-Risk Tenancies Strategic Project, 2006*, p.38.

ideal for some public housing residents.⁴⁶ The Committee heard that tenants are often reluctant to open mail from HCB. It notes that HCB policy includes processes that encourage housing staff to make contact with tenants by phone.⁴⁷

VCAT is piloting a procedure to alert residents involved in upcoming tenancy hearings by short message service (SMS). While their pilot has had only very minor success, any improvement in tenancy appearances at hearings is heartening. In light of the challenges that have been identified with a reliance on postal correspondence, the HCB could also benefit from adopting SMS as a support to their tenancy and arrears communications.

RECOMMENDATION

11.9 That the Victorian Government introduce greater flexibility in its communication of rental arrears, such as the introduction of short message service (SMS) alerts.

In 2009, the President of VCAT undertook a review of VCAT. Five recommendations emerging from the review are of particular relevance to this Inquiry. These recommendations have the potential to improve participation by public housing tenants at VCAT and increase the opportunities for positive outcomes during legal action.

VCAT REVIEW

Aboriginal tenants — Recommendations

- ▶ There should be a Koori liaison officer at the tribunal.
- ▶ There should be a feasibility study on establishing a ‘Koori tribunal’ within the tribunal.⁴⁸

The Committee heard support for these recommendations from both VCAT and Rumbalara Aboriginal Cooperative. Both emphasised that people from Aboriginal communities do not associate with the formality and style of VCAT hearings. Consequently, they often do not appear to defend a case, or make an application. This is accepted within the community in other legal contexts.

Tenant involvement in hearings — Recommendations

- ▶ The tribunal should have a community education officer.⁴⁹
- ▶ The government should support a pilot program for carrying out telephone mediation in the residential tenancies list of the tribunal, to be extended (if

⁴⁶ *Transcript of Evidence 21* (MI Fellowship), p.5; *Transcript of Evidence 3* (VCAT), p.5.

⁴⁷ HCB, *Debt Management Manual: Rental Arrears Policy and Procedures*, 2006, pp.1-13.

⁴⁸ Hon. Justice Kevin Bell, *ONE VCAT - President's review of VCAT*, Victorian Civil and Administrative Tribunal (VCAT), 2009, p.25.

⁴⁹ Hon. Justice Bell, *ONE VCAT*, 2009, p.27.

successful) to small claims in the civil claims list and other cases in the tribunal if appropriate.⁵⁰

- ▶ The tribunal should, where possible, make mediation available on the day of hearings to all willing parties.⁵¹

The Committee heard of the importance of promoting and increasing the appearance of public housing tenants at VCAT hearings to assist in resolving issues relating to their tenancy. A Community Education Officer would potentially be a helpful approach to educate public housing tenants about the importance of participating in VCAT hearings. Similarly, alternate dispute resolution could provide the incentive to assist tenants to engage with the process.

EVICCTIONS

When a resolution cannot be reached, for some tenants the ultimate outcome is eviction from their public housing property. The Committee heard that for people living in public housing this is a complex issue. It noted the importance of ensuring tenants make their rental payments. It also recognises the challenges and policy tensions of evicting public housing tenants into homelessness (including the additional costs to the homelessness services system and the tension with broader policy intentions of preventing homelessness).

In 2006, AHURI conducted a survey of persons evicted from a variety of private and public dwellings to draw conclusions regarding the factors behind the failure of tenancies, the impacts on the individuals and families after eviction and policy directions to reduce evictions. The majority of persons in their survey were evicted from the private rental sector, however findings common to all respondents were that:

- ▶ many evictees departed prior to a legal hearing (76 per cent)
- ▶ most did not seek advocacy to challenge the eviction
- ▶ most evictions resulted in the reliance on friends and relatives to provide immediate support and accommodation (couch-surfing).

In its final report of the *Support for High-Risk Tenancies Strategic Project*, HCB identified that in 2004–05 approximately 55 per cent of exits from public housing were through evictions, and 45 per cent through abandonment.

In the AHURI report, findings specific to the small proportion of people in the survey who had been evicted from public housing were that:

⁵⁰ Hon. Justice Bell, *ONE VCAT*, 2009, p.88.

⁵¹ Hon. Justice Bell, *ONE VCAT*, 2009, p.89.

- ▶ rental arrears and property maintenance is a significant cause of eviction
- ▶ public housing tenants were more likely to engage in a Tribunal hearing/legal action
- ▶ tenants in public housing were more likely to remain in occupation until a Tribunal order was effective against them
- ▶ tenants ejected from public housing were often linked to difficulties involving substance abuse or mental health problems.⁵²

While these findings were not specific to Victoria, the Committee considers that the policies for recovering outstanding rent are broadly sound, with many public housing tenants given the opportunity to repay their debt and sustain their tenancy.

In view of the association between abandoning a tenancy when confronted with legal interventions to resolve rental arrears, the Committee considered that early intervention and resolution at the local level is particularly important. In particular, as noted earlier, the role of housing staff and the consistency of implementation of policies is critical to minimising evictions and abandoned properties for tenancies at risk.

RIGHTS AND EVICTION

In view of the introduction of the Charter, some participants in the Inquiry suggested that human rights need to be integrated more effectively into housing policy and procedures. Chapter 1 outlined the introduction of the *Charter of Rights and Responsibilities Act 2006* and the current uncertainties regarding its potential role in protecting the human rights of people in housing.

Participants told the Committee that the following rights contained within the Charter are relevant to tenancy management and eviction:

With regard to eviction, and the implications arising from eviction –

- | | |
|------|--|
| s.20 | A person must not be deprived of his or her property other than in accordance with law. ⁵³ |
| s.17 | (1) Families are the fundamental group unit of society and are entitled to be protected by society and the State. |
| | (2) Every child has the right, without discrimination, to such protection as is in his or her best interests and is needed by him or her by reason of being a child. ⁵⁴ |

⁵² A Beer, M Slatter, J Baulderstone et al., 'Evictions and housing management', *Final Report*, No. 94, AHURI, June 2006, pp.20-37.

⁵³ *Charter of Human Rights and Responsibilities Act 2006*, No. 43 of 2006, Parliament of Victoria, p.15.

⁵⁴ *Charter of Human Rights and Responsibilities Act 2006*, No. 43 of 2006, Parliament of Victoria, p.14.

With regard to landlord actions to claim tenancy breaches —

- s.13 A person has the right —
 (a) not to have his or her privacy, family, home or correspondence unlawfully or arbitrarily interfered with;⁵⁵

Part 1, s.5 of the Charter provides for the extension of human rights beyond those directly listed in its content.

As outlined in Chapter 1, participants identified the International Covenant on Economic, Social and Cultural Rights (ICESCR), which Australia is a signatory to, as applicable for consideration in this regard, particularly Article 11 that describes the right to adequate housing.

As noted earlier, participants drew the Committee’s attention to cases where HCB decisions have threatened the tenure of a home in a location useful to a family and that would result in the disruption of continuity of education and social relationships for children.

A number of Inquiry participants, including the Tenants’ Union of Victoria (TUV), the Human Rights Legal Resource Centre (HRLRC) and PILCH HLPC, recommended the HCB *Tenancy Manual* include specific procedures that respect human rights in actions and decision making, including the documentation of all steps taken to avoid eviction.

These participants expressed the view that in reaching a decision in regard to tenancy breaches, consideration by housing staff of both the right of a person to housing and the deprivation or limitation of this right is important. In his evidence as the former President of VCAT, Justice Bell also emphasised the importance of considering any limitations on rights under the Charter.

An identifiable consequence of a rights-based approach, however, is that it may lead to more adversarial processes that reward the proof of greater disadvantage. This could potentially impact on outcomes for tenants.

The Committee identified the importance of preventing the escalation of rental arrears that might result in risk to tenancies. It also considers that the legislative process needs to get the right balance between ensuring the Victorian Government can recover outstanding rent and that individuals and families in vulnerable circumstances are not exposed to situations of homelessness.

⁵⁵ Charter of Human Rights and Responsibilities Act 2006, No. 43 of 2006, Parliament of Victoria, p.12.

EVICTION INTO HOMELESSNESS

A number of participants in the Inquiry highlighted that people evicted from public housing are frequently evicted into homelessness. The Committee heard that this creates pressure on the homelessness services system. It also recognises that evicting people into situations of homelessness is in conflict with the Victorian Government’s commitment to preventing homelessness.

The Victorian Government’s discussion paper on the development of its *Homelessness 2020* strategy has acknowledged a number of challenges and new thinkings since the adoption of the 2002 *Victorian Homelessness Strategy*. Informing the development of its new strategy, the Victorian Government has highlighted the importance of:

- ▶ social inclusion
- ▶ early intervention and prevention to minimise harm and address homelessness
- ▶ a whole-of-government approach
- ▶ recognising that reducing homelessness is not the sole responsibility of the homelessness service sector.⁵⁶

In emphasising that the responsibility for reducing homelessness lies equally with mainstream services, the Victorian Government has indicated that there is a need for greater consideration of the role of the public housing sector in reducing homelessness. Similarly, the objective of ‘improving prevention and early intervention within the continuum of service delivery’ creates an obligation for the Victorian Government to consider how the public housing system might improve its tenancy management to more effectively reduce homelessness.

Participants in the Inquiry drew the Committee’s attention to the intersection between the Victorian Government’s new directions in homelessness and current approaches to tenancy management in public housing. The Executive Officer of the ARC (in Bendigo), Mr Alex Mactier, told the Committee that he believed the policy that allows people in public housing to be evicted into homelessness should be removed. He expressed the view that this is a contradiction of the Victorian community’s desire to be a socially responsible and progressive society – one that seeks to prevent and reduce homelessness.

Mr Mactier also suggested to the Committee that the cost to the Victorian Government of supporting people evicted from public housing in the homelessness system is greater than the costs to maintain the tenancy.

We evict people for \$1000 if they have not paid their rent. The reality is that if you then put them into homelessness, it costs us well above \$1000 before they come back into public housing – and they will come back into public housing.⁵⁷

⁵⁶ HCB, *Homelessness 2020 strategy: A discussion paper*, 2009, p.6.

⁵⁷ *Transcript of Evidence 36* (ARC), p.3.

The current system evicts the tenant and places a twelve month ban from accessing another property. After the twelve month period the tenant makes a new agreement with the Office of Housing and the person/family will be rehoused. The Department of Human Services acknowledges that it costs a minimum of \$17,000 to supply support for the person/family for the period that they are homeless, with the only consequence that the family has had to live without a home for that period and end up back in the system where they started. This is illogical and the system needs to be changed.⁵⁸

Mr Mactier stated that the challenge was in finding ways to support tenants to address the underlying causes creating reasons for eviction. He noted the practical reality that (after an eviction) our society still has to look after the person who caused the issue leading to tenancy failure. He supported every effort to 're-educate, retrain, try to engage'.⁵⁹

The CEO of Wintringham, Mr Bryan Lipmann, and the General Manager of Wintringham Housing, Ms Elizabeth Perez, similarly suggested to the Committee that evictions could potentially be avoided if a different approach is taken by tenancy management staff:

Ms PEREZ — ... The approach at Wintringham is very different. It really is an approach that focuses on the resident and their needs and on a resolution and a genuine attempt to reflect on what has been done to see if that can be changed in some way, and that is extremely successful.

Mr LIPMANN — For example, [in that earlier example], the approach that Wintringham would take is not to get that man evicted. It would be to say, 'Why is this man so angry? Why has this man who has clearly got a psych issue been placed without supports?'. Although I have not met this man, ... I would be absolutely confident that our staff would resolve that man's psychosis through either medication, support or better accommodation. So the answer is not to evict, because that is only then passing the problem on to the next guy.⁶⁰

The Committee has identified that public housing is frequently considered housing of last resort for people with low incomes. For those evicted from public housing, many exist in situations of homelessness until they become eligible to apply for public housing again (which involves proving their poor tenancy history).

Hanover Welfare Services observed that moving individuals and families through multiple locations caused by evictions compounds the situation. It also noted that case management approaches can also fail, conveying an experience with a family with multiple support workers (who had experienced multiple evictions) that had not improved as justification of this.

⁵⁸ *Submission 66 (ARC), p.4.*

⁵⁹ *Transcript of Evidence 36 (ARC), p.5.*

⁶⁰ *Transcript of Evidence 24 (Wintringham), p.9.*

Hanover Welfare Services suggested progression with these difficult situations only came through the persistent engagement of support. When assisting a family who had been evicted on multiple occasions, Hanover told the Committee it had persisted when other support agencies removed support. It discovered one of the members had reconnected with education and found a way to resettle the family and build on behaviour that could sustain a tenancy again.⁶¹

RECOMMENDATION

11.10 That the Victorian Government explore alternative and flexible processes for working with tenancies at risk to prevent the eviction of public housing tenants into homelessness.

⁶¹ *Transcript of Evidence 2 (Hanover), p.7.*

CHAPTER 12

SUPPORT FOR TENANCIES AT RISK

FINDINGS

Tenancy turnover

- ▶ That in the provision of public housing there is a need to ensure a balance between minimising tenancy turnover, maximising revenue and supporting tenancies at risk to prevent homelessness.
- ▶ That increasing numbers of tenants are likely to require support to sustain their tenancies in view of the high number of allocations to people with histories of homelessness and often tenancy failure.

Social Housing Advocacy and Support Program (SHASP)

- ▶ That SHASP is widely supported as an important initiative in supporting tenants in public housing.
- ▶ That SHASP services are not available to all public housing tenants and are filtered by narrow criteria.
- ▶ That SHASP is a predominantly successful program to sustain public housing tenancies, however Inquiry participants raised concerns with its role and design.
- ▶ That there is a need to expand SHASP to enable support periods that match the needs of tenants and specific regions.

Anti-social behaviour

- ▶ That neighbourhood disputes are often related to issues associated with 'anti-social' behaviour.
- ▶ That the introduction of the anti-social behaviour pilot represents a new form of housing management for the Director of Housing as a landlord.
- ▶ That Inquiry participants had mixed views about the benefits of the Anti-Social Behaviour pilot.

Many participants highlighted the importance of support in sustaining the tenancies of individuals and families in public housing. In view of the increase in targeting access to public housing to people in housing need and with histories of tenancy failure, the need for support is often considered integral to successful tenancies in public housing.

The Victorian Government has recognised that the provision of support can assist in sustaining tenancies and reducing the turnover in public housing. In 2006 it introduced the Social Housing Advocacy & Support Program (SHASP). For tenants able to access the program, the outcomes are broadly positive, with many sustaining their tenancies through participation in the program.

The Committee found that while support programs exist, they have limitations and strict eligibility criteria. It identified a need for a clear strategy regarding how the Victorian Government balances the need to minimise turnover, maximise revenue and provide support to tenancies at risk to prevent homelessness.

SUPPORT AND SUSTAINING TENANCIES

As noted in Chapter 11, the provision of support is a key strategy in assisting individuals and families with histories of homelessness and evictions to sustain their public housing tenancies.

The importance of providing support to sustain tenancies has been acknowledged by the Victorian Government. For example, in its project on high risk tenancies in 2006 it stated that:

Tenants who access public housing with support fare best, whether the support is formal or informal. Formal support refers to the assistance provided to tenants by a service organisation, for example access to benefits. Informal support refers to assistance through kinship networks, local community members, friends, and family which can provide people with advice and practical assistance, and a sense of connection.¹

The project also identified that those tenants allocated under segments requiring support tend to experience fewer issues that present risks to their tenancies. The report states that ‘although the numbers of people entering via Segment 2 and Segment 3 Health are comparatively small, their tenancy problems are far fewer than for other high needs people who have entered via other Segment categories (1 and 3)’.² It is noted that those on Segment 2 and Segment 3 Health have fewer issues relating to arrears, the lowest level of tenancy breaches and low levels of eviction or abandoned properties.³

¹ HCB, *Final report - Support for High-Risk Tenancies Strategic Project*, Portfolio Services and Strategic Projects Division, DHS, 2006, p.20.

² HCB, *Final report - Support for High-Risk Tenancies Strategic Project*, 2006, p.21.

³ HCB, *Final report - Support for High-Risk Tenancies Strategic Project*, 2006, p.21.

In its discussion paper for the *Homelessness 2020 Strategy*, the Victorian Government noted the importance of support for people who have experienced long-term homelessness (that is, the current target group for public housing allocations). It stated that people in these circumstances:

often have multiple and complex issues, and difficulty maintaining stability in their life circumstances and/or housing. While their housing issues may have some resolution through the specialist HSS, (often through access to some form of public housing), their broader support needs may be ongoing. Housing stability remains tenuous, as many are coping with mental health or drug and alcohol addictions. Yet housing stability can be maintained with the right assistance. Often this assistance is available through mainstream service systems such as mental health and disability services.⁴

This further highlights the importance of considering the support needs of individuals and families entering public housing through Segments 1 and 3, particularly in the early stages of their public housing tenancy.

As previously noted in the report, the Victorian Government has recognised that ‘instability of a public housing tenancy and/or tenancy failure is costly to tenant families, individuals, local communities and the housing and broader service sectors’.⁵ Professor Terry Burke emphasised these issues in his submission to the Inquiry, highlighting that ‘Segments 1 and 2 are households with major problems of disadvantage and dealing with the problems of higher turnover, property damage, antisocial behaviour, and support raises the cost structure of public housing as well as undermines its public legitimacy’.⁶

The Committee recognises that the Victorian Government has committed to improving the support provided to individuals and families in sustaining their tenancies. In addition to the SHASP, the Committee notes the intentions to explore improved linkages and support. In its response to the Committee, the Housing and Community Building (HCB) Division advised that it aimed to identify arrangements that can ‘better respond to clients who fall into tenancy difficulty through effective linkage between housing and other key DHS program areas’.⁷

SOCIAL HOUSING ADVOCACY AND SUPPORT PROGRAM (SHASP)

SHASP delivers advocacy and support services to social housing tenants and applicants. The Program commenced in January 2006 and is available to existing and prospective tenants of both community and public housing. It

⁴ HCB, *Homelessness 2020 strategy: A discussion paper*, 2009, p.11.

⁵ HCB, *Final report - Support for High-Risk Tenancies Strategic Project*, 2006, p.19.

⁶ *Submission 90* (Prof. Terry Burke), p.2.

⁷ HCB, *Response to Request for Additional Data and Information*, Correspondence to FCDC, 29 June 2010.

assists larger numbers of existing public housing tenants over prospective tenants.

SHASP is an initiative of the Victorian Government to sustain tenancies with short periods of case-orientated support through four targeted channels or 'activities'. The support and advocacy components of the program overlap, but can broadly be understood in the following way:

Advocacy

- ▶ Advocacy for social housing tenants
- ▶ Assistance to early public housing applicants (also includes support)

Support

- ▶ (EST) establishing successful tenancies
- ▶ (IART) intervention when a public housing tenancy is at risk (also includes advocacy)

SHASP involvement is always subject to a tenant's approval to accept the service.

Ten community service organisations are currently funded by the Victorian Government to provide SHASP in Department of Human Service (DHS) regions across Victoria.

In 2005–06, the Victorian Government made a commitment of \$2.95 million towards SHASP. In 2006–07, this had increased to \$6.1 million.⁸ The current annual budget for SHASP is reported to be \$6.8 million of which \$4.7 million relates to the support activities.⁹

OBJECTIVES AND REFERRAL PATHWAYS

The key objective of SHASP is to provide advocacy and support services to social housing tenants and prospective public housing tenants in order to assist them in accessing and sustaining their housing.

According to the policy and funding guidelines for HCB, within this overall objective the SHASP aims to:

- ▶ ensure that public housing applicants who have more complex issues are appropriately assisted to have their housing needs addressed
- ▶ establish successful social housing tenancies

⁸ Dr Jon Hall & Prof. Mike Berry, 'Operating deficits and public housing: policy options for reversing the trend: 2005/06 update', *Final Report*, AHURI Final Report No. 106, AHURI, October 2007, p.83.

⁹ Health Outcomes International Pty Ltd, *Evaluation of the Social Housing Advocacy and Support Program (SHASP)*, *Executive Summary and Recommendations*, State Government of Victoria, 2009, p.1.

- ▶ prevent homelessness
- ▶ ensure the needs of social housing tenants unable to advocate on their own behalf are met.¹⁰

Referral pathways to services provided by SHASP for tenants of public housing and housing associations are generally via DHS, regional housing offices (referral coordinator), transitional housing management services and Homelessness Support Services.¹¹

Referral pathways for SHASP services vary according to the specific services provided. The most specific referral pathways have been established for two program areas. That is, the program components known as ‘establishing successful tenancies’ and ‘intervention when tenancies are at risk’. HCB makes the following points about these referral pathways and the referral coordinator:

- ▶ The role of the referral coordinator is to coordinate referrals to SHASP providers, coordinate feedback on progress and outcomes for individual public housing tenants, and monitor that the provider has sufficient cases to meet its funding targets
- ▶ This does not exclude the generation of referrals for SHASP from other community sector organisations (CSOs) or from actual applicants or tenants (self referrals). These referrals are made to and screened by the referral coordinator rather than the SHASP provider
- ▶ The referral pathways require the development of effective working relationships between housing offices and SHASP providers. These local relationships must be founded on a common pathway to SHASP assistance for these two responses that is consistently applied across all regions
- ▶ This pathway system will form the basis for ongoing development and review.¹²

SHASP PROGRAM COMPONENTS

ADVOCACY

For Advocacy services, the SHASP Program Framework and Funding Guidelines specify that:

It is the intent of SHASP to target those clients who are unable to advocate on their own behalf rather than the provision of a universal advocacy service.¹³

¹⁰ HCB, *Housing and Community Building Policy and Funding Plan 2009 to 2012*, DHS, 2009, p.61.

¹¹ HCB, *Public Housing Infrastructure Program Social Housing Advocacy and Support Program (SHASP) Program framework and funding guidelines 2009-2012, Attachment 3: Referral process framework & caseloads (EST & IART)*, DHS, 2008, p.3.

¹² HCB, *SHASP program framework and funding guidelines 2009-2012: Attachment 3: Referral process framework & caseloads*, 2008, p.3.

¹³ HCB, *Public Housing Infrastructure Program. Social Housing Advocacy and Support Program (SHASP). Program framework and funding guidelines 2009-2012, Attachment 2: Delivery framework (Advocacy & Assistance to Early Housing Applicants)*, DHS, 2008, p.4.

From this basis, public housing tenants seeking SHASP Advocacy are screened according to their ‘vulnerability’ and ‘disadvantage’.¹⁴ Advocacy services are provided to these tenants for issues that include appeals regarding housing applications, escalated complaints and special request issues for maintenance.

By the close of the 2008–09 financial year, the SHASP Advocacy stream was expected to assist an estimated 2,580 social housing tenants. This represents 3.3 per cent of all social housing dwellings (stock).¹⁵

ASSISTANCE TO EARLY HOUSING APPLICANTS

This service is a mixture of advocacy and support to assist individuals in the submission of Segment 3 (special housing needs) early housing applications. The criteria for accessing this service is further narrowed to exclude ‘insecure housing’ and to only assist new and transfer applications that are due to inappropriate housing, unsafe housing and urgent medical need.¹⁶

By the end of the 2008–09 financial year, the Assistance to Early Housing Applicants service was expected to assist 1,404 applicants. As a point of reference, during the same period there were 2,018 Segment 3 (special housing needs) public housing applications.¹⁷

ESTABLISHING SUCCESSFUL TENANCIES (EST)

SHASP EST is designed to target tenancies prone to a high risk of failure and provide them with assistance and support so they can establish successful tenancies. The EST service is available to tenants who made applications through Segments 1 and 3. Segment 3 applicants are given the highest priority, as are public housing tenants over those from other social housing providers. Referrals to this service are made if there are concerns during the first six months of the tenancy due to issues such as rent payment and neighbourhood complaints.

Tenancy support is provided by the regional SHASP agency for a period up to six months based on a weekly contact period of 1.5 hours.¹⁸

Tenants and the SHASP worker develop a ‘tenancy action plan’ to create a successful tenancy and this plan is assessed during the period.

The EST activity receives the largest proportion of the SHASP program resources.

¹⁴ HCB, *SHASP program framework and funding guidelines 2009-2012: Attachment 2: Delivery Framework*, 2008, p.4.

¹⁵ The HCB, *Summary of Housing Assistance Programs 2008-09* does not report the total number of social housing tenancies.

¹⁶ HCB, *SHASP program framework and funding guidelines 2009-2012: Attachment 2: Delivery Framework*, 2008, p.17.

¹⁷ The HCB, *Summary of Housing Assistance Programs 2008-09* does not report the applications made to all social housing dwellings; applications referred to community managed housing providers, nor provide details regarding the volume of applications made to sub-sections of the early housing segments.

¹⁸ HCB, *SHASP program framework and funding guidelines 2009-2012: Attachment 3: Referral process framework & caseloads*, 2008, p.14.

In 2009 there were 2,756 Segment 1 and 3 allocations. EST caseload estimates reveal that its support would have reached 10 or 15 per cent of these cases, if there had been no referral to the service from a social housing provider.

INTERVENTION FOR AT RISK TENANCIES (IART)

Applicability for SHASP IART support is triggered by rental arrears, tenancy breaches and Centrelink breaches. The HCB Referral Coordinator assesses and manages the tenancy referrals that are identified as requiring intervention assistance.

As with the the EST component of SHASP, IART addresses tenancy issues through the development of a tenancy action plan which is assessed during the support period. IART support is designed to provide a period of 20 hours of intensive support to a resident over an average of eight weeks.¹⁹

As a measure of its potential reach, in 2009, SHASP IART provided support to an estimated 1,224 households. If during this period no referrals were made from community housing providers, this would represent support to 2 per cent of public housing tenant households.

With regard to IART, HCB Guidelines specify that if no vacancy exists in the present caseload of a SHASP provider to which an application for IART support is made, then there will be no discussion about SHASP involvement. This differs from an EST application when an applicant will be informed if there is no present vacancy for SHASP involvement and given an option to be placed on a waiting list. There is no apparent justification for this difference in transparency about the services.

SHASP is not intended to offer ongoing support to tenants in any of the four streams. As discussed later in this chapter, some participants observed that this design does not match the needs of many public housing clients with multiple and complex problems who required long-term support.

TARGETS

SHASP providers are required to fulfil annual targets and to manage a continual target 'caseload'. The following table illustrates the quantities defined by HCB for the 2009–2012 period:

¹⁹ HCB, *SHASP program framework and funding guidelines 2009-2012: Attachment 3: Referral process framework & caseloads*, 2008, p.14.

Table 12.1: HCB SHASP Caseload Table

Region/catchment	SHASP Provider (CSO)	EST		IART	
		Annual	CSO	Annual	CSO
		Target	Caseload	Target	Caseload
Barwon SW – Barwon	Bethany	80	40	45	7
Barwon SW – South West	Community Connections	34	17	18	3
Eastern Metro	Wesley	127	63	71	11
Gippsland	Quantum	81	40	45	7
Grampians	PACT	66	33	38	6
Hume	Rural Housing Network	93	46	52	8
Loddon Mallee	ARC	105	52	59	9
North West Metro – West	Wombat	264	132	148	22
North West Metro – North	HomeGround	296	148	166	25
Southern Metro – Inner	HomeGround	154	77	88	13
Southern Metro – Outer	WAYSS	159	79	89	13
	Totals	1459	727	819	124

Sources: HCB, Public Housing Infrastructure Program, Social Housing Advocacy and Support Program (SHASP), Program framework and funding guidelines 2009-12, Attachment 3: Referral process framework and caseloads (EST & IART), July 2008. p.14

The caseload is the total amount of cases that each provider is required to be servicing at a particular time. SHASP Community Sector Organisations (CSOs) are expected to be operating at maximum caseload at any particular time.

EVALUATION AND PROGRAM OUTCOMES

The Committee heard that there is general support for the services that SHASP provides. Participants also told the Committee, however, that there is room for further improvement. The Committee is aware that a recent evaluation of the program was completed with a range of recommendations suggesting potential improvements in the program.

The Committee heard positive views about the potential for SHASP in sustaining tenancies. Many service providers who contributed to the Inquiry praised the holistic and client-orientated approach of SHASP toward sustaining tenancies. A key concern put before the Committee is a need to rectify issues relating to targets and the levels of support provided by SHASP services to meet program objectives. Participants told the Committee that the funding received from the Victorian Government does not meet the real cost of providing the service.²⁰

The Committee was told that not all public housing residents are aware of SHASP and that referrals are often not made. Residents Group 3081 (RG3081) told the Committee of the variation in responses to tenancy issues raised with the housing office by public housing tenants. When questioned by the Committee about the value of SHASP in supporting tenants to resolve these matters, RG3081 stated it was unaware of the program.

²⁰ For example, see: *Submission 86* (WMV), pp.15&17; Health Outcomes International, *Evaluation of SHASP*, 2009, p.5; *Submission 70* (HomeGround), p.10.

North East Metro Child & Family Services Alliance (NEMC&FSA) presented a case study that highlighted a situation where a referral to SHASP did not occur and revealed a lack of awareness of the program. In this case, HCB had refused offers from a father with children to rectify the arrears of his estranged partner's tenancy, and be able to maintain it for his children, also. The HSO and manager involved in the case made no SHASP referrals and when the father independently pursued advocacy, two external support agencies were also unaware of SHASP.²¹

In 2009, Health Outcomes International conducted an external evaluation of the program. The evaluation made 17 recommendations to assist in further refinements or enhancements to improve the effectiveness of the program and assist it to achieve the ultimate goal of enhancing the sustainability of tenancies. The key areas identified for improvement related to:

- ▶ the target framework
- ▶ funding model and service planning alignment with client needs
- ▶ referral pathways
- ▶ program monitoring and the use of appropriate key performance indicators
- ▶ service goal re-affirmation particularly in the areas of tenant participation and community facility management
- ▶ role clarification and responsibilities of key stakeholders involved in the program.²²

These issues are consistent with the issues raised by many participants in the Inquiry.

RECOMMENDATIONS

12.1 That the Victorian Government provide a response to the external evaluation of SHASP, clearly outlining the recommendations it supports and how it will implement the changes.

12.2 That the Victorian Government promote SHASP services more broadly to enhance awareness of the program and to assist in sustaining tenancies.

TARGET FRAMEWORK

SHASP providers who participated in the Inquiry reiterated the recommendations in the Health Outcomes International evaluation report. In particular, there was an emphasis on the importance of reviewing the SHASP targets and funding on the basis of client needs and complexity.

²¹ Submission 58 (NEMC&FSA), p.7 & C Larkins, *Office of Housing, Child Protection and Family Services Demonstration Project Final Report. Improving Public Housing Responses Strategic Project, North & West Metropolitan Region*, 2009, p.66.

²² Health Outcomes International, *Evaluation of SHASP*, 2009, p.6.

Table 12.2 outlines the services provided in the period 2006–2009 and the targets met by CSO SHASP providers.

Table 12.2: Actual Activity and Program Targets 2006-07 to 2008-09

ACTIVITY	TARGET	06/07 ACTUALS	07/08 ACTUALS	08/09 ESTIMATES
Advocacy	2,741	2,870	2,817	2,580
Assist to E/Housing Apps	1,400	1,579	1,433	1,404
EST	1,460	329	414	410
IART	819	936	1,179	1,224
Totals	6,420	5,714	5,843	5,618

Source: HCB, Health Outcomes International, Evaluation of the Social Housing Advocacy and Support Program (SHASP), Executive Summary and Recommendations, October 2009, p.3

The bulk of SHASP activities are exceeding the targets set by the HCB. SHASP EST activities were identified as underperforming in the Health Outcomes International evaluation report.

The evaluation report also notes that:

there are three providers that have continued over a three year period to struggle to meet the targets set for up to three of the four program components²³

Wesley Mission Victoria (WMV) identified that because SHASP only provides support for specific issues, it was not meeting the needs of many clients who required long-term support. It identified that the data tools HCB use to monitor the program are inadequate as they cannot reflect the continuum of work that is involved to address one ‘case’. WMV recommended changes to enable SHASP to ‘undertake preventative strategies’, to be ‘flexible and responsive’ to the needs of clients and to be less driven by tenancy crises.²⁴

RECOMMENDATION

12.3 That the Victorian Government extend the discretion of SHASP providers to allow extended periods of support to tenants, that better reflect their needs and the successful resolution of tenancy issues.

ADDITIONAL ISSUES

Not all participants felt that SHASP is the most appropriate support response for sustaining public housing tenancies.

McAuley Community Services for Women (MCSW) echoed the need for a more proactive approach to sustaining tenancies. It suggested the re-introduction of Specialist Housing Support Officers (SHSO) in medium and larger HCB offices, to assist tenants with complex needs, in preference to SHASP services. MSCW reasoned:

²³ Health Outcomes International, *Evaluation of SHASP*, 2009, p.3.

²⁴ *Submission 86 (WMV)*, p.11.

...SHSOs can be more proactive within the office to pick up on referrals and monitor tenants. They are also more in tune with the culture of the office.²⁵

MCSW observed that when previously trialled the SHSOs were most effective in offices where they had the support of the Housing Service Managers and Housing Managers.

The Brotherhood of St Laurence (BSL) recommended the need for more proactive and preventative programs to sustaining tenancies. They raised concern that SHASP was largely reactive and may not be reaching those individuals who need it.²⁶

The Public Interest Law Clearing House (PILCH) Homeless Persons Legal Clinic (HPLC) was also critical of HCB policy to refer support of high-risk tenants to external agencies via SHASP rather than handle it internally:

Support [to high-risk tenants] should not simply be delegated to external agencies but should be considered core business of the Office of Housing as a public housing authority.²⁷

While other participants did not suggest that HCB undertakes SHASP services, the questioning of current arrangements for supporting high-risk tenancies is consistent with views expressed by MCSW and BSL.

The Committee notes, however, that separating the function of tenancy management from support provision is practised in other forms of government-funded housing (such as transitional housing) and there is merit in maintaining this approach.

The Homeless Outreach Psychiatric Service (HOPS) – Barwon South West Region told the Committee it believed that an unintended consequence of SHASP was that the success of SHASP in its region had reduced the breakdown of tenancies. It suggested that this, in turn, had reduced the vacancies in stock in the region. The success of SHASP had un-masked the reliance on these breakdowns to produce opportunities to allocate public housing to tenants.²⁸

Wombat Housing & Support Services observed that SHASP providers have limited avenues to address arrears with clients when the HCB repayment agreements are made so inflexible. This highlights a paradox requiring attention. If current HCB policy is too inflexible to allow SHASP staff to find avenues to sustain tenancies, the solution may be to make adjustments to HCB's *Debt Management Manual* to improve procedures.

²⁵ Submission 48 (MCSW), p.11.

²⁶ Submission 78 (BSL), p.4; see also: *Transcript of Evidence 8* (BSL), p.8.

²⁷ Submission 103 (PILCH HPLC), p.50.

²⁸ Submission 91 (HOPS), p.15.

The Committee considers that SHASP is an important initiative and the majority of evidence received confirms its helpfulness to public housing tenants. The evaluation report of SHASP confirms the validity of the program as a method to place stressed tenancies on better foundations.

CONFLICT OF INTEREST

Geelong South Public Tenants Group (GSPTG) and Independent Advocate, Mr Barry Pearce identified that access to SHASP may create difficulties if a complaint escalates to VCAT. Mr Pearce cited an instance of a dispute between two tenants, where one tenant was denied access to SHASP Advocacy (on grounds of a conflict of interest) as the opposing tenant was already working with a SHASP worker.²⁹

GSPTG submits that the issue also extends to representation by Legal Aid for tenants at VCAT. In cases where public housing tenants with complex needs are given Legal Aid by their housing service officer (HSO), a responding tenant is required to find representation through a private legal service due to the conflict of interest. A private legal service can apply to Victoria Legal Aid to be reimbursed, however GSPTG reports that it is difficult to find practitioners that are willing to go through this process.³⁰

ANTI-SOCIAL BEHAVIOUR

A key issue heard by the Committee related to anti-social behaviour. This included the need for support for tenants exposed to behaviour that contributes to concerns for their safety. It also referred to support for those exhibiting behaviours considered 'anti-social'.

In a research project into methods for addressing anti-social behaviour in public housing, Associate Professor Keith Jacobs and Dr Kathy Arthurson explained that:

The term anti-social behaviour is used to denote a range of activities from the very minor (such as the dropping of litter) to more extreme forms of criminal behaviour (such as burglary and harassment). Though residents who engage in ASB may be few in number, their activities have a significant negative impact on the quality of life for their neighbours.³¹

The impact on the quality of life of neighbours exposed to anti-social behaviour was raised by participants in the Inquiry. The Committee heard that tenants experiencing neighbourhood conflict often had fears of risk to their safety and the safety of their family.

²⁹ *Submission 33* (Barry Pearce), p.4.

³⁰ *Submission 37* (Geelong South Public Tenants Group), pp.1, 2.

³¹ K Jacobs & K Arthurson, 'Developing effective housing management policies to address problems of anti-social behaviour', *Final Report*, AHURI Final Report No. 50, AHURI, November 2003 (Executive Summary) p.i.

The Committee's Terms of Reference ask it to consider the adequacy of safety in public housing. Issues relating to anti-social behaviour and neighbourhood disputes are therefore relevant to the Committee's Inquiry.

The Committee heard that the role of the Director of Housing as a landlord in the context of neighbourhood disputes and anti-social behaviour is at times unclear. While the role might be unclear, it was evident to the Committee that housing staff do spend time responding to these issues in local housing offices and have policies to guide them. Research findings reveal that for many housing staff, responding to anti-social behaviour can actually consume a considerable amount of their time, with averages of about an hour each day.³²

NEIGHBOURHOOD DISPUTES

Many issues relating to neighbourhood disputes brought before the Committee involved behaviour that is often referred to as anti-social. The Committee therefore gave consideration to the role of the Director of Housing, as a landlord, in resolving neighbourhood disputes and responding to anti-social behaviour.

As noted above, the type of behaviour considered 'anti-social' can constitute a broad range of behaviours.

EXAMPLES OF ANTI-SOCIAL BEHAVIOUR

- ▶ Excessive noise
- ▶ Using and selling drugs
- ▶ Unkempt gardens (those which attract the dumping of goods, creating eyesores)
- ▶ Harassment (including racist and homophobic incidents)
- ▶ Verbal abuse
- ▶ Alcohol and substance abuse
- ▶ Uncontrolled pets
- ▶ Intimidation
- ▶ Vandalism
- ▶ Dropping litter and dumping rubbish in public areas
- ▶ Nuisance from vehicles (e.g. abandonment)
- ▶ Intimidating gatherings of young people in public places

Source: Jacobs & Arthurson, *Developing effective housing management policies to address problems of anti-social behaviour*, p.1

³² Keith Jacobs et al., 'Developing effective housing management policies to address problems of anti-social behaviour', AHURI, 2003 (Executive Summary) p.i.

Under the *Residential Tenancies Act 1997* (RT Act), the Director of Housing as a landlord has a responsibility to ensure that its tenants have a quiet enjoyment of the property they rent. When a tenant raises concerns regarding their rights under the RT Act, housing staff in local offices have a responsibility to respond to a range of tenancy breaches and neighbourhood disputes including nuisance behaviour, dangerous behaviour, illegal activity and disputes between neighbours.

The types of responses that the Director of Housing can pursue includes instigating mediation, pursuing a breach of tenancy action through VCAT or in instances of dangerous or illegal activity, issuing a Notice to Vacate (which can include an Immediate Notice to Vacate if there is a 'real risk' of danger to the physical or mental health of a tenant).

TENANCY BREACHES & DISPUTE RESOLUTION POLICY

The Office of Housing (OOH) responds to requests to resolve a wide range of issues that arise when the living environment of tenants, or occupiers of premises which neighbour OOH properties, is being affected.

Section 67 of the *Residential Tenancies Act 1997* (RTA) states, 'A landlord must take all reasonable steps to ensure that the tenant has quiet enjoyment of the rented premises during the tenancy agreement'.

In order to satisfy the requirements of the RTA and meet obligations as a landlord, the OOH investigates and attempts to resolve all problems that affect a tenant's quiet enjoyment, health and safety.

The OOH's role is to investigate and take appropriate action to avoid the escalation of a problem. This might include mediation between parties, or legal action at the Victorian Civil and Administrative Tribunal (VCAT). Other problems may only require referral to an external agency.

The OOH also acts when a tenant causes significant damage to OOH premises or fails to maintain them in a reasonably clean condition.

Source: HCB, *Tenancy Management Manual*, p.11-2

The Committee heard, however that the boundaries between the responsibilities of housing office staff and other authorities, such as the police, are often unclear. The HCB *Tenancy Management Manual* explains that:

Tenants who believe they are threatened by dangerous behaviour are also encouraged to contact the Police and seek their own legal advice. Legal Aid Victoria, for example, may be able to give advice regarding legal protection that is available outside the tenancy laws.³³

³³ HCB, *Tenancy Management Manual*, Chapter 2 - Tenancy Breaches & Dispute Resolution, DHS, 2010, p.14-2.

The Committee was told that for some tenants there is confusion about who they need to approach and where responsibilities lie when responding to anti-social behaviour that leaves them feeling at risk for their safety.³⁴

Participants in the Inquiry spoke of situations in which tenants have significant concerns for their safety and wellbeing when exposed to some anti-social behaviour in their neighbourhood.

The Committee was informed that some tenants feel that the staff in their local housing offices do not take their concerns seriously. Others explained that the actions that are required by tenants to pursue a 'breach of tenancy' can expose them to greater risk by a neighbour they feel threatened or intimidated by.³⁵

EXPERIENCES OF TENANTS & TENANT ASSOCIATIONS

Victorian Public Tenants Association

[Complaints about neighbours] is one of the major issues tenants come into contact with this service. Tenants are very frustrated by the lack of response or follow up by staff about their complaints about neighbouring tenant's behaviour in breach of tenancy. Tenants believe that this lack of response leads to an escalation of the issue, can lead to increase in violence, their mental health can deteriorate and often the victim feels they have no support. Many complainants feel that they have no other option other than to transfer or leave public housing. Tenants believe that staff have authority to act within their powers under the RTA 1997 however fail to carry out their duty. Many tenants feel that they are fobbed off by being referred to other services that may not be able to assist with their issue (e.g. police, EPA Victoria, Dispute Settlement Centre etc) whilst their issue remains unresolved.³⁶

Semmens Court Residents Association

Office of Housing staff are very reluctant to become involved in dealing with tenants who display Behaviour in Breach of Tenancy. The standard response (learnt by rote) from Office of Housing staff is that the Office of Housing is merely a landlord and complaints about neighbours should be referred to the police where a crime is involved; to the Department of the Environment if it is a noise problem; to the Mental Health Department if the problem is caused by a person with a mental or psychiatric disability; and to the local Council if it is a problem relating to a neighbour's annoying pets.³⁷

Residents of Delacombe Housing Estate

Responses from the police are inadequate and at times non-existent. Many residents feel they are doing the job of the police. These behaviours have a

³⁴ Submission 14 (SCRA), p.4. See also: Submission 20 (Robert Newey), p.4; Transcript of Evidence 5 (WMV), p.6.

³⁵ For example, see: Submission 56 (ISCHS), p.11 ; Submission 50 (IECHS), p.6 ; Submission 70 (HomeGround), p.7.

³⁶ Submission 44 (VPAT), p.8.

³⁷ Submission 14 (SCRA), p.4.

longstanding psychological impact on adults and an even greater impact on children.

The violence and lack of safety in our community puts pressure and additional stress on our family relationships because children are confined within the home for their own safety, and they are limited in their recreation opportunities in our neighbourhood. We feel confused. Do we stay or do we leave?³⁸

Wesley Mission Victoria

The process at the moment is that the Office of Housing requires the tenants around that family or that individual to record in detail everything that happens over a significant period of time, but then those tenants must present at VCAT...

Standing up against your neighbour at a VCAT hearing is terrifying, especially if there are intervention orders in place and they are quite scared of their neighbour already, so that process does make it very difficult for the Office of Housing to act, and it makes it very difficult for the neighbours to do anything if they are in that position.³⁹

The Inner South East Partnership in Community and Health (ISEPICH) made the point that VCAT was not an ideal solution to these problems. It suggested that a housing estate focused, professional, transparent, mediation process needs to be considered. This would involve a process that links the actions of residents to consequences and/or appropriate ongoing support services and programs.⁴⁰

The Committee heard that there is a gap in processes for resolving disputes in terms of processes and staff to specifically address these problems. Staff in local housing offices often do not have the skills needed to engage in dispute resolution or respond to anti-social behaviour. Participants told the Committee that this leads to practices where referring concerns or complaints to another authority is the first response, with investigations by staff often not pursued.

Identifying appropriate responses to issues relating to neighbourhood disputes and anti-social behaviour are important. For some tenants who feel they cannot stay in the neighbourhood due to fears for their safety, submitting a transfer application is considered the only solution. This adds to the administrative burden of transfer activity. For those tenants who are evicted due to anti-social behaviour, the process begins again with many falling into the homelessness services system seeking access into public housing.

³⁸ *Transcript of Evidence 39* (Residents of Delacombe Housing Estate), p.3.

³⁹ *Transcript of Evidence 5* (WMV) – Linda Downing, p.6.

⁴⁰ *Submission 29* (ISEPICH), p.4. S70. This approach was also supported by: *Transcript of Evidence 6* (CHP), p.4 & *Transcript of Evidence 5* (WMV), p.6.

These issues are complex and the Committee recognises the challenges in determining the level to which the Director of Housing has responsibility for neighbourhood disputes and anti-social behaviour. The Committee heard that there is greater room for collaboration between authorities in promoting community safety, such as the police and local housing office staff.

The Committee acknowledges that the Neighbourhood Renewal Program was established in some areas with high-density public housing with the specific intention of ‘tackling high crime rates, a lack of engagement with police and unsafe, degraded physical environments’.⁴¹ In the evaluation of the Neighbourhood Renewal Program, the following successes were highlighted:

Neighbourhood Renewal is making communities safer through partnerships with police, community crime prevention initiatives and improvements to the physical environment. Each of the 19 Neighbourhood Renewal projects works in partnership with local police to address crime and anti-social behaviour. In all projects police are active members, while also working closely with schools to build trust and foster positive contact with residents and young people.⁴²

The Committee notes, however, that not all residents involved with Neighbourhood Renewal Projects felt that there were improvements in community safety. As noted above, some of the residents from the Delacombe Housing Estate indicated that despite Neighbourhood Renewal in their community, there were still issues in engaging effectively with the police.

RECOMMENDATION

12.4 That the Victorian Government review its approach to neighbourhood disputes, with particular emphasis on the skills and expertise of staff in local housing offices to respond to disputes and anti-social behaviour.

ANTI-SOCIAL BEHAVIOUR INITIATIVE

One solution that the Victorian Government has explored in response to issues concerning anti-social behaviour (ASB) is to trial fixed-term tenancies and other strategies to intervene and encourage support for those with a history of ASB.

The Committee notes that these new directions in housing management are informed by competing perspectives. Researchers highlight the tension in the role of landlords in trying to influence behaviour:

On the one hand, there are those practices that are informed by notions of social control and regulation and on the other hand, practices that emphasise tenant empowerment. This tension between regulation and empowerment are evident in the range of practices that state housing authorities are expected to

⁴¹ HCB, *Neighbourhood Renewal Evaluation 2008, Summary*, 2008, p.8.

⁴² HCB, *Neighbourhood Renewal Evaluation 2008 - Summary*, 2008, p.8.

perform (i.e. rent collection and tenancy management, *contra* tenant participation, community renewal).⁴³

The Committee heard that there are mixed views about the anti-social behaviour pilot for precisely these reasons. Some participants in the Inquiry were uncomfortable with this new intervention in behaviour management and the implications for the role of the Director of Housing as a landlord. Others felt that it is a welcome initiative in view of the challenging experiences of some public housing tenants exposed to ASB.

The objectives of the anti-social behaviour pilot are as follows:

- ▶ the pilot is a targeted initiative applicable only to returning or transferring public housing tenants through Segments 1 and 3
- ▶ the initiative aims to correct ASB through the assignment of a support worker to a household, achieving compliance with a Housing and Support plan and regular checks during the first 30 weeks of the tenancy
- ▶ the pilot uses fixed-term tenancies as a basis for managing potential ASB residents.

A working document outlining the policy and procedures of the initiative is publicly available on the HCB website.⁴⁴ The pilot program is being conducted in one metropolitan region and three regional regions.

For this program HCB defines ASB as applicable to households rather than individuals. If an individual has been a member of a household where there has been ASB, therefore, they will be recorded as someone for whom the program is applicable.

WHAT IS ANTI-SOCIAL BEHAVIOUR?

For the purposes of the trial program, the definition of anti-social behaviour is very specific and linked to the RT Act.

HOUSEHOLDS AND ANTI-SOCIAL BEHAVIOUR

Group One Households – Households with a history of ASB

A household is flagged as having a history of ASB where one of the following notices to vacate was issued under an OOH tenancy within the last two years:

- ▶ Section 243 – Damage
- ▶ Section 245 – Condition of premises
- ▶ Section 248 – Failure to comply with Tribunal order

⁴³ Keith Jacobs et al., 'Developing effective housing management policies to address problems of anti-social behaviour', AHURI, 2003, p.4.

⁴⁴ HCB, *Anti-social behaviour initiatives, Application and tenancy management framework for Pilot Offices*, DHS, 2009.

- ▶ Section 249 – Successive breaches by client
- ▶ Section 250 – Use of premises for illegal purpose

The following households are also flagged as having a history of ASB, and are included in this initiative:

- ▶ Former members of an OOH household which has an outstanding vacated maintenance debt that is over \$5,000 at the time of applying for early housing;
- ▶ Former members of an OOH household which was evicted pursuant to the ‘Dangerous behaviour’ provision within the RTA 1997.

Group Two Households – Households with a high risk of ASB

A household is flagged as being at high risk of ASB where the following applies under an OOH tenancy within the last two years (including a transfer applicant under a current tenancy):

- ▶ At least two breach of duty notices were issued pursuant to Section 208 within a 12 month period in relation to an OOH tenancy,
- ▶ An application for a compliance order for breach of duty was made pursuant to Section 209 of an OOH tenancy, or
- ▶ Transferring tenants with MCAT charges that may or may not have been ratified at VCAT from a current tenancy.

Source: HCB, Anti-social behaviour initiatives, p.6

ELIGIBILITY FOR ASB INITIATIVE

The program is divided into two streams that capture the two groups outlined above. The eligibility criterion for Group Two indicates that it is only applicable to applications for ongoing tenancies. As a whole the initiative is limited to persons who are:

- ▶ returning to public housing
- ▶ transferring to a new dwelling – or
- ▶ where a tenancy agreement with HCB is subject to renewal.

This narrow window has additional constraints. The program is only to be applied to persons making Segment 1 applications from the metropolitan region and Segments 1 and 3 in the regional regions of the pilot.

When ASB is flagged, group one households must have additional support workers in place and be a willing participant in the ASB Pilot program. Housing will not be allocated to Group One applicants if a support worker is not attached. Group Two households may be asked to enter into a fixed-term tenancy if support workers are not attached.

COMPONENTS OF THE ASB INITIATIVE

Once assessed by the local housing office as eligible for a tenancy under the ASB initiative, allocations of housing occur in the following ways for the two groups.

Group One households – allocated a ‘one year fixed term tenancy’

- ▶ During this year the household must demonstrate good residency through a range of checks that are documented, including compliance with a Housing and Support Plan.
- ▶ During the first 30 weeks, three home visits are conducted by HCB in conjunction with support workers. After this period, the tenancy is reviewed and either renewed as a periodic (regular) tenancy or a Notice to Vacate is issued to terminate the tenancy.

Group Two households – allocated fixed term or period tenancy

- ▶ These households are assessed on evidence of progress to correct previous ASB behaviour.
- ▶ Fixed term or periodic tenancy allocations are decided by the Housing Services Manager (HSM), with fixed-term tenancies being required when a household refuses to engage with support
- ▶ Or, when there is information that there is current ASB by the tenants or future ASB is likely. The definition of what constitutes ASB in the last criterion is left open to HCB staff determination.

In a context in which housing office staff might need to end a tenancy that could result in homelessness for the household, the policy and procedures encourage housing officers to take the *Charter of Human Rights and Responsibilities 2006* (the Charter) into consideration when making a decision. In section 2.7 of the ASB guidelines, the following note is included:

In reaching a decision to end the fixed term tenancy, staff must give proper consideration to the relevant rights of the client under the Victorian Charter of Human Rights. You should document the actions you have taken and the reasons for the decisions you have made. Refer to the information available on the Legal Services website regarding the Victorian Charter of Human Rights & Responsibilities including Tool and Resources.⁴⁵

This note appears equally applicable to the procedures leading to eviction that are described in the HCB *Tenancy Management* and *Debt Management* manuals.

VIEWS OF INQUIRY PARTICIPANTS

SHASP provider HomeGround Services, raised doubts about the ASB Initiative being linked to fixed-term leases:

⁴⁵ HCB, *Anti-social behaviour initiatives*, 2009, p.18.

We are uneasy about the current pilots of fixed-term leases with some support for people who have been evicted for anti-social behaviour. Support services should be provided as a matter of course to all tenants based on need.⁴⁶

Wesley Mission Victoria (WMV) is involved in the ASB pilot in the Eastern Metropolitan Region. It sought corrections to the program to address the reality that eviction from public housing due to ASB often forces individuals and families to exit into homelessness:

It is virtually impossible for someone evicted from public housing on the grounds of anti-social behaviour to get a private tenancy.⁴⁷

WMV also noted the pilot has raised questions as to the correct definition of ASB and also to the applicability of the ASB label to household behaviour. For some members in a household, it is not possible to control the behaviour of other members in the house. Yet the approach of the ASB initiative will lead to future implications for tenancy options of all household members.

The Committee recognises that in trialling the anti-social behaviour initiative, the Victorian Government is heading into new territory regarding its role as a landlord. The outcomes of the evaluation that is undertaken to assess the effectiveness of the pilot initiative will be significant in determining future directions.

The Committee notes that the ASB pilot has a focus on tenancies that have already failed due to the behaviours of members of the household. It considers that there is a need to prevent the escalation of anti-social behaviours prior to tenancy failure. The Committee holds the view that there is scope for greater intervention at early stages into a tenancy when anti-social behaviour is impacting on the safety of others in the community and has the potential to result in tenancy failure and homelessness.

RECOMMENDATION

12.6 That the Victorian Government consider early intervention strategies to prevent the escalation of circumstances involving anti-social behaviour and associated tenancy failure and homelessness.

⁴⁶ Submission 70 (HomeGround), p.6.

⁴⁷ Submission 86 (WMV), p.15.

**ADEQUACY AND QUALITY
OF PUBLIC HOUSING**

CHAPTER 13

QUALITY OF SERVICE

FINDINGS

Public housing workforce

- ▶ That the public housing workforce is working with tenants that have increasingly complex and high needs.
- ▶ That the role of housing service officers (HSOs) is largely administrative and focused on tenancy management.
- ▶ That many HSOs have high and unsustainable workloads.
- ▶ That there are issues relating to recruitment, retention and remuneration for HSOs.
- ▶ That service provision is often inconsistent.
- ▶ That the Victorian Government has made efficiencies in expenditure on staffing and administration.
- ▶ That the Victorian Government does not have a current workforce strategy that outlines its intentions regarding change management and improving quality service.

Complaint mechanisms

- ▶ That complaint processes are considered integral to quality service provision and continuous improvement.
- ▶ That there are mixed views about the current policies and procedures for complaints and appeals.
- ▶ That many participants have concerns about the complaints and appeals processes, particularly regarding timeliness and responsiveness.
- ▶ That some tenants have concerns that making a complaint or lodging an appeal will jeopardise their tenancy.
- ▶ That the current complaints mechanisms do not provide any level of independence for complaints about housing offices.

Tenant participation

- ▶ That tenant participation is considered important in the provision of quality services.
- ▶ That the Victorian Government has established a Tenant Participation Framework.

Workforce capacity underpins the quality of service provision in public housing. In addition, continuous improvement through an effective complaints mechanism is critical to quality of service.

This chapter turns to the administration of public housing services, in particular the quality of services and processes for complaints about services and appeals regarding decisions.

Unlike other areas of health and community services, there is no specific workforce strategy in the Division of Housing and Community Building (HCB). The Committee found that the workforce needs increased capacity to respond to the changing and increasingly complex needs of tenants in public housing.

Variable quality of service provision can often be the underlying cause of complaints in a service system. The Committee could not identify the trends in complaints and appeals in the Office of Housing. It did find, however, that tenants are often reluctant to express concern about services, particularly due to beliefs that their tenancy could be jeopardised or a lack of confidence in the complaints process.

The Committee found that the Victorian Government has comprehensive policies in place to respond to complaints and appeals. Yet, it heard that the lack of independence in the process was a concern for tenants and organisations seeking to resolve a complaint or concern.

The Committee identified that funding towards staffing and administration is an area in which Victorian Governments have made efficiencies in expenditure.

WORKFORCE CAPACITY

The Committee identified a need to build the capacity of the workforce in regional housing offices.

It noted that in the period 2000–01 to 2005–06, the Victorian Government is the only state that decreased its spending on salaries, workforce and administrative expenses as a percentage of total expenditure.¹ Over the same period, most other states and territories increased expenditure in an effort to improve the quality and responsiveness of their customer services.

In an earlier research project into operating deficits, Professor Mike Berry and Dr Jon Hall noted in 2004 that:

Victoria has exercised rigid discipline over its expenditures, as reflected in both its salaries costs rising the second slowest of all Authorities and its Operating Expenditures actually falling in real terms (before Depreciation and

¹ Dr Jon Hall & Prof. Mike Berry, 'Operating deficits and public housing: policy options for reversing the trend: 2005/06 update', *Final Report*, AHURI Final Report No. 106, AHURI, October 2007, p.77.

Net Interest). Its aim to break-even on a cash basis has probably contributed to these outcomes.²

In addition, it is likely that an increased focus on asset management, including maintenance, contributed to the tight expenditure on staffing. Information on staffing and administration expenditure is not regularly reported on. The Committee could not, therefore, determine if there have been more recent changes to expenditure on staffing and administration.

The Committee considered there is room for further attention to the provision of public housing programs by investing strategically in the workforce. The structure and purpose of the roles does not reflect the nature of the work that Housing Service Officers (HSOs) are often expected to perform. The Committee also found that the qualifications, skills and experience of many HSOs are often not well matched to the nature of the work that they do.

The Committee noted that while a comprehensive workforce strategy is yet to be developed for the public housing workforce, the Victorian Government has allocated \$2.1 million over three years to develop an industry plan for the community-managed industry. Part of that plan is the development of a workforce strategy to improve the qualifications, skills and career paths of workers in the community-managed industry.

In addition to the challenges of working in a context where position descriptions do not reflect the actual role, HSOs have high workloads and low remuneration. These issues all contribute to high staff turnover, which ultimately affects the knowledge and skills of staff.

This has implications for the quality of service provision in the public housing sector. Inquiry participants often referred to the inconsistent service provision that tenants and organisations experience when interacting with the local housing office. In addition, despite the HCB *Customer Service Charter*, the Committee heard concerns expressed about the culture of the workforce and attitudes towards tenants.

WORKFORCE PROFILE

HSOs are the key component in the administration of public housing. They are the front line of the system, and have responsibility for meeting performance indicators, implementing the correct procedures, and negotiating with tenants on the day-to-day working of the system.

In research into operating deficits and public housing in Australia, Dr Jon Hall and Professor Mike Berry explain that ‘continuous improvement in client

² Dr J Hall et al., ‘Operating deficits and public housing’, AHURI, 2007, p.84.

services cannot be achieved without an acceleration in the rate of real income increases'.³

The Victorian Government employs approximately 530 full-time equivalent (FTE) staff in its central housing office and 620 FTE staff in regional housing offices.⁴ The Committee heard that individual HSOs can manage up to 300 properties.⁵ The general responsibilities for an HSO are:

- ▶ managing and maintaining tenancies
- ▶ providing support and information to clients on services
- ▶ identifying and assessing clients housing needs and eligibility for services
- ▶ allocating properties to eligible applicants
- ▶ visiting and working with tenants
- ▶ ensuring maintenance work is carried out.

HSOs are remunerated within the range of \$39,487 to \$62,917 per year.⁶

The duties of an HSO do not specify that they will be required to work with people who have experienced homelessness or might have complex needs. The role is broadly administrative and process driven. St Vincent de Paul (SVDP) Aged Care & Community Services suggested to the Committee that 'it is important that within the required skill set to be a housing worker, staff have a commitment to address homelessness, an understanding of poverty and disadvantage and compassion for people whose lives are beset by these conditions'.⁷

In a major study of Victorian housing workers Mr Tony Chalkley noted that a 'typical' worker was not really definable. Some staff had come in as career public servants who might or might not be making that career in housing and some had transferred in from other sectors of the public service. Others had begun as housing service officers; of these, some moved into management. Some HSOs were 'accidental'; they came in on contracts or acting as fill-ins.⁸ The variety of staff and movement of staff, across regions, up the professional ladder, and in and out of the sector, all impact upon the capacity of the staff to deliver services.

³ Dr J Hall et al., 'Operating deficits and public housing', AHURI, 2007, p.9.

⁴ HCB, *Housing and Community Building Policy and Funding Plan 2009 to 2012*, DHS, 2009, p.12.

⁵ *Submission 70* (HomeGround), p.8; *Submission 106* (Darebin City Council), p.7 & *Submission 86* (WMV), p.12.

⁶ DHS, Salary, <<http://www.dhs.vic.gov.au/operations/careers/career-options/housing-services>> Accessed 9 July 2010.

⁷ *Submission 100* (SVDP ACCS), pp.24-25.

⁸ T Chalkley, 'Housing Service Officers: Life at the Frontline', paper presented to Fourth National Housing Conference, Perth, WA, 26-28 October, September 2005 2005 & T Chalkley, 'Ethnography of Housing: a conclusion', paper presented to 4th Australasian Housing Researchers Conference, Sydney, NSW 5-7 August, 2009.

INCREASED COMPLEXITY AND CHANGING ROLE OF HSOs

The Committee heard consistently that the tenants with whom HSOs are working have changed considerably over the past 15 years as a consequence of the increase in prioritising access to public housing to those with highest needs. The nature of the positions has not evolved in response to those changes.

Chalkley's study of housing workers states that their greatest difficulty stems from the residualisation of public housing and the increased number of tenants with complex needs. This was supported by evidence heard by the Committee, such as the Australian Association of Social Workers (AASW) which explained that 'the tenancy group has become far more complex due to segmented targeting of public housing over the past 10 years'.⁹ The changing tenant profile and the effects of concentrations of disadvantage were discussed in earlier chapters.

The Committee heard that some workers in housing offices are primarily focused on the administrative element of their role, such as assessing applications, keeping stock maintained, and responding to rent arrears. For example, SVDP Aged Care & Community Services told the Committee that:

Notwithstanding the committed staff, our experience is that many Office of Housing frontline staff see their role as administrative or relating to compliance.¹⁰

For staff with a specific understanding of their role as administrators of public housing, it is difficult to be regularly confronted by tenants with high and complex support needs. Often staff do not have the qualifications or skills to respond to people with a diverse range of support needs. Furthermore, their position description does not require HSOs to have these skills.

The reality, however, is that for most HSOs there is an increasing likelihood that some aspects of their role will involve working with existing or prospective tenants with high and complex needs. Without the skills or experience, this can be difficult for HSOs. Professor Terry Burke explained to the Committee that 'having taught about 1200 workers in the sector over the last 15 years what I can say is that the sector is changing dramatically. The complexities of problems are much greater than they were 10 to 15 years ago and therefore the range of skills required of a public housing worker is now just so much greater than it was'.¹¹

HomeGround Services explained that 'given the complex client mix they do a great job. There are many fantastic housing officers who are very passionate

⁹ *Submission 41 (AASW)*, p.13.

¹⁰ *Submission 100 (SVDP ACCS)*, p.24.

¹¹ *Transcript of Evidence 30 (Prof. Terry Burke)*, p.5.

about public housing and committed to getting good outcomes for clients'.¹² Yet the Committee also heard that it can be very challenging for HSOs given the specific nature of their role. The Tenants Union of Victoria (TUV) highlighted this, explaining that:

front-line staff ... are dealing with people with complex needs... But the staff are not qualified and nor would it be appropriate for them to be addressing the non-housing issues that have led to many of the tenants becoming eligible for public housing in the first place. So they are caught in a situation where they are good at tenancy management and there are some issues there, but their brief is tenancy management. However, there are a whole heap of other issues that they are simply not able to address in their professional capacity and nor is it appropriate for them to be doing so.¹³

The separation of tenancy management roles from support roles is one that the Committee heard is important. Any examination of the role of housing officers in social housing settings needs to consider the intersection of these roles and how they can work most effectively in a social housing context.

The CEO of WAYSS, Mr Kim Stowe, similarly informed the Inquiry that there are variations in staff attitudes towards their role, with some preferring to focus on the administrative components and others demonstrating a willingness to build their capacity and understanding of the complexity of issues that they confront.

Office of Housing staff grapple with a wide range of client issues that they are ill-equipped to deal with. In some cases it is as basic as a cultural difference; in others it is far more complex mental health and behavioural issues. Many of the Office of Housing staff that I have had dealings with over the past few years have indicated a willingness and a strong desire to access appropriate training to deal with a more complex client base. Others have simply stated that it is not in their job description and find the rigid application of policy is what gets them through each day.¹⁴

These observations reveal the potential for a more varied workforce structure within the regional housing offices. For example, some staff might have the capacity to undertake a greater liaison role with support services, whereas others may be more suited to progressing the administrative requirements of the HSO role.

The Committee considered that a review of the workforce structure in regional housing offices to reflect the needs of tenants and create greater diversity of roles could potentially be of benefit to both staff (through improved career path opportunities) and tenants (through clarifying the roles of HSOs and, consequently, the expectations of tenants).

¹² *Submission 70 (HomeGround)*, p.8.

¹³ *Transcript of Evidence 31 (TUV)*, p.9.

¹⁴ *Transcript of Evidence 22 (WAYSS)*, p.4.

The Committee heard that for people with specific needs, such as a disability or a mental illness, staff in housing offices were frequently not skilled in providing the most suitable response. For example, NEAMI stated that:

In our experience many staff have a limited knowledge of disability and the expertise in mental health is under-developed, given the proportion of tenants with these difficulties. Further education and professional development in this area could be helpful.¹⁵

The importance of qualifications was emphasised by a number of participants in the Inquiry.

Mr Barry Pearce remarked upon the general lack of capacity housing workers had in dealing with people with a mental illness, especially when these were combined with behaviours of concern. He noted that:

The Secretary of the Department of Human Services requires community 'Not for Profit' and 'For profit' groups working with people with a Disability to have at least a 'Cert 3 in Disability' before they are employed. The staff in the Office of Housing working with the same or similar groups of people are not qualified beyond their Public Service training. This doesn't serve the tenants or the general community very well as they do not understand the tenant's behaviour and often exacerbate the issues through this lack of knowledge and training.¹⁶

Not all tenants will require HSOs to use skills in working with complex needs. This again points to the value in reviewing the structure of the workforce to potentially determine a staffing role within each housing office that has staff with the skills and qualifications to respond to tenants with high and complex needs.

The Committee heard that training is important in contributing to a general understanding of appropriate responses to tenants with complex needs. This could contribute to sustaining tenancies through more appropriate referrals and responses to issues that emerge. Wombat Housing & Support Services, for example, suggested that:

One area where housing officers could improve is their connection to the broader service system to facilitate referrals to appropriate services for their tenants. However, this does require significant time resources, which are not currently available to housing officers.¹⁷

Again, this further supports the need for a review of the public housing workforce structure in a context where staff are increasingly required to have the knowledge to effectively link their clients to support services along with the detailed knowledge required to undertake administrative tasks associated

¹⁵ *Submission 104 (NEAMI), p.5.*

¹⁶ *Submission 33 (Barry Pearce), p.9.*

¹⁷ *Submission 40 (Wombat), p.4.*

with tenancy management. The Committee considers that there is merit in introducing specialist roles within housing offices.

The Victorian Government has sought to provide training opportunities for staff in regional housing offices. In its 2004–09 strategy framework, *Partnerships for better housing assistance*, it highlighted its intentions to ‘provide better service at the ‘front end’ and sustain tenancies by implementing and evaluating the Housing Office Review’.¹⁸ This included recommendations for ongoing funding for Housing Support Coordinators that were trialled and considered successful.

In addition, it also included a two-fold strategy to assess and address training requirements of staff. It aimed to support regional housing staff to attain nationally accredited qualifications. The HCB delivers a nationally accredited Certificate IV in Social Housing. Housing staff in regions with a minimum of two years experience are encouraged to participate. HCB has continued to sponsor five positions each year for regional housing staff to enrol in a Graduate Certificate in Housing Management.

RECOMMENDATIONS

13.1 That the Victorian Government revisit the Housing Office Review and considers the structure of the housing workforce, its relevance to the current tenant profile and the differences between support work and tenancy management.

13.2 That the Victorian Government review the level of knowledge and skills required by staff in Department of Human Services regional housing offices to better reflect the increasingly complex needs of tenants.

The Committee also recommends that Victorian Government improve professional development opportunities for staff in Department of Human Services regional offices in developing a workforce strategy. See *Recommendation 13.5*.

WORKLOAD

The Committee heard that the workload for staff in regional housing offices is a significant issue, often impacting on their ability to provide quality services, adding to stress and contributing to staff turnover.

A number of participants in the Inquiry identified that HSOs have very large tenancy portfolios. HomeGround Services explained that ‘we understand that each worker is expected to manage between 200 and 300 properties’.¹⁹ Wesley Mission Victoria (WMV) similarly commented that:

¹⁸ HCB, *Partnerships for better housing assistance, Housing and Community Building's strategic framework 2004-09*, 2004.

¹⁹ *Submission 70* (HomeGround), p.8. See also: *Submission 106* (Darebin City Council), p.7; *Submission 87* (VCOSS), p.8 & *Submission 86* (WMV), p.12.

Frontline OOH staff have huge workloads, with many Housing Support Officers responsible for as many as 300 properties each. Rushing to meet tight deadlines and knee jerk responses that fail to take individual circumstances into account is the inevitable result of such workloads.²⁰

Wombat Housing & Support Services supported this, informing the Committee that 'housing offices are often understaffed and have a high worker to workload ratio, especially given the increasingly complex public housing population'.²¹

As a comparison, responsibilities for portfolios of these magnitudes would place each individual HSO within the same class as a 'housing provider' defined as an 'organisation managing a large portfolio of properties (200 or more)'²² when compared with NSW Community Housing registration classes. The Committee sought comparisons with portfolio sizes of tenancy managers in the private sector, but did not find this information readily available.

Many participants praised HSOs for the work they do under the pressure of high workloads in addition to the pressure of working with tenants with complex needs. They expressed concern, however, regarding the size of tenancy portfolios, the large workloads and the lack of time to consider the individual circumstances of tenants. HomeGround Services provided an overview of the impact of workload on HSOs and the implications for tenants:

Many property 'patches' are left vacant due to staff shortages without a particular HSO managing and responding to tenancy matters. This often results in arrears, anti-social behaviours, neighbourhood complaints and outstanding maintenance issues being left unaddressed or not being responded to in a timely manner. This results in further marginalization of an often already disadvantaged complex client group.

If HSO workloads were decreased, more time could be spent getting to know their tenants and neighbourhoods, assessing the suitability of clients for properties, addressing neighbourhood violence issues, liaising with maintenance workers, liaising with support workers and working through transfer and swap applications.²³

Resolving issues associated with rental arrears often requires an understanding of the change of circumstances experienced by a tenant to assist in determining an appropriate repayment arrangement. The Committee heard that the need for genuine dialogue between landlord and tenant to establish an understanding and a pathway to balance any arrears is beneficial. The large size of some HSO portfolios indicates that housing

²⁰ *Submission 86* (WMV), p.12.

²¹ *Submission 40* (Wombat), p.3.

²² Registrar of Community Housing, Registration Classes, <<http://www.rch.nsw.gov.au/Registration>> Accessed 8 July 2010.

²³ *Submission 70* (HomeGround), p.8.

officers cannot provide the time and patience required to listen, negotiate and settle on effective agreements about rental arrears.

The Committee heard that the increasingly complex needs of tenants can also impact on workloads and the amount of time spent on responding to issues that arise. The HCB report on the project considering *Support for High Risk Tenancies* noted this, stating that:

Increasing complexity of tenant households has resulted in the department dealing more and more with complexity and less and less with routine housing transactions. As the focus on targeting public housing to those most in need increased, gaps in the effectiveness of ‘routine housing’ transaction tenancy management responses, that had been effective previously, widened.²⁴

The workload issues for staff often mean that the staff cannot provide prompt service for tenants. Tenant groups told the Committee that they are often in positions where phones are not responded to, or they are put on hold for long periods or referred on. This can lead to some issues not being responded to or resolved for several months.²⁵

RECOMMENDATION

13.3 That the Victorian Government review the number of properties that housing staff in Department of Human Services regional offices manage across the state in the context of the changing tenant profile, and expands staff numbers in targeted housing offices when there is a demonstrated need to reduce workloads.

The Committee also recommends that public housing staffing levels be considered as part of a broader workforce strategy. See *Recommendation 13.5*.

RECRUITMENT, RETENTION AND REMUNERATION

The Committee heard that the increasingly difficult context in which housing staff in regional offices work is contributing to challenges in recruiting and retaining staff. Factors contributing to this included the high workloads, low remuneration and an increasingly complex tenant profile.

In his evidence to the Inquiry Professor Terry Burke noted that ‘it is not easy to recruit the right people to the area and because of the difficulty of the work not easy to retain staff’.²⁶ He further explained that ‘it is a low-paid sector so there is going to be not only the problem over the next 10 years of attracting adequate numbers of staff but also assuring that they have the appropriate

²⁴ HCB, *Final report - Support for High-Risk Tenancies Strategic Project*, Portfolio Services and Strategic Projects Division, DHS, 2006, p.37. See also: p.26.

²⁵ *Transcript of Evidence 14* (Residents Group 3081), p.8; *Submission 36* (RG 3081), pp.8, 31.

²⁶ *Submission 90* (Prof. Terry Burke), p.6.

skill level'.²⁷ The AASW also noted that 'Office of Housing staff are generally poorly paid'.²⁸

For tenants, the Committee was informed that the high turnover of staff has a range of implications. Some find that they frequently have to re-explain their situation, or that new staff are unable to find files or paperwork related to the issue they are working through.²⁹ The consequences of these situations were numerous and included inaction, unresolved decisions, unawareness of correct procedures or a lack of knowledge of support services that might be available.

The Committee recommends that recruitment, retention and remuneration be considered by the Victorian Government as part of the development of a workforce strategy for public housing staff. See *Recommendation 13.5*.

WORKFORCE CULTURE

The Committee heard that the workforce in regional housing offices is often focused on performance targets, such as the recovery of rent and ensuring properties are vacant for the least possible time. This can result in a workforce culture that is less focused on the needs of tenants (or customers) and more focused on achieving targets.

In 2003, the HCB introduced a *Consumer Services Charter*. This aimed to clearly set out the rights and responsibilities of both the Office of Housing and tenants. Underlying the Charter is an intention to improve the quality of its service provision, and ultimately changing workforce culture.

The current public housing *Consumer Services Charter* outlines the application of standards to the services it provides to tenants. It states that tenants have 'a right to expect that we'll meet the commitments contained in this Charter'. It defines five broad commitments that tenants can expect:

- ▶ friendly service
- ▶ honesty and integrity
- ▶ prompt service
- ▶ improving our service
- ▶ fairness³⁰

Each commitment contains a number of actions which the HCB pledges to achieve. For example, under 'friendly service' it will 'link you with other services that may help you'.

²⁷ *Transcript of Evidence 30* (Prof. Terry Burke), p.5.

²⁸ *Submission 41* (AASW), p.13.

²⁹ For example, see: *Submission 103* (PILCH HPLC), pp.68-9, 72; *Submission 53* (SMRC), p.4 & *Submission 104* (NEAMI), pp.4-5.

³⁰ HCB, *Business Practice Manual, Housing Charter*, DHS, 2008, p.1-3—1-5.

Participants in the Inquiry illustrated that a positive approach to tenancy management centred on individual service. For example, Rumbalara Aboriginal Cooperative explained to the Committee the effectiveness of this model and suggested that regional housing offices and HSOs could benefit from considering more individualised approaches:

We have got basically the Woongi unit, which is social and emotional wellbeing. All the things that come out of DHS we have got; it is a one-stop shop for the indigenous community, so we have support around those issues. We refer. It is not just maintaining a waiting list and representing the Minister for Housing over a counter. You are physically out there every day going around. You will see rent arrears and ask, 'What's the problem? I'll go around and see Aunty Mary and see what's happening', so it becomes very personalised.

You walk in and ask, 'How are you going?', and they say, 'Sit down'. You ask, 'What's going on?', and they say, 'Look, there was a funeral this week, and I had a mob over from Robinvale and they've eaten me out of house and home. They've been here for a week. So we've had to pay the bills and do those sorts of things, so I couldn't pay the rent this week'.

We deal with those issues hands on.

... I can honestly say that as a result of all those people working together our rent arrears for the past 15 years have been pretty much non-existent.³¹

The Inner South Community Health Service (ISCHS) explained to the Committee that the responsiveness of staff is generally driven by the leadership culture of each office. In their view, the housing office in Prahran currently constituted a model of best practice. It stated that its objective is in:

promoting a culture of openness and actively cultivating partnerships with local service providers in order to improve networks and linkages for referral. A positive flow-on effect of these partnerships is the opportunity for OOH staff to address gaps in knowledge and practice, particularly in the area of mental health and behaviours such as hoarding, which, in turn, should have a positive spin-off for tenants. (For example, more sustainable tenancies). An example of this is a recent partnership between ISCHS and the Office of Housing (Prahran) to deliver 'Mental health first aid' training to six OOH and six ISCHS staff. The Prahran office has subsequently approached ISCHS to roll out this training to another 30 front-line staff this financial year.³²

This collaboration with service providers assisted in building partnerships and contributed to improved workforce capacity. The Committee identified that the initiative in the Prahran housing office is building a positive workplace culture and increasing staff awareness of resources and referral options.

³¹ *Transcript of Evidence 43* (Rumbalara), pp.4-5.

³² *Submission 56* (ISCHS), p.12.

The Committee heard that housing workers require a different and broader range of skills and personal qualities than they needed 15 years ago. ISCHS stated that because of the growth in tenants with complex needs, the quality of service across the system has become dependent on the characteristics of individual staff. It suggested a need for cultural change in the workplace.

In particular, ISCHS suggested stronger relationships between local offices and local support services (as in the case of Prahran), and for improved human resources management. This should include better supervision and professional development of HCB managers to build a better knowledge, skills and organisational culture. In terms of workforce planning it suggested that consideration also be given to employing more trained health and welfare professionals in front-line and management roles.³³

The Committee has recommended that the Victorian Government focus on promoting a culture of transparency, learning and active partnerships as part of the development of a workforce strategy for public housing staff. See *Recommendation 13.5*.

COMMUNICATION

The Committee heard that there is a need for improved communication between staff in regional housing offices and tenants. Participants told the Committee that, at times, tenants do not have the information they need, cannot contact the HSO they need to speak with and/or are unable to resolve an issue. For HSOs, as noted above, this can often be a result of the challenging demands associated with large portfolios. The outcomes can be difficult for both tenants and staff in regional housing offices.

For example, WMV explained that communication is an issue for the tenants it works with:

Issues raised by the public housing tenants Wesley deals include lack of basic information about the availability of housing support workers and even the existence of services such as SHASP. This often results in issues not being dealt with until they have reached crisis point.³⁴

Escalating arrears or other tenancy issues could potentially be resolved through improved communication. The Committee recognises, however, that this requires time that many HSOs may not have.

Banyule Community Health (BCH) and West Heidelberg Community Legal Service (CLS) suggested to the Committee that HCB was heavily reliant on conveying information through the internet, which is not always suitable to specific populations in public housing that might not have access to the

³³ Submission 56 (ISCHS), p.12.

³⁴ Submission 86 (WMV), p.12.

internet or may not feel confident in their use of computers.³⁵ Furthermore, the Committee found that HCB keeps only a select amount of material on its website. The detailed and comprehensive policy manuals relating to public housing management are easy to access. These are large documents, however, containing dense information and many can find them difficult to navigate.

More broadly, the Committee identified that in comparison with other Divisions in the Department of Human Services (DHS), information regarding strategic documents is often difficult to find or are not available. Increased transparency about the functions and strategic directions of the Division is important. For example, a number of reviews and strategies are frequently referred to in current strategies, yet are not possible to find. This includes the *Growth Strategy for Low Income Victorians*. For Victorians who cannot access public housing, they may be interested in the plans of the Victorian Government to resolve the supply issue.

An additional issue related to communication methods used for people from cultural and linguistically diverse (CALD) backgrounds. The Committee is aware that HCB provides translated information about its services, such as the *Consumer Services Charter*. Yet participants told the Committee that written material isn't always the most effective communication tool. For example, the Ethnic Communities Council of Victoria (ECCV) suggested that information should be provided in other mediums. Greater use of visual communication methods were suggested, such as a video of someone going through an application process, or responding to a tenancy-related problem. Improved diversity in the methods used to convey information was recommended.³⁶

The Victorian Government identified the importance of communication in its 2004–09 strategy, *Partnerships for better housing assistance*, noting that 'our service system needs to be accessible, responsive, reliable and characterised by open and honest communication with our clients'.³⁷ In its 2008–09 update, HCB indicated that a future intention was to 'implement communication strategies to improve information sharing with internal and external stakeholders'.³⁸

The Committee sought copies of the documents informing the communication strategies. It was advised, however, that 'individual communication plans are program specific and change from year to year and include a stakeholder component'.³⁹ HCB also explained that its current stakeholder communications framework is informed by the broader DHS strategic framework, *Better Services, Better Opportunities*.⁴⁰

³⁵ Submission 22 (BCH&WHCLS), p.25.

³⁶ Transcript of Evidence 15 (ECCV), p.11.

³⁷ HCB, *Partnerships for better housing assistance*, 2004, p.22.

³⁸ HCB, *Housing and Community Building Strategic Framework 2004-09 Partnerships for better housing assistance, Annual Update 2008-09*, 2008, p.11.

³⁹ HCB, *Response to Request for Additional Data and Information*, Correspondence to FCDC, 29 June 2010.

⁴⁰ DHS, *Better services, better opportunities, Strategic directions for the Department of Human Services*, 2010 <http://www.dhs.vic.gov.au/_data/assets/pdf_file/0010/426916/department-of-human-services-strategic-directions.pdf> Accessed 1 September 2010.

RECOMMENDATION

13.4 That the Victorian Government develop a comprehensive communication strategy that outlines how it will assist existing and prospective tenants to understand the complex processes associated with accessing and living in public housing, ensuring a diverse range of communication methods to communicate its activities to existing and prospective tenants.

INCONSISTENT SERVICE PROVISION

The Committee also identified that issues relating to workload, staff turnover, and qualifications and skills can result in inconsistent service provision. This has implications for the quality of services provided to existing and prospective tenants in public housing.

Participants in the Inquiry explained that variable skills and experience can contribute to inconsistent service provision. For example, ‘in Neami’s experience the staffing levels and expertise appear to vary from office to office’.⁴¹ Similarly, the Office of the Public Advocate (OPA) noted that there was great inconsistency in how tenants with a disability are dealt with. It suggested that some offices had ‘pockets of magnificence’ while others were reported to be ‘inflexible and unsympathetic’.⁴²

The Committee heard that a worker with skills, experience and an interest in assisting people with complex needs can potentially contribute to positive outcomes for an existing or prospective tenant. On the other hand, a worker with less experience or less interest, sensitivity or time, could have the reverse effect.

Participants also suggested that service provision specifically focused on targets can contribute to inconsistencies in the quality of service. McAuley Community Services for Women (MCSW) explained that:

Customer service standards however are inconsistent across housing offices and Housing Officers. This may be due to resourcing or cultural reasons. However it is not assisted by the narrow Key Performance Indicators on which Housing staff performance is measured – e.g. rental arrears and vacancy management. There is no incentive for Housing Officers to deliver tenant-centred practises.⁴³

Chapter 11 outlined the challenges experienced by many tenants and support organisations when trying to work through issues relating to rental arrears and the inflexibility of some HSOs.

⁴¹ *Submission 104 (NEAMI), p.2.*

⁴² *Submission 27 (OPA), p.26.*

⁴³ *Submission 48 (MCSW), p.11.*

An additional factor influencing the consistency of service provision related to the distance some tenants have to travel to access their local housing office. Moreland City Council made the point that tenants in its area (such as Coburg or Fawkner), many with limited mobility, had to travel to office locations in either Carlton or Broadmeadows to access housing services. It argued that a shopfront in the area staffed at specific times would provide a compromise solution.⁴⁴

Dr Liz Curran from West Heidelberg CLS told the Committee that decisions to regionalise services meant that staff were now being concentrated even more in offices. She noted the loss of a housing worker, formerly available for one day a week at BCH, to duties at the regional office.

Public transport in the West Heidelberg area is very poor and it is often extremely difficult for people to leave West Heidelberg because of disabilities and a whole range of multiple and complex needs. Because of the tightly targeted and segmented waiting lists, the current people in public housing are the most needy people in our community on very low incomes. Rather than expecting them to do the hard work [of travelling and making contact], we would argue that it is better if it is done by the people in the Office of Housing and the housing networks who are actually in the community and physically seeing the living conditions people have, rather than making it even more difficult.⁴⁵

A similar point was also made by Councillor Rose Iser, of the Victorian Local Government Association (VLGA), who explained that the Flemington public housing estate has no staff on site. There are approximately 4,000 residents living in the estate, many from CALD backgrounds. There have been requests for a staff presence:

Although there are phone lines and translator services, it is very difficult for marginalised, non-English-speaking, newly arrived residents to access the maintenance, the Office of Housing assistance—whether it be around tenancy, changes to employment status et cetera—if there are no actual Office of Housing staff on site for such a large estate.⁴⁶

In addition, Homeground Services remarked on the extent to which HSOs are office based. This is largely due to their workloads and their lack of time to carry out home visits. It also means they do not have the opportunities to familiarise themselves with related support services.⁴⁷ It also puts the responsibility on tenants to visit their regional housing office if there are issues, because HSOs often do not have the time to visit tenants.

Ms Ana Rufatt from the Victorian Public Tenants Association (VPTA) reflected to the Committee that there used to be a time when housing workers would

⁴⁴ *Submission 105* (Moreland City Council), p.5.

⁴⁵ *Transcript of Evidence 14* (Residents Group 3081), p.6.

⁴⁶ *Transcript of Evidence 32* (VLGA), p.3.

⁴⁷ *Submission 70* (HomeGround), p.8.

routinely visit the estates and work out problems face to face. Tenants and housing workers used to feel they were working together. She suggested that this approach is no longer possible and the levels of communication have deteriorated as a consequence.⁴⁸ These sentiments were supported by Ms Margaret O'Callaghan (OAM), who suggested to the Committee that workers need to take the time to visit tenants rather than tenants having no option but to travel to offices. She suggested this approach would produce much better rapport between tenants and staff.⁴⁹

The Committee recommends that the Victorian Government introduce strategies to ensure consistency of service provision as part of the development of a workforce strategy for staff in public housing. See *Recommendation 13.5*.

WORKFORCE STRATEGY

Despite the extensive issues that have confronted the public housing workforce, the Committee identified an absence of a comprehensive workforce strategy.

It noted that in its 2004–09 strategy, *Partnerships for better housing assistance*, the Victorian Government made a commitment to implementing the Housing Office Review:

Provide better service at the 'front end' and sustain tenancies by implementing and evaluating the Housing Office Review.⁵⁰

The Housing Office Review was a comprehensive review of housing staff positions in the context of new directions in the provision of public housing, including the introduction of the maintenance call centre and tenancy support programs (such as the high rise strategy). The Committee was advised by HCB that 'a new review is currently underway as part of the Extended and Varied Victorian Public Service Agreement 2006'.⁵¹ It was unclear, however, what the objectives of this review are and how the issues raised before the Committee throughout the Inquiry would be addressed by such a review.

In its 2008–09 annual update on the *Partnerships for better housing assistance* strategy, the Victorian Government indicated that outcomes of the strategy included:

- ▶ A Head Office Housing Workforce Strategy was developed to determine the composition of the Housing workforce and to identify potential challenges in meeting future demands.

⁴⁸ Transcript of Evidence 4 (VPTA), p.6.

⁴⁹ Submission 34 (Margaret O'Callaghan), p.4.

⁵⁰ HCB, *Partnerships for better housing assistance*, 2004, p.22.

⁵¹ HCB, Correspondence to FCDC, 29 June 2010.

- ▶ A commitment was made to deliver relevant training to regional housing staff with the implementation of a Regional Workforce Strategy.⁵²

The Committee sought an update regarding these two workforce strategies and was advised by HCB that ‘these are historical internal working documents and are therefore not considered relevant to the current consideration of the issue’.⁵³ It remains unclear, therefore, what the intentions are regarding the development of a comprehensive workforce strategy for the provision of public housing assistance.

In the context of a significantly changing workforce, the Committee considers that the Victorian Government needs to introduce a comprehensive workforce strategy to outline how it will improve quality of service to Victorians in public housing. This strategy would incorporate the issues raised by Inquiry participants and provide the basis for developing an implementation plan. The Committee considers that a workforce strategy would directly address the issue of change management and target some of the specific issues raised in the Inquiry, including the

- ▶ increased complexity of the tenant profile and changing role of HSOs
- ▶ need for appropriate ratios of properties in individual HSO portfolios
- ▶ challenges relating to recruitment, retention and remuneration
- ▶ improvement of workforce culture, particularly relating to transparency, communication, promoting partnerships and learning
- ▶ consistency of service provision.

RECOMMENDATION

13.5 That the Victorian Government develop a comprehensive strategy and implementation plan for the public housing workforce, including:

- ▶ a comprehensive program of professional development for staff in regional housing offices that includes opportunities to enhance understanding about specific needs, including disability, mental illness, homelessness and CALD communities
- ▶ key objectives for addressing issues relating to recruitment, retention and remuneration
- ▶ a commitment to promoting a culture of transparency, learning and active partnerships in the public housing workforce to adapt to the evolving context in which housing staff operate
- ▶ an assurance of consistency of service provision.

⁵² HCB, *Housing and Community Building Strategic Framework 2004-09: Annual Update 2008-09*, 2008, pp.9, 11.

⁵³ HCB, Correspondence to FCDC, 29 June 2010.

COMPLAINT SYSTEM

To understand the quality of service provision in the administration of public housing, the Committee considered the system of complaints used by HCB.

Complaints provide a valuable opportunity to understand issues that existing and prospective tenants might have regarding service provision. In addition, complaints can provide a valuable basis from which to adopt a system of continuous improvement.

The Committee found that HCB has processes in place for tenants seeking to complain about service provision or a specific staff member and also to appeal a decision made on a housing related matter.

It heard that the main sources of concern regarding complaints related to:

- ▶ the lack of clear timelines for dealing with the complaint
- ▶ the need to make multiple contacts in order to progress a complaint
- ▶ loss of paperwork in the complaint process resulting in the need for resubmissions
- ▶ a general lack of communication regarding rights generally and the complaint in particular
- ▶ concern that making a complaint will jeopardise a tenancy.

COMPLAINTS AND APPEALS

The Victorian Government has a comprehensive policy in place for responding to complaints and appeals relating to public housing tenancies. The two are distinguished from each other. The complaints process relates to service delivery, whereas the appeals process is a formal method for reviewing HCB decisions regarding the provision of housing services. Both processes are internal.

The complaints policy includes a commitment to handling complaints within a 'reasonable' timeframe, but does not specify what this timeframe is or who decides what is reasonable. The policy has a commitment to fairness and consistency in procedure and promotes local responses to complaints.

AVENUES FOR REVIEW OF SERVICES AND DECISIONS

Housing Complaints

The housing complaints process enables clients who are unhappy with a service that was received or that they were entitled to receive to lodge a complaint. Clients are encouraged to discuss the concerns with the HSO or

Team Manager. If still unhappy, they can lodge a complaint in person, in writing or over the telephone.

The process of reviewing a complaint can occur at three levels:

- ▶ review of the complaint at the local office (if appropriate)
- ▶ review of the complaint at a regional level by a regional manager
- ▶ review of the complaint by the HCB Complaints Management Unit.

Housing Appeals

The housing appeals process provides clients with an internal formal method of reviewing HCB decisions relating to the provision of housing services to ensure that policy and procedures are applied correctly.

The process is two tiered.

- ▶ review of the decision by the Housing Services Manager for the housing office where the original decision was made
- ▶ if the original decision is upheld the appeal is referred to the Manager, Housing Appeals for investigation and review.

Other avenues of review

When clients are not satisfied with the outcome of an internal review through the complaints or appeals process, they can seek an independent review by

- ▶ the Ombudsman (regarding administrative decisions)
- ▶ the Equal Opportunity and Human Rights Commission (regarding potential instances of discrimination or harassment)
- ▶ the Privacy Commissioner (regarding potential breaches of privacy).

Sources: HCB, Complaints Manual; HCB, *Response to FCDC Request for Information*.

Tenants can request a complaints advocate, referred to as a client advocate.

The role of the advocate is to

- ▶ assist in lodging a complaint and present the complainant's case if required
- ▶ act an advocate for the complainant
- ▶ ensure the complainant is able to access the complaints process, particularly complainants with special needs.⁵⁴

Complaints regarding disputes between tenants or between tenants and neighbours are not handled by complaints procedure but are handled under the HCB dispute resolution guidelines.

⁵⁴ HCB, *Housing Complaints Policy*, (Undated document provided to the Committee by the HCB on 29 June 2010).

PROCESS & RESPONSIVENESS

The Committee identified that participants in the Inquiry had concerns about the process in which complaints are handled. In particular, the timeliness of the response was consistently raised as an issue. Participants felt that if handled promptly, complaints could be resolved more quickly and improve relations between tenants and staff in housing offices.

The AIDS Housing Action Group (AHAG) told the Committee it had found the Complaints Management Unit of HCB highly responsive and helpful. Problems with complaints arose for them when trying to work with staff in regional offices. In particular they found that staff often were not familiar with the processes.⁵⁵ One consequence is that complaints get referred, taking additional time to resolve and involving more people.

The number of levels in the process was considered to affect the responsiveness in handling complaints. Semmens Court Residents Association suggested that there are too many layers in the complaints process and that the process should be altered to 'remove the number of people who have to process a complaint before it gets to a person who has the training and the authority to act'.⁵⁶ HomeGround Services expressed similar views about the layers of process and the level of expertise of staff in responding to complaints:

There is a huge backlog of complaints and a considerable problem with transparency. Waiting times regarding complaints put a lot of tenants off as the complaint goes through different tiers. However, it is also important to note that Office of Housing Area Offices have different cultures resulting in considerable differences in service quality between regions.⁵⁷

This view is consistent with the broader concerns about inconsistency of service provision outlined above. The inconsistency also appears to have implications for standards in responding to complaints.

The VPTA had concerns about the length of time it takes to resolve a complaint, and that strategies for assisting tenants through the process are not always effective:

The current information brochure 'Making a complaint' does not specify how long a complaint will take to be dealt with. The onus is on the tenant to contact to find out the progress of the complaint. Also complaints need to be made in writing and many tenants have literacy problems and are unable to write their own complaint. These tenants can be referred to the Social Housing Advocacy and Support Program for assistance however there is often a waiting time to get assistance.⁵⁸

⁵⁵ Submission 60 (AHAG), p.11.

⁵⁶ Submission 14 (SCRA), p.4.

⁵⁷ Submission 70 (HomeGround), p.7.

⁵⁸ Submission 44 (VPTA), p.7.

Camperdown Tenants Group informed the Committee that ‘general complaints are not acted on in a practicable time frame creating frustration between tenants, agencies, OoH; resolutions need to be recognised immediately before they create a problem, it is in the best interest of all parties complaints are dealt with in an efficient manner for a satisfactory result’.⁵⁹

Spectrum Migrant Resource Centre (SMRC) similarly expressed a need to improve the processes used by local housing offices in responding to complaints. It stated that its clients experience difficulties in reaching a resolution when they lodge a complaint due to the absence of systems:

SMRC casework staff assisting clients with complaints have found that they have been requested to resubmit complaint documents, due to misplacement of documentation and no tracking of lodgement or recording of where the complaint is in the system. This results in increased time in resolving any issues which consequently impacts the quality of living clients experience in public housing.⁶⁰

It suggests that a way to resolve these issues would be to provide ‘a formalized process which provides clients with a clear timeline for a response, the contact details of who will be managing the complaint and a tracking ID number would help expedite the process’.⁶¹

CONCERNS REGARDING CONSEQUENCES

The Committee heard that some tenants did not feel confident to lodge a complaint, due to concerns they could jeopardise their tenancy.

Despite efforts by HCB to inform tenants of their right to lodge a complaint, the Committee heard that not all tenants felt able to express their concerns. Moonee Valley City Council, for example, stated that ‘many tenants report that they are unsure of what their rights are and do not feel a level of comfort and confidence in doing so’.⁶² Wombat Housing & Support Services similarly told the Committee that ‘housing officers should inform tenants of their right to complain and how to do so. This often does not happen’.⁶³

Hanover Welfare Services explained that its ‘experience with the formal complaints and appeals system is that tenants are often uncomfortable with using them because of concerns they might jeopardise their housing’.⁶⁴ HomeGround Services similarly told the Committee that ‘many tenants are worried about complaining as they fear it may be used against them in the

⁵⁹ Submission 17 (The Camperdown Tenants Group Inc.), p.1.

⁶⁰ Submission 53 (SMRC), p.4.

⁶¹ Submission 53 (SMRC), p.4.

⁶² Submission 67 (MVCC), p.8.

⁶³ Submission 40 (Wombat), p.3.

⁶⁴ Submission 92 (Hanover), p.24.

future. Many tenants are also concerned that their complaints will not be taken seriously or addressed'.⁶⁵

The Committee heard that for people from CALD backgrounds, these fears of complaining about services are a key issue. Refugees, in particular, can often be reluctant to complain about service provision or decisions. The ECCV explained that:

There are instances of refugees being worried about the possible adverse consequences of lodging a complaint.⁶⁶

Ms Margaret O'Callaghan (OAM) suggested that greater face-to-face contact with workers is important in minimising these fears. She spoke of experiencing a workshop run by workers in Doveton where tenants were actually encouraged to fill in a complaint form on the understanding that this would allow the workers to improve the services they provided. She saw this as empowering and building confidence among tenants that would reduce their fear of repercussions.⁶⁷

SVDP Aged Care & Community Services also suggested that greater responsiveness from staff could resolve issues at an earlier stage and minimise the reluctance to raise issues with the local housing office. It explained that applying 'active listening skills at the first point of a complaint being made, especially verbally, can deflect concerns and find a constructive solution without issues always escalating to a full complaint'.⁶⁸

ALTERNATIVES

The Committee heard mixed views about the complaints process. Some felt that the process was comprehensive and sound, but that the issues related more to the implementation of complaints and the potential for strengthening the role of the Complaints Management Unit. Others considered that there is potential to review the processes used for complaints and potentially learn from complaints bodies. Another group of participants felt that greater independence is required in the complaints and appeals mechanisms used by HCB.

MCSW was one participant that suggested the existing complaints processes are suitable for their purpose:

The actual procedures as documented are adequate, however, they are not always well implemented.⁶⁹

⁶⁵ *Submission 70* (HomeGround), p.7.

⁶⁶ *Submission 43* (ECCV), p.3.

⁶⁷ *Submission 34* (Margaret O'Callaghan), p.4.

⁶⁸ *Submission 100* (SVDP ACCS), p.24.

⁶⁹ *Submission 48* (MCSW), p.12.

Hanover Welfare Services expressed similar views, noting that ‘appeals are rarely knocked back, but also it is often support workers who assist clients and pursue the process because of its complexity. The process can also take months depending on the issue raised’.⁷⁰ The Aids Housing Action Group (AHAG) told the Committee that its ‘experience of the Complaints Unit is that they are extremely responsive and helpful. Unfortunately the experience is not the same with the staff of the housing offices’.⁷¹

Others felt that there is room for HCB to review its complaints processes and to seek input from bodies that have expertise in responding to complaints. For example, the Heidelberg Branch of the ALP suggested that ‘the Office of Housing should work with the Victorian Ombudsman to develop a complaints resolution process which investigates, records and resolves complaints suitably’.⁷²

The Committee considers that there could be scope for revising the complaints process with input from reference groups with expertise in responding to complaints, such as the Health Services Commissioner and the Ombudsman. For example, Disability Services Division appointed a reference group to assist it to redevelop its complaints system under the *Disability Services Act 2006*.⁷³

INDEPENDENT COMPLAINTS BODY

For a number of participants in the Inquiry, changes to the context in which public housing services are provided raises the need for an independent body to handle complaints and appeals. Some also considered that such a body could potentially have a broader role beyond complaint management and extend to tenants in all forms of rental accommodation. The Committee heard that an independent authority would provide increased fairness and accountability in the system.

The suggestion was made to the Committee that an independent authority would be guided by different principles from those guiding existing authorities and being outside the tenancy system could provide a fairer and less intimidating avenue for tenants. One suggestion for a new independent authority came from the Human Rights Law Resource Centre (HRLRC). The Centre suggested that:

An independent Housing Commissioner should be established to investigate and conciliate complaints relating to the rights of persons who are homeless or at risk of homelessness.⁷⁴

⁷⁰ Submission 92 (Hanover), p.24.

⁷¹ Submission 60 (AHAG), p.8.

⁷² Submission 39 (Heidelberg Branch ALP), p.7.

⁷³ DHS, Disability Services Division, *Revision of the Victorian Standards for Disability Services*, 2006 (Appendix D: Project objectives and methodology) p.25.

⁷⁴ Submission 10 (HRLRC), p.9.

The TUV made a similar suggestion, but indicated that it could have a broader role for tenants in rental housing:

We also believe the establishment of an independent housing ombudsman to be the more effective means to regulate and monitor all rental housing in Victoria. This would provide residential tenants with a body which receives, investigates and facilitates the resolution of complaints about landlords, regardless of ownership or tenure. Importantly this would provide a means to resolve non-legislative complaints made by social housing tenants – no such process currently exists.⁷⁵

The TUV suggested that its proposed Housing Ombudsman would have responsibility to ‘regulate and monitor the provision of public, social and private housing in Victoria’.⁷⁶

The Committee considers that there is scope for consideration of an independent body that is charged with overseeing complaints and regulation relating to rental tenancies. While wider in scope, this is consistent with the Victorian Auditor-General’s recent recommendation to review the role of the Registrar of Housing Agencies, which has regulatory oversight for housing associations and monitors their compliance with relevant legislation.

In view of the concerns expressed by many participants about the importance of avoiding legalistic processes, such as those provided by VCAT, the Committee identified merit in considering a body that could assist with alternative dispute resolution. Inner South East Partnership in Community and Health (ISEPICH) made the following point to the Committee:

Having to resort to using VCAT is usually a slow, legalistic and challenging way of dealing with complaints. A housing estate focused, professional, transparent, mediation process could be considered that links actions of current residents to consequences and/or appropriate ongoing support services and programs.⁷⁷

The Committee considers that a review of the governance structure of the Registrar of Housing Associations alongside a feasibility study of an independent housing body to assist in mediation and complaint resolution could provide a valuable alternative.

For public tenants seeking to resolve issues with their regional housing office, yet forced to engage with internal complaints systems, this could provide a greater sense of empowerment. Furthermore, it could potentially minimise the number of cases that progress to VCAT. Similarly, for low income Victorians in private rental or in social housing, there would be potential value in establishing an independent body to minimise formal legal interventions. For all tenants, such a body could potentially have a specialist

⁷⁵ *Submission 98 (TUV), p.25.*

⁷⁶ *Submission 98 (TUV), p.25.*

⁷⁷ *Submission 29 (ISEPICH), p.4.*

role in dispute resolution between neighbours. As noted in Chapter 12, this is a major cause of complaints in the public housing sector.

RECOMMENDATION

13.6 That the Victorian Government review its complaints processes giving specific consideration to:

- ▶ the potential for an external body responsible for mediation, complaint resolution and strategies for continuous improvement in tenancy-related matters
- ▶ standardising responses to complaints in local housing offices to ensure consistency in processes.

TENANT PARTICIPATION

The Committee heard that, in working towards continuous improvement and high quality service provision in the public housing sector, tenant participation in the public housing system is important.

The Committee recognised that the Victorian Government has committed to increasing tenant participation with a key objective of improving its customer service. In its recently released *Victorian Integrated Housing Strategy*, a clear commitment is made to ‘improve tenant choice and participation’.⁷⁸

The Victorian Government’s intentions regarding tenant participation are outlined in its Tenant Participation Framework.

TENANT PARTICIPATION FRAMEWORK

Essential to providing a high quality housing service is the opportunity for tenants to provide feedback about the quality of services and factors impacting on their tenancies.

Tenant Participation therefore is a key component of the Office of Housing’s commitment to improved customer service providing a framework for tenants to give regular feedback at a local and regional level on the Office of Housing’s service.

In the longer term, Tenant Participation increases tenants’ knowledge about rights and responsibilities and creates an informed, engaged and empowered tenant community.

Tenant Participation also facilitates opportunities for tenants to establish links across government and the community sector to build community capacity by encouraging partnerships and collaborations.

⁷⁸ HCB, *The Victorian Integrated Housing Strategy, Affordable, Accessible and Sustainable Homes*, DHS, 2010, p.22.

Tenant participation is underpinned by:

- ▶ The Public Housing Consumer Charter
- ▶ A Tenant Participation officer in each DHS region
- ▶ Requirements for housing managers and housing services managers to be actively involved in tenant participation at a local and regional level
- ▶ Funding for the Social Housing Advocacy and Support Program (SHASP) to support tenant participation
- ▶ Funding for volunteer public tenants groups under the Tenants Group Program
- ▶ Funding of the Victorian Public Tenants Association the peak public tenant and tenants group body.

Tenant participation is the Office of Housing's response to:

- ▶ The Housing Act 1983
- ▶ Growing Victoria Together
- ▶ A Fairer Victoria

Guiding principles:

- ▶ Tenants should be able to be actively involved in decisions about their housing and their communities through consultation at local and regional levels and with the Office of Housing directly.
- ▶ Tenant participation should involve tenants and tenant groups.
- ▶ The Public Housing consumer charter commits the Office of Housing to service quality. Tenants from diverse backgrounds and abilities should be represented and engaged in decisions about their housing and their communities.
- ▶ Tenants, as consumers of Office of Housing services, are provided with information to ensure that they are able to participate fully and provide feedback critical to the improvement of Office of Housing services.
- ▶ Tenants' privacy and their choice not to be involved in tenant participation activities should be respected.
- ▶ The Director of Housing has a range of legal obligations in the provision of housing and in fulfilling these responsibilities.
- ▶ Listening to and working with tenants is a key strategy in improving our services and getting the best outcomes for tenants.

Source: HCB, Tenant Participation Framework.

<www.housing.vic.gov.au/living-in-housing/getting-involved/tenant-participation>

As part of its tenant participation framework, HCB has created support for advocacy and participatory tenants groups. The peak body of these groups is the VPTA. It is funded to support and train tenant groups across Victoria. In addition to the VPTA there are 27 incorporated tenant groups and unincorporated tenant groups, some of which are supported by SHASP.

Other initiatives for tenant participation include Neighbourhood Renewal programs, Housing Week and the Victoria in Bloom program.

The views of tenants were mixed regarding the success of programs for tenant participation. In its evidence to the Inquiry the VPTA noted that the tenant participant framework was relatively new, having only been around for five or six years, and thus still developing.⁷⁹

HCB's diagram for tenant participation states it is about giving increased opportunities for public tenants to contribute to decisions affecting their environment. The VPTA explained its experience:

At this point in time we would see participation only at that consultative level, and it is not pure tenant participation. Certainly people are consulted about new buildings and policy, but it does not mean that we are on a level playing field with the Office of Housing at all. It means that they will tell us what is going on — we will be informed about issues that are happening. It is an improvement on what there was in the past because at least there is an involvement and they hear what tenants' opinion is on particular issues. Then it is up to the Office of Housing to choose whether they are going to go with that or make their own assessment of that. If you had pure participation, they would be at a table sitting with tenants and it would be a level playing field. We have not reached that yet.⁸⁰

The VPTA reported that it met with the Director of Housing twice a year, and could request more meetings if it wanted. The topic of meetings included customer service issues. It also noted that in the previous few months VPTA had also become involved in reviewing HCB's policy and procedures framework, which allowed them to put their views about these across.⁸¹

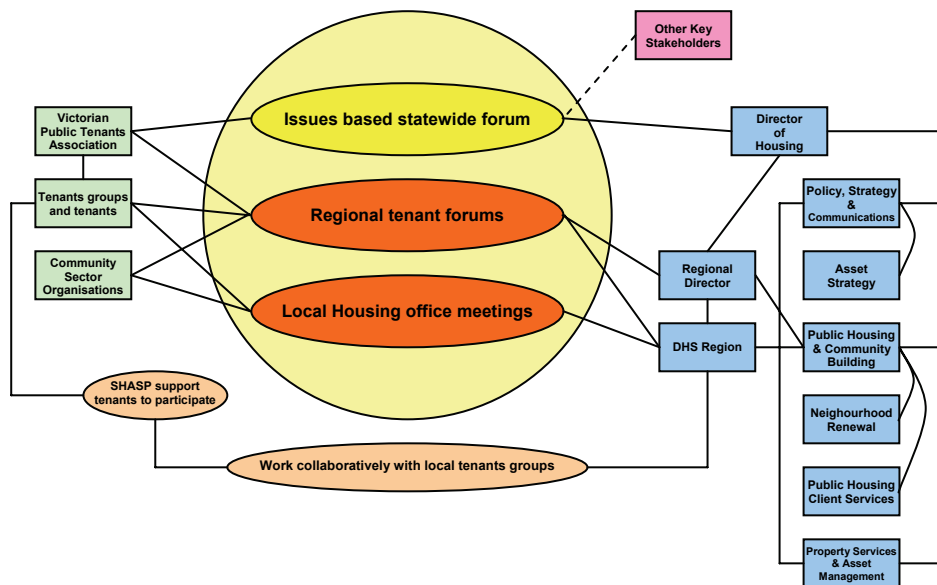
⁷⁹ *Transcript of Evidence 4 (VPTA)*, p.9.

⁸⁰ *Transcript of Evidence 4 (VPTA)*, p.9.

⁸¹ *Transcript of Evidence 4 (VPTA)*, p.9.

Figure 13.1: Office of Housing tenant participation framework

To create increased opportunities for public housing tenants to contribute to decisions affecting their living environment



Source: HCB, Tenant Participation Framework. <<http://www.housing.vic.gov.au/living-in-housing/getting-involved/tenant-participation>> Accessed 1 September 2010.

Other tenants were less positive. Representatives from Collingwood and Atherton Estates felt that their experiences of participation had included ‘tokenism, misinformation and being consulted on something that has already been finalised’.⁸² They noted that participating in local projects or cooperation took (unpaid) time and effort and that it was not always a positive experience, with some tenants left feeling undervalued.⁸³

The TUV recommended a broader definition of tenant participation suggesting that current HCB policy still focused too much on asset-management, anti-social behaviour and limited social inclusion initiatives. It claimed that there would be more benefits and improved well-being for tenants if authorities gave tenants a strong influence over the property they inhabited and the body that manages it. TUV suggested three key areas where participation could be extended:

Individual involvement: including the opportunity to choose paint colours and floor coverings for the property;

Community involvement: including the opportunity to participate in local projects initiated by, or in conjunction with, the housing association including employment projects, community arts projects, or other community development initiatives; and

⁸² Transcript of Evidence 25 (Representatives of Collingwood, Fitzroy & Richmond Public Housing Tenants), p.3.

⁸³ Transcript of Evidence 25 (Representatives of Collingwood, Fitzroy & Richmond Public Housing Tenants), p.3.

Structural involvement: including opportunities for tenants to participate in Boards and Board sub-committees of all forms of housing management bodies.⁸⁴

The Committee found that HCB has already made inroads in all these areas but supports a review of the existing tenant participation framework to determine the extent to which there is involvement at each of these levels.

RECOMMENDATION

13.7 That the Victorian Government review the effectiveness of its tenant participation framework and the extent to which it includes individual, community and structural involvement of tenants.

⁸⁴ *Submission 98 (TUV), pp.24-5.*

CHAPTER 14

ASSET MANAGEMENT & EXISTING PUBLIC HOUSING STOCK

FINDINGS

Public housing asset management

- ▶ That asset management plans are increasingly informing the management of social housing assets, including planning, growing, maintaining and disposing of stock.
- ▶ That the Victorian Government has a strategy to manage the life cycle of public housing stock.
- ▶ That expenditure on managing public housing stock has increasingly focused on upgrading and redeveloping existing stock over growing supply.
- ▶ That costs associated with maintenance are increasing.

Attributes of public housing assets

- ▶ That the quality and adequacy of public housing stock is highly variable due to the large percentage of ageing stock.
- ▶ That public housing stock does not meet the needs of the existing tenant profile, particularly properties needed for singles and for larger households.
- ▶ That the Victorian Government has strategies in place to re-profile its public housing stock profile.

Maintenance

- ▶ That the Victorian Government cannot meet all backlog maintenance due to funding restrictions.
- ▶ That maintenance issues are not always resolved and can contribute to health and safety issues.
- ▶ That maintenance continues to be a significant cause for complaints in public housing, particularly regarding timeliness, quality and transparency.
- ▶ That the performance of maintenance contractors is not well monitored.

Housing standards

- ▶ That there are no minimum housing standards in Victoria.
- ▶ That heating and cooling are ongoing issues for public tenants.
- ▶ That public tenants expressed a view to the Committee that they would like to be more involved in the processes of ongoing maintenance.

Upgrade and renewal

- ▶ That the Victorian Government has committed to a program of upgrade and renewal of public housing stock.
- ▶ That the Neighbourhood Renewal Program is broadly supported.
- ▶ That local government is not always effectively engaged in projects to upgrade housing.

The management of assets is critical to the adequacy and quality of public housing in Victoria. It has implications for the health and wellbeing of tenants who live in the housing provided and managed by the Victorian Government. A core objective of public housing authorities is to ensure all existing and prospective tenants have access to adequate, equitable and appropriate housing.

Researchers have identified that a challenge for public housing asset management is that it needs to be managed in a policy context of the service delivery associated with public housing. Funding models associated with public housing create tensions for good asset management, which requires adequate revenue to ensure assets are managed well.

For most public housing authorities across Australia, there are major challenges associated with the existing asset base. These largely relate to quantity, condition and the age of public housing stock, and the consequences of policy decisions over recent decades. Similar issues are a concern for Victorian public housing stock.

Over the past seven years, Victorian asset managed has evolved. A combination of increased investment and greater focus on asset management has contributed to this progress. In turn, this has led to some improvements to housing stock in Victoria. Yet, as the Committee heard, there is still a long way to go.

This chapter considers asset management strategies in the context of public housing. It then goes on to consider the evidence the Committee received in relation to existing public housing stock and the Victorian Government's response to addressing some of the issues it confronts.

ASSET MANAGEMENT AND PUBLIC HOUSING

Asset management in the context of social housing is a relatively new concept and one that is continuing to evolve. The Victorian Government notes this in its own asset management strategy, with one of its objectives being to 'improve asset management processes'.¹

As a new concept in the context of social and public housing, there is no one definition for asset management. Broadly, however, social housing asset management:

concerns the asset management practices of jurisdictions engaged in providing and management social housing stock. This usually includes acquisition, sale, stock transfer, renting, allocation, repairs and maintenance.²

¹ HCB, *Sustaining our housing, Asset management strategy 2004 to 2009*, 2004, p.11.

² R Kenley, M Chiazor, J Hall et al., 'Good practices for managing Australia's public and community housing assets', *Final Report*, AHURI Final Report No. 148, AHURI, June 2010, p.1.

In addition, 'strategic' asset management has been defined as combining 'the principles of (commercial) asset management and strategic planning'.³ It is 'interrelated to business planning and forms an evaluation framework for social asset management'.⁴

A key tension for social housing authorities is that asset management differs from approaches in the private sector. Where the emphasis in the private sector is on 'optimising financial performance, in the public rental sector it is not necessarily—or mostly not—the primary criteria for management decisions'.⁵

Notably, researchers Dr Jon Hall and Professor Mike Berry found that 'because of substantial investments in asset assessment and management information and procedures, STHAs (state and territory housing authorities) now have considerably more accurate and performance-related estimates of the real extent of existing maintenance backlogs'.⁶

Other research has identified that while there are broader issues effecting asset management, such as the allocation of public housing, in 'predominantly asset-based approaches, the focus has been on investment in the physical asset-housing improvements and environmental work often rectifying design defects and addressing safety and security issues ... geared toward reducing tenant dissatisfaction'.⁷

For states and territories, challenges with public housing stock profiles have emerged over a long period. These relate to the quantity of housing stock, the ageing of dwellings and the quality of public housing properties. Efforts to resolve these challenges are being addressed in a number of ways across jurisdictions.

The Commonwealth Government has encouraged the adoption of good asset management practice with a range of measures through the National Affordable Housing Agreement (NAHA). This includes developing strategic plans at the state level, establishing a national asset register and developing a resource accounting and budgeting framework. This was further promoted through the *Social Housing Initiative* in the *Nation Building - Economic Stimulus Plan*, which included targets to increase provision through new capital works.

Participants in the Inquiry were supportive of the investment of the recent national Economic Stimulus Plan. Yet there were concerns expressed that this would not resolve the ongoing supply issues. For example, the Victorian Council of Social Service (VCOSS) stated to the Committee:

³ R Kenley et al., 'Good practices for managing Australia's public and community housing assets', AHURI, 2010, p.18.

⁴ R Kenley et al., 'Good practices for managing Australia's public and community housing assets', AHURI, 2010, p.18.

⁵ R Kenley et al., 'Good practices for managing Australia's public and community housing assets', AHURI, 2010, p.21.

⁶ Dr Jon Hall & Prof. Mike Berry, 'Operating deficits and public housing: policy options for reversing the trend: 2005/06 update', *Final Report*, AHURI Final Report No. 106, AHURI, October 2007, p.105.

⁷ R Kenley et al., 'Good practices for managing Australia's public and community housing assets', AHURI, 2010, p.29.

While recent funding investments such as the Nation Building Stimulus Package and the National Rental Affordability Scheme add to the supply of affordable rental housing, these investments are not sufficient to address ongoing housing need and are just two elements of what must be a robust sector into the future.⁸

Similarly, the Tenants Union of Victoria (TUV) noted to the Committee that ‘while supply of new public and community housing is to be welcomed the current increase in investment will not resolve the lack of supply’.⁹ These issues are discussed further in Chapter 15.

VICTORIAN PUBLIC HOUSING ASSET MANAGEMENT

In Victoria, an asset management strategy was introduced for public housing in 2004. This was in response to broader national directions in asset management but also to a series of reviews by the Victorian Auditor-General from 1993 that highlighted substantial issues with the maintenance of public housing stock.

In establishing its asset management strategy—*Sustaining our housing*—the Victorian Government recognised that ‘it has a duty to ensure the responsible management and maintenance of those assets, so that our response to the housing needs of low income Victorians can be sustained and improved’.¹⁰

In addition to contextualising the asset management strategy within broader strategic goals, such as the Commonwealth State Housing Agreement (2003–08), *Growing Victoria Together* and *Melbourne 2030, Sustaining our housing* outlined five broad objectives. These were to:

- ▶ maintain and enhance the asset base
- ▶ prioritise place-based improvement initiatives
- ▶ re-profile stock and grow in strategic locations
- ▶ attract private sector investment
- ▶ improve asset management processes.¹¹

Notably, Victoria’s asset management strategy takes a life-cycle approach in managing the asset base. This includes a focus on planning, acquisition, operation and maintenance and disposal of stock. In response to a research project in 2005–06, the Victorian Government advised that its strategy for managing its assets has focused on firstly, disposing of the ‘worst’ and, secondly, improving the asset condition of the remaining stock.¹²

⁸ Submission 87 (VCOSS), p.9.

⁹ Submission 98 (TUV), p.13.

¹⁰ HCB, *Sustaining our housing*, 2004, p.5.

¹¹ HCB, *Sustaining our housing*, 2004, pp.10-11.

¹² Dr J Hall et al., ‘Operating deficits and public housing’, AHURI, 2007, p.83.

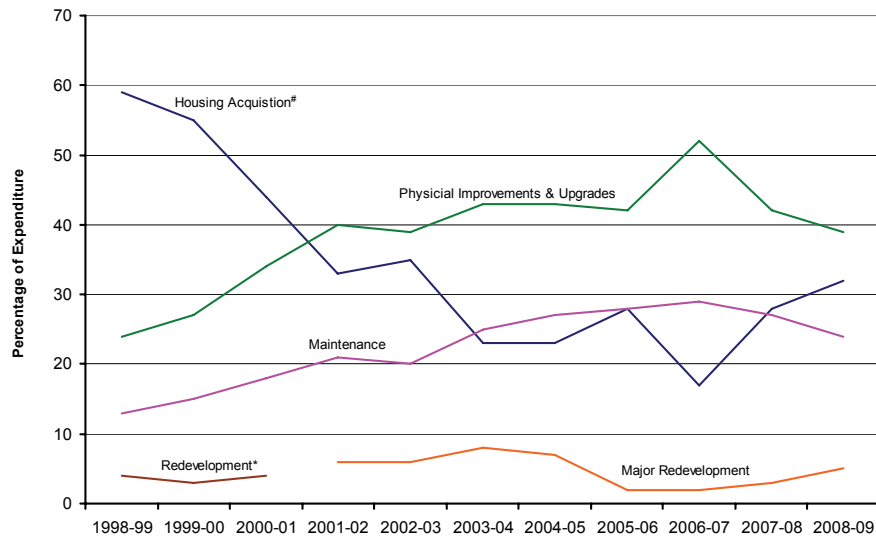
The following graphs provide an overview of the changes in spending direction by the Victorian Government over a 10-year period. The figures reveal the asset management categories as a percentage of total stock related expenditure.

Figure 14.1: Nominal expenditure on Stock Related Maintenance, 1998-99 to 2008-09



Source: HCB, *Summary of Housing Assistance Programs, 1998-99 to 2008-09*

Figure 14.2: Percentage breakdown of expenditure on Stock Related Maintenance & Capital Projects 1998-99 to 2008-09 (excluding administration)



Notes: # (Housing Acquisition) is both Public Rental General & Community Housing dwellings
* (Redevelopment) excludes stock replacement

Source: HCB, *Summary of Housing Assistance Programs, 1998-99 to 2008-09*

In developing an asset management strategy approach, the Victorian Government was explicit in its intention to address the challenges it perceived it faced with its existing asset base in 2004. Those included:

- ▶ Over 30 per cent of properties are over 30 years old and were constructed to meet the needs of a community that has changed dramatically over this time:
 - ▷ Three-bedroom family dwellings and bed-sitter units for older people were the main forms of public housing produced in the past.
 - ▷ Current demand for housing assistance is mostly from smaller households – singles, small families, older persons.

- ▶ Most inner city high-rise and walk-up estates have reached the age at which they require major capital investment, linked to appropriate management and community support.
- ▶ Direct funding for capital investment in public housing has been significantly reduced by the Commonwealth Government over the last ten years.
- ▶ Victorian Government policies and strategies such as *Growing Victoria Together* and *Melbourne 2030* indicate that we need to plan for a diverse and ageing population and for Melbourne to become a more compact city.
- ▶ As regional centres and towns grow or decline, public housing needs to be able to respond appropriately.

While there has been investment to start addressing these challenges, the Committee considered that in 2010 the same issues continue to require attention.

HOUSING ASSET ATTRIBUTES

The attributes of housing assets are diverse. This contributes to the complexity of determining a housing asset management plan.

HOUSING ATTRIBUTES

Housing attributes relate to the basic physical, financial, environmental and social aspects of a house such as the built structure, physical conditions, cost of operation, and occupancy.

Physical characteristics—collection and utilisation of data on physical characteristics (such as building fabric, dwelling size, age, type and location) are fundamental to good asset management.

Social factors—such as interaction, lifestyle, provision of communal and recreation areas, crime rates and family sizes and income, have contributed to the development of strategies to evaluate public housing attributes.

Financial attributes—asset management for public housing is concerned with both social returns and financial returns, and must find the correct balance between these sometimes contradictory objectives.

Source: Kenley et al, *Good practices for managing Australia's public and community housing assets*, 2010, pp.38-40.

CURRENT PUBLIC HOUSING ASSETS IN VICTORIA

In order to consider the Victorian Government's efforts to enhance and maintain the current asset base and the general response of Inquiry participants to these efforts, this section provides a brief overview of the existing stock profile in Victoria. Like other states and territories, public housing stock in Victoria is ageing, deteriorating in quality and reducing in quantity.

The Victorian Government provides considerable information about its housing stock in its annual *Summary of Housing Assistance Programs*. The Committee found, however, that the reports relating to public housing stock and tenure do not provide clear information. Incomparable categories are used to describe various components of activities relating to asset management. Furthermore, definitions of the categories are not provided. It is often difficult, for example, to distinguish public housing assets from community housing.

The Victorian Government states that at 30 June 2009, it owned 65,207 direct tenure units. This number consisted of 63,098 Rental General Stock units (including Supported Housing Units, short-term leases, and bushfire accommodation) and 1,680 Movable Units.¹³ Of the rental general stock 61,002 units were occupied at 30 June 2009 by long-term tenants in the Rental General Housing program.¹⁴

The Committee noted that the Victorian Government owns more stock than those classified as public housing stock—that is, 72,806 units.¹⁵ The likelihood is that some, or all, of the extra 7,599 properties are leased to other housing providers to manage the tenancies.

While these properties are not incorporated into the considerations of the Committee, they are noted because in some cases the Victorian Government remains responsible for their maintenance and the depreciation contributes to the operational costs. The larger figure has implications for the Victorian Government's social housing budget and the available resources for social housing in Victoria.

¹³ HCB, *Summary of Housing Assistance Programs 2008-09*, DHS, 2010, p.12.

There were also a further 429 units. They were primarily comprised of community facilities, commercial tenancies and units awaiting demolition or sale which were temporarily being used for crisis housing.

¹⁴ HCB, *Summary of Housing Assistance Programs 2008-09*, 2010, p.14.

¹⁵ Treasurer of the State of Victoria, *Victorian Budget 2010-11, Budget Paper No. 3 - Service Delivery*, Victorian Government, 2010 (Appendix C) p.442.

The May 2010 budget figures give a total of 74,941 total long-term social housing properties for 2008-09 (includes leases, joint ventures and Office of Housing funded community-owned dwellings).

STOCK LOCATION

Approximately two-thirds of the Rental General Stock is located in Melbourne and the other third is in regional areas.

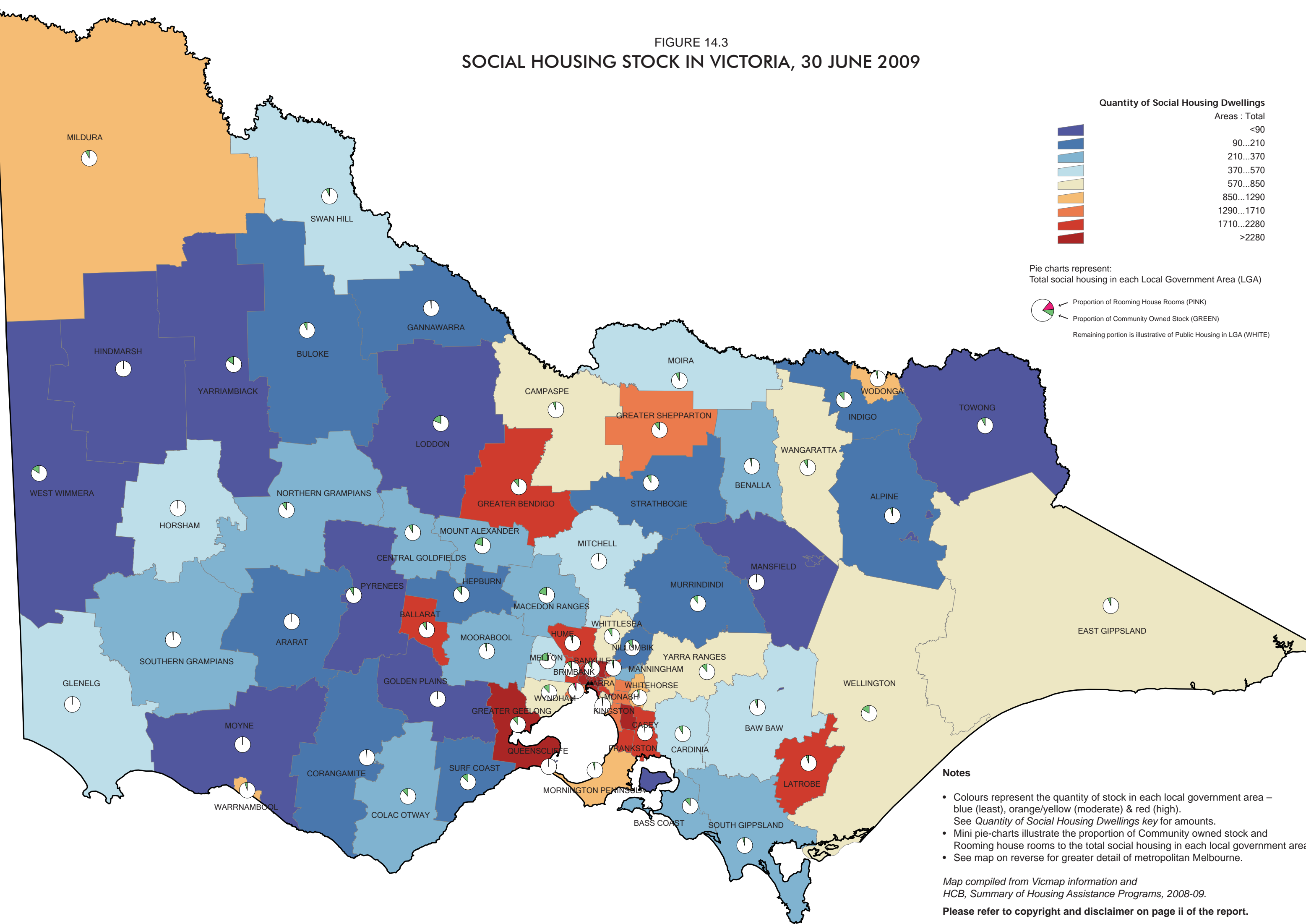
Table 14.1: Rental General Stock by Region

	BARWON SOUTH WEST	GIPPSLAND	GRAMPIANS	HUME	LODDON MALLEE	EASTERN METRO	NORTH WEST METRO	SOUTHERN METRO
Rental general stock and movable units	5,107	3,587	2,985	4,319	4,676	5,829	24,727	13,548
Other direct tenure	32	21	33	21	19	57	165	81
Stock*								
Total direct tenure stock	5,139	3,608	3,018	4,340	4,695	5,886	24,892	13,629

Source: HCB, *Summary of Housing Assistance Programs, 2008-09* p.13

Geographical maps of the dispersal of social housing throughout Victoria (Figure 14.3), including detail of the greater Melbourne metropolitan area (Figure 14.4) are reproduced on the following fold out page.

FIGURE 14.3
SOCIAL HOUSING STOCK IN VICTORIA, 30 JUNE 2009

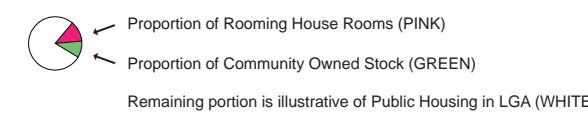


Quantity of Social Housing Dwellings

Areas : Total

	<90
	90...210
	210...370
	370...570
	570...850
	850...1290
	1290...1710
	1710...2280
	>2280

Pie charts represent:
 Total social housing in each Local Government Area (LGA)



Notes

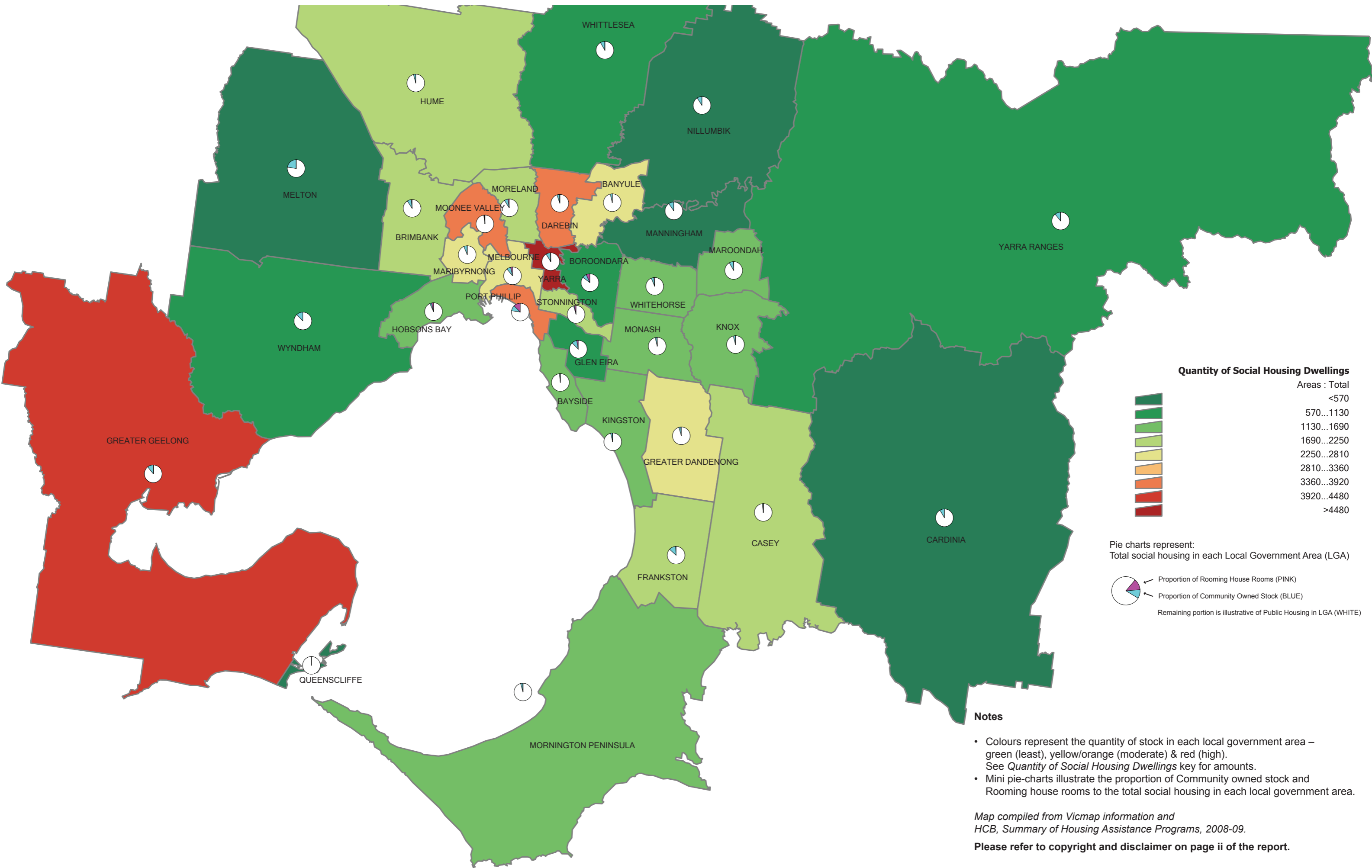
- Colours represent the quantity of stock in each local government area – blue (least), orange/yellow (moderate) & red (high). See *Quantity of Social Housing Dwellings* key for amounts.
- Mini pie-charts illustrate the proportion of Community owned stock and Rooming house rooms to the total social housing in each local government area.
- See map on reverse for greater detail of metropolitan Melbourne.

Map compiled from Vicmap information and HCB, Summary of Housing Assistance Programs, 2008-09.

Please refer to copyright and disclaimer on page ii of the report.

FIGURE 14.4

DETAIL OF SOCIAL HOUSING STOCK IN GREATER METROPOLITAN MELBOURNE, 30 JUNE 2009



AGEING STOCK

The ageing of Victoria's public housing stock is well known. In 2007, the Victorian Government noted that over 60 per cent of public housing properties were more than 20 years old.¹⁶ In addition, in 2004, the Victorian Government reported that over 30 per cent were over 30 years old.¹⁷ Many properties were older still. Over 7,000 high rise units were built before 1976 and there is still housing in West Heidelberg dating back to the 1956 Olympic Games.

As outlined in Part 2, investment in public housing stock decreased from the mid-1990s resulting in reduced funding for maintenance and contributing to the declining quality of stock. In recent years this trend has shifted, with increases in investment by the Victorian Government since 2004 to refurbish, renovate and retrofit ageing stock.

The Victorian Government has acknowledged that the age of public housing stock is an issue.¹⁸ In 2007, it reported to the Victorian Auditor-General that it considered 3 per cent of its stock (or over 2,000 properties) to be in poor condition, 28 per cent in fair condition and assessed 69 per cent of public housing stock to be in good condition.¹⁹ This means that in 2007, almost one-third of stock had maintenance requirements costing between \$5,000 and \$20,000.

The age and condition of public housing stock has implications for tenants and tenant mix in terms of standards, design and suitability.

STOCK PROFILE

As the table below reveals, a significant proportion of public housing stock in Victoria is in medium to high density housing estates. At the same time, however, separate and semi-detached houses comprise the largest proportion of public housing dwellings.

**Table 14.2: Public housing stock in Victoria –
Types of direct tenure dwelling owned/managed by HCB at 30 June 2009**

SEPARATE HOUSE	SEMI-DETACHED HOUSE	MEDIUM DENSITY	FLAT LOW RISE	FLAT HIGH RISE
26,186	3,405	17,026	15,907	7,205

Source: HCB, *Summary of Housing Assistance Programs*, 2008-09 p.41

Since 1992, public housing acquisition strategies have aimed to reconfigure the stock with an emphasis on one- and two-bedroom properties and small

¹⁶ Dr J Hall et al., 'Operating deficits and public housing', AHURI, 2007, p.82.

¹⁷ HCB, *Sustaining our housing*, 2004, p.8.

¹⁸ For example see, *Transcript of Evidence 34* (HCB), pp.5, 12.

¹⁹ VAGO, *Follow-up of Selected Performance Audits Tabled in 2003 and 2004*, Victorian Auditor-General's Report, 2007, p.61.

dwellings.²⁰ This has been a response to changes in the tenant profile that has resulted in an increasing number of single person households as tenants, particularly single older tenants, and a decreasing number of households comprising a couple with children.

Consequently, smaller properties in 2009 made up 57 per cent of the stock portfolio with three bedroom properties comprising 38 per cent and five per cent consisting of larger housing.²¹

Table 14.3: Public housing direct tenure stock in Victoria owned/managed by HCB broken down by region and amount of bedrooms

REGION	BEDSITS	1 B.R.	2 B.R.	3 B.R.	4 B.R.	5 B.R.	6+ B.R.	TOTAL DWELLINGS
Barwon South West	14	1,191	1,601	2,554	227	11	5	5,603
Gippsland	18	1,040	1,040	1,875	140	7	6	4,126
Grampians	30	896	675	1,608	150	4	20	3,383
Hume	45	942	1,077	2,385	254	19	9	4,731
Loddon Mallee	92	1,267	1,245	2,388	259	5	7	5,263
Eastern Metro	34	1,963	2,141	2,149	342	50	43	6,722
North and West Metro	758	6,456	9,488	9,185	1,138	120	64	27,209
Southern Metro	470	4,774	4,519	5,135	742	90	39	15,769
Total	1,461	18,529	21,786	27,279	3,252	306	193	72,806

Source: HCB, *Summary of Housing Assistance Programs*, 2008-09 p.44

Following a series of reviews by the Victorian Auditor-General from 1993 to 2004, asset management of public housing has been under scrutiny. In recognition of the age and the deterioration of a large percentage of public housing stock, the Victorian Government introduced substantial improvements. These included an asset management strategy, investment in the improvement of the housing stock and a commitment to understanding the needs of tenants.

The Committee found, however, that there are ongoing issues for tenants regarding the quality of public housing stock.

The Committee recognises that the Victorian Government has made a commitment to addressing issues associated with its public housing. During the Inquiry, the Committee visited public housing stock across Melbourne and regional Victoria. It was impressed with a range of innovations that have been put in place by the Victorian Government that address some of the concerns the Committee heard.

²⁰ HCB, *Summary of Housing Assistance Programs 2008-09*, 2010, p.35.

²¹ HCB, *Summary of Housing Assistance Programs 2008-09*, 2010, p.35.

The dilemma for the Victorian Government remains with the scale of the change required and the reality that it has an ongoing and growing operating deficit in its public housing management. Changes to the stock profile to match the changing tenant profile are long-term strategies that involve ongoing planning and continued funding commitments.

The Committee considers there is a need for a revised long-term asset management strategy that projects the changing tenant profile and the Victorian Government's long-term implementation plan and investment strategy for achieving the required changes. Importantly, this needs to include targets.

RECOMMENDATION

14.1 That the Victorian Government update its asset management strategy, including an implementation plan outlining timelines and target goals.

IMPROVING EXISTING PUBLIC HOUSING ASSETS

Issues relating to the maintenance of existing properties and some of the experiences related to renewal and upgrade of current stock were raised in the evidence received by the Committee.

The Victorian Government has responded to negative assessments relating to its housing stock in a number of ways. Its asset management strategy states that it aims to enhance and maintain the asset base and to re-profile its stock to meet demand.

In addition, the *Victorian Integrated Housing Strategy* further commits to providing 'better public housing'.²² The challenge, however, is that the Victorian Government is increasingly merging its focus on public housing with its community housing assets. This potentially makes it difficult to distinguish the management of public housing assets with the community sector management of other social housing assets, such as housing association stock.

VICTORIAN AUDITOR-GENERAL REPORTS

In a 2004 audit review of the maintenance of public housing stock, the Victorian Auditor-General remarked that this was the fourth audit conducted since 1993 into deficiencies in Office of Housing maintenance. Since those audit reviews, the Victorian Government had introduced a range of initiatives that included:

- ▶ a housing office review in 2004, resulting in changes in the way staff work

²² HCB, *The Victorian Integrated Housing Strategy, Affordable, Accessible and Sustainable Homes*, DHS, 2010, p.20.

- ▶ a maintenance review of all aspects of maintenance planning and service delivery
- ▶ installation of a new management information system (commenced end of 2002) to improve the management of properties
- ▶ establishment of a Maintenance Call Centre (September 2003)
 - ▷ this centralised the management and coordination of tenant maintenance requests to free-up housing staff so that they can concentrate on developing and strengthening relationships with tenants
- ▶ introduction of a Public Housing Customer Service Charter (September 2003) highlighting what tenants can expect from housing staff. This included strengthening and reemphasising the importance of client home visits
- ▶ policies and procedures for tenants, asset standards, asset business rules and asset maintenance were updated, and training implemented for regional staff to apply these policies and procedures.²³

The 2004 audit made 25 recommendations to the Office of Housing (now the Housing and Community Building Division – HCB). The recommendations were in the areas of maintenance strategy, the provision of maintenance services and consultation with tenants.²⁴

The audit was followed up in 2007 and made the following key findings:

- ▶ Timely delivery of responsive maintenance is variable across contract areas, although there was an improvement in average performance in the latter part of the 2005-07 contract period. Service delivery in some contract areas is well below performance benchmarks.
- ▶ The OOH has not enforced liquidated damages clauses in its contract, despite persistent overdue maintenance.
- ▶ The Housing Integrated Information Program was running well over time having been due in 2004.²⁵

Improvements had been made in asset management with an increase in the amount of property inspections carried out and a planned increase in the frequency of planned inspections.

The Victorian Auditor-General's Office (VAGO) noted that the then OOH (now HCB) had developed, as recommended, risk management plans for both procurement and contract management.

The sample size of customer satisfaction surveys had also improved and specific surveys were now being sent to tenants from CALD backgrounds.

The Auditor-General, however, did remain critical of the monitoring of maintenance, particularly regarding contractor performance.

²³ VAGO, *Maintaining public housing stock*, Victorian Auditor-General's Report, 2004, pp.3-4.

²⁴ VAGO, *Follow-up of Selected Performance Audits Tabled in 2003 and 2004*, 2007, p.56.

²⁵ VAGO, *Follow-up of Selected Performance Audits Tabled in 2003 and 2004*, 2007, p.55.

MAINTENANCE

As outlined, the Committee is aware of advances made in maintenance processes, which was reflected in the evidence it received. The Committee also heard, however, that tenants remain frustrated by a number of issues relating to maintenance. It was also informed of perceptions of wasted resources in current approaches to maintenance.

In evidence to the Committee, the Executive Director of the Housing and Community Building (HCB) Division acknowledged that over 35 per cent of the complaints it receives relate to maintenance issues.

The Committee was encouraged by the commitment of tenants to be more active in the processes of maintenance. This was reciprocated by HCB, which indicated that it hoped to promote increased tenant participation.

COST OF MAINTENANCE

In 2008–09, the Victorian Government spent 68 per cent of its social housing budget (excluding administration) on upgrades, major redevelopments and maintenance. Maintenance comprised 24 per cent of the total budget. As noted, maintenance costs rose to almost 30 per cent as a proportion of total expenditure in the mid 2000s. From 2007–09, this expenditure reduced.²⁶

Maintenance work is classified as responsive or planned maintenance. The Victorian Government has devoted considerable effort to improving its planned maintenance. Along with an increasing number of other states and territories, Victoria has established an asset management strategy. Specifically, this includes maintaining and enhancing the asset base, outlining that:

- ▶ the emphasis of the housing maintenance and physical improvement program will continue to improve the amenity and safety of public housing stock.

As part of its strategy, the Victorian Government has had a policy of selling stock that needs considerable maintenance. Despite the amount of older stock it owns, its planned approach has led to improvements in Victoria's ratio of expenditure compared with the national average.²⁷ Underlying principles of the Victorian asset management approach include using component life-cycle to formulate forward programs and pre-empt component failure.²⁸

²⁶ See: Chapter 14, Table 14.1 *Expenditure on Stock Related Maintenance & Capital Projects*.

²⁷ R Kenley et al., 'Good practices for managing Australia's public and community housing assets', AHURI, 2010, pp.50-51.

The Australian average in 2005/06 was 58.5 per cent responsive to 41.5 per cent planned. In Victoria the ratio was 34 per cent responsive to 66 per cent planned.

²⁸ R Kenley et al., 'Good practices for managing Australia's public and community housing assets', AHURI, 2010, p.12.

The age of Victoria's stock does mean there is a problem with backlog maintenance. Backlog maintenance is 'often referred to as the work not completed by the due date'.²⁹ It is frequently not carried out due to limited funds.

Attempts have been and continue to be made to address backlog maintenance through the asset management strategy. In 2007, the Auditor-General found that, while the level of backlog maintenance was continuing to increase, the rate at which it was growing was much less than it had been between 1999 and 2003.³⁰

RESPONSIVE MAINTENANCE

As outlined, to assist in achieving its standards and to improve its responsiveness, the Victorian Government established a maintenance call centre in 2003. The call centre processes claims for responsive maintenance.

MAINTENANCE STANDARDS

The Victorian Government has established maintenance standards, highlighting that:

- ▶ Effective maintenance services will maximise the amenity of properties for tenants and provide a consistent standard of service.
- ▶ Maintenance of HCB properties is targeted to extend the economic viability of its assets and minimise future capital costs.

Its particular focus is to ensure cost effective, common levels of maintenance of tenanted properties.

Its objectives are:

- (1) Establish common Maintenance Standards for all public rental housing properties
- (2) Specify the required minimum standard for tenanted properties
- (3) Detail applicable H&CB and legal requirements for maintenance
- (4) Provide a base for the cost effective use of funds.

Source: HCB Maintenance Standards v.1.3

In terms of the general breakdown of duties HCB's central office is responsible for the management of maintenance works, and its regional housing offices are responsible for day to day responses to health, safety and security,

²⁹ R Kenley et al., 'Good practices for managing Australia's public and community housing assets', AHURI, 2010, p.12.

³⁰ VAGO, *Follow-up of Selected Performance Audits Tabled in 2003 and 2004, 2007*, p.62.

breakdown and loss of amenity, and property maintenance when a tenant moves out before a new tenant moves in.³¹

According to guidelines set by the Department of Human Services (DHS), urgent repairs are to be completed within 24 hours, priority repairs (which are not urgent but still important) within seven days and non-urgent repairs within 14 days.³² According to data supplied by DHS to VAGO in March 2007, urgent repairs were completed in some areas within the designated time frame 100 per cent of the time and in others it was down to 87.8 per cent of the time.³³ However, for non-urgent repairs performance varied from 98.8 per cent down to 3 per cent in one region.³⁴

In 2004, the Victorian Auditor-General expressed concern that HCB does not closely monitor or penalise poor contractor performance.³⁵ By 2007, this situation was not considered to have improved. This issue formed one of the major concerns the Committee heard regarding maintenance.

In response to VAGO concerns, HCB instigated a wider survey of customer satisfaction with maintenance. The survey comprised 3.5 per cent of all orders raised in 2008–09. HCB has also broadened its surveys to include a component dedicated to receiving responses from tenants with a culturally and linguistically diverse (CALD) background.³⁶

While more recent reports in relation to tenant satisfaction are not yet available, the Committee heard positive reports from tenant groups during the Inquiry. For example, the Victorian Public Tenants Association (VPTA) was very positive about the call centre and its operations over recent years.

The Committee recognised that the total amount of maintenance orders in a single year is significant. There are approximately 287,000 orders per year, which equate to an average of over four orders per household.³⁷ Both the amount of maintenance required per household and the total amount of maintenance required indicate the difficulties in running the maintenance program. Responsiveness, oversight and accountability all pose important and difficult tasks in the system.

The Committee heard that in regard to responsive maintenance, the following issues were of particular concern to Inquiry participants:

³¹ VAGO, *Maintaining public housing stock*, 2004, p.3.

³² HCB, Repair times, <<http://www.housing.vic.gov.au/living-in-housing/maintenance-and-improvements/repair-times>> Accessed August 2010.

³³ Treasurer of the State of Victoria, *Victorian Budget 2010-11: Budget Paper No. 3*, 2010, p.114. Victoria's May 2010 Budget papers list the expected average success on this indicator for 2009-10 as 95 per cent. A breakdown by region is not provided.

³⁴ VAGO, *Follow-up of Selected Performance Audits Tabled in 2003 and 2004*, 2007, p.70.

³⁵ VAGO, *Follow-up of Selected Performance Audits Tabled in 2003 and 2004*, 2007, pp.67-73.

³⁶ HCB, *Response to Request for Additional Data and Information*, Correspondence to FCDC, 29 June 2010. The official HCB target for general surveys is 3 per cent. The Auditor-General suggested 5 per cent.

³⁷ Calculated from information that 10,075 surveys are completed per year and they equal 3.5 per cent of orders. Calculation of average orders per household based on 61,002 households in Rental General Housing program.

- ▶ the length of time taken to get maintenance issues resolved
- ▶ the lack of clear timelines provided for resolving issues
- ▶ the number of different contacts that were made when trying to get something repaired
- ▶ repairs not being completed in a timely manner
- ▶ poor quality repairs or repairs with poor or low quality materials, e.g. insufficient or low quality paint, makeshift patches to walls
- ▶ the inability of the system to allow tenants to be involved in carrying out maintenance themselves
- ▶ the inability of the system to allow tenants to report (rather than being randomly surveyed) on the quality of the repairs carried out.

For older houses with multiple problems the Committee was informed that numerous issues can occur simultaneously. The Committee heard that a more strategic response is needed for older houses with several maintenance issues. The following example illustrates the nature of the concerns heard by the Committee:

They put me on a waiting list to do an inspection of what maintenance actually did and they didn't come out to inspect it. So basically water was leaking from the bathroom onto the wiring and it's shorting out all the wiring and the switches, the main switches would go off. The plumber left a hole in the roof and I've complained to Ministry and she goes yes I'll put you on a waiting list so as we can come out and inspect it and they haven't told me a day or a time when they're going to actually come out and the electrician left exposed wires coming out from the roof, and just left it like that and that was it and, so they said yes we're going to go and have a look at that and also there's cracks on the walls, they said that they'd fix those. The toilet is actually falling away from the house. The toilet is actually broken and so is the stove and maintenance told me that I'm not going to get another stove so that was it and they're not going to repair the stove that I've got.³⁸

The Committee heard that for tenants these experiences contribute to frustration, inconvenience and potentially risks to health and safety.

SAFETY AND MAINTENANCE

For older residents, tenants with a disability and carers, issues relating to unresolved maintenance have implications for health and safety. The Committee heard that health and safety hazards arise from a number of different internal and external maintenance issues. Moreland City Council, for example, told the Committee of its concerns that 'there are public health issues which have been brought to Council's attention in older public housing stock'.³⁹

³⁸ *Submission 36* (RG 3081), p.3.

³⁹ *Submission 105* (Moreland City Council), p.5.

Some of the issues raised by Inquiry participants included cracked footpaths, slippery stairs, and walls and ceilings in poor or dangerous repair.⁴⁰ The Committee heard that some tenants were living in poorly ventilated dwellings with worn fixtures and fittings, and concerns were expressed about the risks to tenant health.

For maintenance issues classified as non-urgent, the Committee was informed that the resolution of these could take a lengthy period. In turn, this often has implications for tenant welfare.⁴¹ Banyule Community Health (BCH) and West Heidelberg Community Legal Service (CLS) informed the Committee that even when medical practitioners wrote letters advising that the living conditions were bad for tenants' health there might still be no maintenance response.⁴²

The safety of children in properties needing maintenance was raised with the Committee. For example, the Committee heard that some windows had no child barriers and that small children had almost fallen out of them. RG 3081 told of one tenant's experience:

He was nearly one and a half ... he was nearly to fell off of the window. My daughter was downstairs and she called me down saying, 'Mum, he's falling, he's falling'. I grabbed his legs and I told the housing to put something on the windows. They never put.⁴³

The issue of fencing was also raised with the Committee. Fencing in need of maintenance for properties located near busy roads was a safety concern for children. For example, in communal outdoor areas, tenants told the Committee they often had to rely on neighbours remembering to keep gates shut to ensure children were secure.⁴⁴ For parents (often single parents) with many children, supervising them in an insecure environment was particularly difficult. Other participants in the Inquiry told of places where children lived and there were no fences or locks on doors.⁴⁵

In its site visits, the Committee heard that the Victorian Government has prioritised the issue of fencing in some public housing areas. The Committee was advised that new fencing in some areas with high densities of public housing has had positive outcomes for tenants.

Participants informed the Committee that these issues can contribute to security issues for the entire household and fears of having their home broken into or having property stolen. For those who can afford contents insurance, these types of maintenance issues can prevent them from accessing insurance, or may result in high premiums and excesses.⁴⁶

⁴⁰ For example, see: *Transcript of Evidence 14* (Residents Group 3081) pp.4-5; *Submission 23* (Patricia Norman), p.4; *Submission 37* (Geelong South Public Tenants Group), p.5 & *Submission 89* (COTA Vic), p.10.

⁴¹ For example, see: *Transcript of Evidence 14* (Residents Group 3081), p.6; *Submission 22* (BCH&WHCLS) pp.14-15.

⁴² *Submission 22* (BCH&WHCLS), p.13.

⁴³ *Transcript of Evidence 14* (Residents Group 3081), p.5.

⁴⁴ *Submission 36* (RG 3081), pp.7, 18.

⁴⁵ *Submission 22* (BCH&WHCLS).

⁴⁶ *Submission 22* (BCH&WHCLS).

The Committee heard that the provision of privacy and security fittings were of particular concern to women who had experienced family violence. A number of participants emphasised that personal security and security of tenure were particularly important for women in these circumstances.⁴⁷

**Unresolved maintenance & tenant modifications –
West Heidelberg dwellings**



Example of poor condition of property.



Example of poor condition of rear of dwelling.



Example of cracks in exterior wall.



Example of reported gaps between wall and window, allowing ingress of weather.



Example of weathered/poor condition of exterior wall and fittings.



Deterioration of entrance-way and no maintenance of guttering.



Unsafe fencing.



Example of improvised shading to compensate for no air-conditioning.

Source: Submission 22, Appendix 1, Banyule Community Health and West Heidelberg Community Legal Service

⁴⁷ Submission 96 (DV Vic), p.7. See also: Submission 48 (MCSW), pp.1-2, 4-5; Submission 28 (CSMC), p.5. Additionally see: Submission 41 (AASW), p.13; and for further elaboration: K Hulse & V Kolar, *The Right To Belong, Family Homelessness and Citizenship*, Swinburne University of Technology & Hanover Welfare Services, Melbourne, 2009, Ch.8.

MAINTENANCE PROCESSES

The Committee heard that tenants from specific groups, such as those from CALD backgrounds, can experience further disadvantage in trying to navigate the maintenance system. The Ethnic Communities Council of Victoria (ECCV) told the Committee that its clients often do not have a full understanding of their rights in relation to maintenance. It also explained that they often lacked the ability to advocate for themselves.⁴⁸

Participants also informed the Committee that there is often confusion about where responsibility lies for maintenance in new public/private developments. Tenants were unsure if they needed to contact the service provider, the developer or HCB. For example, the VPTA explained that:

In the public and private developments, the one in Kensington we have had a lot to do with, and there are concerns that when you report maintenance issues for Kensington, whether you should actually report it to the company known as Becton, or if you should report it to the Office of Housing. There seems to be a bit of coming and going where the Office of Housing might say, 'Report that to Becton' and Becton might say, 'Report it to Office of Housing', and then the situation does not get fixed and people get frustrated with that run-around issue.⁴⁹

The Committee heard that for some tenants seeking maintenance, there can be long periods of waiting for a response to a request. Sometimes several contacts need to be made to have problems resolved. Residents Group 3081 (RG 3081) explained that:

There needs to be some independent mechanism, and we have suggested some sort of inspectorate in our submission, and I think it comes up in the residents' one in a different format. There needs to be some sort of oversight, because there is no accountability in the system and people just get fobbed off. They ring, they cannot even get a name out of the person on the phone. They are told to ring another number and it is the wrong number. These are people without enough money to sustain a phone bill.⁵⁰

BCH and West Heidelberg CLS made a similar suggestion regarding the need for an independent housing inspectorate, charged with responsibility to 'regularly inspect and have oversight on the overall maintenance and care for public housing stock ... [and] report on its recommendations and findings and areas needing attention to parliament annually'.⁵¹ This is consistent with recommendations for an independent body to manage complaints considered by the Committee in Chapter 13.

⁴⁸ *Transcript of Evidence 15* (ECCV), pp.3-4.

⁴⁹ *Transcript of Evidence 4* (VPTA), p.5.

⁵⁰ *Transcript of Evidence 14* (Residents Group 3081), p.8.

⁵¹ *Submission 22* (BCH&WHCLS), p.24.

Participants told the Committee that frustrating experiences relating to maintenance requests can lead tenants to 'give up' due to the difficulty in having issues resolved.⁵² They explained that the outcome is that households will continue to live with maintenance issues that not only cause inconvenience, but are costly and potentially a safety risk.

RG 3081 was not the only group that expressed concern about accountability in the context of maintenance. Inner South East Partnership in Community and Health (ISEPICH) made the following observation:

The quality and standards of public housing are not adequate. One of the reasons for this may be the separation of accountability and responsibility resulting from contractual arrangements and outsourcing. Such arrangements also make it difficult to develop an integrated policy and provide a coordinated, responsive approach.⁵³

In regard to the concerns about maintenance contracts, one solution suggested was to increase penalties for maintenance work not carried out correctly.

Alternatively, HCB needs to more effectively monitor the performance of contractors. This was recommended by the Victorian Auditor-General and is supported by the Committee. Hanover Welfare Services expressed its view to the Committee that 'the department [is] failing to use the remedies provided in the contract to address under-performance. Standard practice seemed to be to allow the contract to continue to run and simply not renew it at the end. In the meantime, tenants have to put up with sub-standard performance from contractors'.⁵⁴

The Committee heard that the majority of residents in public housing have a commitment to keeping their homes well maintained and share an interest with HCB and the broader public in making sure this is done in an effective and efficient manner. This contributes to their interest in being involved in maintenance including a focus on value for money from the repairs being undertaken.

VCOSS told the Committee that it considered the responsiveness and quality of maintenance lacked transparency. The Committee agrees that it would be better for accountability to the public and the tenants, and better for policy making generally, if such information were available. VCOSS suggested this should be supplied by region in order to facilitate benchmarking and the Committee agrees.

⁵² *Transcript of Evidence 14* (Residents Group 3081), p.6.

⁵³ *Submission 29* (ISEPICH), p.4.

⁵⁴ *Submission 92* (Hanover), p.23.

RECOMMENDATIONS

14.2 That the Victorian Government improve its maintenance contract arrangements in public housing, including

- ▶ more effectively monitoring the performance of maintenance contractors funded to carry out works on public housing properties as recommended by the Victorian Auditor-General
- ▶ introducing a system of indicators for identifying incomplete maintenance work and investigating the contractors responsible for the work.
- ▶ penalising maintenance contractors that do not meet their contract obligations.

14.3 That the Victorian Government report annually on the following quality assurance indicators relating to maintenance by region:

- ▶ the number of urgent, priority and non urgent repair requests not completed within the required timeframes
- ▶ the average number of tenant contacts required to finalise maintenance issues;
- ▶ the targets met by external contractors
- ▶ the average time between scheduled programmed maintenance per property.

14.4 That the Victorian Government clarify its responsibility in regard to facilitating maintenance work for tenants in public housing by:

- ▶ introducing a system of registering maintenance requests and clear timelines of stages in which tenants can expect maintenance work to be completed.
- ▶ identifying responsible housing service officers to ensure that tenants queries about maintenance issues are effectively responded to.

14.5 That the Victorian Government introduce a program to support the training and employment of tenants as maintainers or caretakers of properties, following demonstrated success in some Neighbourhood Renewal Programs.

14.6 That the Victorian Government commission an external safety inspectorate to report periodically on the health and safety condition of public housing stock.

UPGRADING EXISTING HOUSING ASSETS

In addition to the improvement of stock through maintenance, the Committee heard that the Victorian Government is committed to enhancing stock through renewal and upgrade.

In its asset management strategy, the Victorian Government has outlined that in addition to re-profiling its stock through redevelopment, it would enhance the asset base in the following ways:

- ▶ Funding priorities in the next five years support a vigorous high-rise upgrade program; capital works associated with Neighbourhood Renewal activities and statewide programmed works on houses, units and walk-up flats.
- ▶ Each year approximately \$150 million is allocated to physical improvements including the high-rise upgrade program and programmed works on villas and other low-rise properties⁵⁵

In the *Victorian Integrated Housing Strategy*, the Victorian Government further commits to providing 'better public housing' noting that:

Public housing estates across Victoria are being redeveloped progressively to improve housing quality and support vibrant, healthy and safe communities. To improve the quality and amenity of public housing, the Government will develop an asset regeneration plan for inner-city public housing estates, including large-scale regenerations where appropriate.⁵⁶

INVOLVING LOCAL GOVERNMENT

The Committee heard that there is greater scope for involving local government in the planning determining the properties or estates that will be renewed. Moreland City Council told the Committee, for example, that 'there are some public housing properties in the municipality which Council believes are ripe for refurbishment or redevelopment, but DHS tends not to involve local government in identification or design of possible projects'.⁵⁷

The Council went on to explain that it has tried to be proactive in approach, having recognised that 'there appear to be some prime opportunities for (denser) redevelopment through title consolidation in Moreland'.⁵⁸ The Council, however, explained that:

In recent years Council has identified

- (a) clusters of poorer condition public housing as well as estates which appear suitable for renewal (at higher densities with improved design) and
- (b) properties for purchase which would be suitable for vulnerable singles accommodation.

Although approaches have been made directly to the Office of Housing and indirectly through Housing Associations and VicUrban, Council has received very limited response to the proposals.⁵⁹

⁵⁵ HCB, *Sustaining our housing*, 2004, p.10.

⁵⁶ HCB, *Victorian Integrated Housing Strategy*, 2010, p.20.

⁵⁷ *Submission 105* (Moreland City Council), p.5.

⁵⁸ *Submission 105* (Moreland City Council), p.5.

⁵⁹ *Submission 105* (Moreland City Council), p.5.

This was supported by other Councils. Whitehorse City Council, for example, explained that it had views regarding strategies for ensuring that public housing is established close to public transport, such as train stations. It felt that many opportunities had not been capitalised on.⁶⁰ Issues relating to planning are discussed in greater depth in Chapter 15.

RECOMMENDATION

14.7 That the Victorian Government develop a strategy for working more effectively with local government in the upgrade and renewal of public housing stock.

NEIGHBOURHOOD RENEWAL

The Committee heard that participants in the Inquiry welcomed the renewal and upgrade initiatives. In particular, the Neighbourhood Renewal Program was considered an important initiative. For example, ‘the tenant input into Collingwood and Fitzroy Neighbourhood Renewal Committees indicates the high levels of tenants’ commitment to the well-being of their communities’.⁶¹

The tenants encouraged the roll out of the program to other public housing estates. The Brotherhood of St Laurence supported this, noting that ‘neighbourhood renewal has been an effective approach in building social capital in these high-rise estates’.⁶²

The Committee heard that the Program had benefits for tenant safety. For example, one organisation explained that ‘physical improvements under Neighbourhood Renewal have improved the safety of public housing. Better lighting and concierge services have been very useful in helping to prevent issues and make public housing feel safer’.⁶³

NEIGHBOURHOOD RENEWAL PROGRAM

Neighbourhood Renewal was launched in 2002 to narrow the gap between disadvantaged communities with concentrations of public housing, and the rest of the State.

Neighbourhood Renewal is a place-based response to severe locational disadvantage and deep social exclusion. It works across government and in partnership with local residents, the community sector and local businesses to improve social conditions and opportunities for neighbourhoods that have missed out on Victoria’s prosperity.

⁶⁰ Submission 35 (Whitehorse City Council), p.4.

⁶¹ Submission 7 (Representatives of Collingwood, Fitzroy & Richmond Public Housing Tenants), p.3.

⁶² Transcript of Evidence 8 (BSL), p.4.

⁶³ Submission 70 (HomeGround), p.9.

Neighbourhood Renewal combines and connects top-down and bottom-up processes for social investment, service coordination and community involvement in decision-making.

Nineteen projects across Victoria were implementing a six-point plan of action to:

- (1) increase pride and participation
- (2) enhance housing and the environment
- (3) lift employment, training and education and expand local economies
- (4) improve personal safety and reduce crime
- (5) promote health and well-being
- (6) increase access to services and improve government responsiveness.

Source: Department of Human Services (2008) Neighbourhood Renewal: Evaluation Report.

Rural Housing Network supported the need for ongoing, long-term funding to the Neighbourhood Renewal Program:

The neighbourhood renewal projects in place-based responses have shown promise in addressing some entrenched issues in public housing estates and these projects should receive continued funding and support so that outcomes are sustainable.⁶⁴

The Committee considered that, in the absence of a strategic plan to ensure the long-term sustainability of projects underway, recurrent funding is important.

RECOMMENDATION

14.8 That the Victorian Government commit to ongoing funding for the Neighbourhood Renewal Program to ensure sustainability and continues to expand on the Program into public housing areas with high concentrations of disadvantage.

FITTINGS FOR SPECIFIC NEEDS

The Committee heard that some tenants have specific needs that require upgrade or re-fitting of their property to ensure accessibility and that they can live safely in their home.

HCB policy distinguishes between minor, major and full modifications. All require that tenants show a 'demonstrated need' for them. This entails a

⁶⁴ *Transcript of Evidence 40 (RHN), p.5.*

written submission from an appropriate medical or other professional who may in some circumstances be a DHS officer.⁶⁵

- ▶ Minor works include handrails, walk in showers, minor entry ramps, lever taps and so forth, and need a written letter of support.⁶⁶
- ▶ Major and full modifications involve a more complex process including the completion of a medical assessment form from a health care professional (such as an Occupational Therapist) and a Field Service Officer's report and recommendation for completion of works.⁶⁷

Several participants were positive about the way in HCB responds to the specific accessibility needs of tenants, particularly in comparison with the private rental market.⁶⁸ Concerns were voiced to the Committee, however, that the processes required to get this response could be onerous and time consuming.⁶⁹

The Semmens Court Residents Association, for example, suggested that there is an increase in automatic upgrading and modifications of stock as people age. The Association considers the current system creates barriers for tenants requesting action, especially older people who often do not want to 'be a bother'.⁷⁰ For minor modifications the capacity to elicit a visit from a qualified professional to the dwelling to approve the modification as suitable and feasible for the tenant would simplify and accelerate the process.

As noted, the Committee recognises that the Victorian Government has acknowledged there are issues relating to accessible design of its public housing stock. Universal design principles are being adopted for the construction of future public housing and there are moves in Victoria to introduce minimum mandatory requirements for four accessible features into Victoria's building regulations under the Build for Life policy initiative.⁷¹ New construction is required to meet universal design standards, but some older stock is considered too costly to retrofit.⁷²

The Committee considers that a revised asset management strategy needs to reflect the Victorian Government's long term plans regarding how its profile of accessible stock will be matched to future needs of people with requirements for modified stock. In addition, the Committee considers the Victorian Government needs to consider retrofitting a targeted percentage of

⁶⁵ HCB, *Housing Standards Policy Manual, Chapter 4 - Maintenance Standards*, 2009, pp.38-9; HCB, *Maintenance Manual, Chapter 3 - Responsive Maintenance*, 2009 (Section 3.2.10) pp.3-30—3-32.

⁶⁶ HCB, *Housing Standards Policy Manual: Ch. 4 - Maintenance Standards*, 2009, p.38; HCB, *Maintenance Manual: Ch. 3 - Responsive Maintenance*, 2009 (Section 3.2.10) pp.3-30—3-32.

⁶⁷ HCB, *Maintenance Manual: Ch. 3 - Responsive Maintenance*, 2009 (Section 3.2.10), pp.3-30—3-32.

⁶⁸ *Transcript of Evidence 12* (HAAG), p.2; *Submission 70* (HomeGround), p.12. See also: *Submission 105* (Moreland City Council), p.4.

⁶⁹ *Submission 42* (SAEC & UCCO), p.15; *Submission 14* (SCRA), p.6; *Submission 70* (HomeGround), p.9.

⁷⁰ *Submission 14* (SCRA), p.6.

⁷¹ *Transcript of Evidence 34* (HCB), p.21; *Submission 89* (COTA Vic), p.9; DPCD, *A Fairer Victoria (2009), Standing together through tough times*, State Government of Victoria, 2009, p.59. See also: HCB, *Housing Standards Policy Manual, Chapter 2 - Construction Standards*, 2010.

⁷² *Transcript of Evidence 34* (HCB), p.21.

its stock. This will be increasingly important in the context of an ageing tenant profile.

RECOMMENDATION

14.9 That the Victorian Government simplify processes for tenants seeking modifications to their property, including automatic minor upgrade options for ageing tenants.

UTILITIES AND UPGRADES

In regard to some of the more specific aspects in upgrading the physical components of public housing, many participants in the Inquiry welcomed the improvements and the higher standards of design that the Victorian Government is aspiring to.

At the same time, there were also objections to some of the improvements, which resulted from a perceived lack of consultation. Residents of the high rise towers in Fitzroy, Richmond and Collingwood, for example, noted that in some cases the new design had increased utility costs. Some of the examples they provided included:

We are disappointed that renovations have not included energy-saving showerheads and that light fittings are not consistent and some take only very expensive globes... Some residents reported that there has been an average 20 per cent increase in their power bills after the renovations and that the pre-renovated flats were more energy efficient than the renovated ones.⁷³

The costs of electrical heating were listed as of major concern by some participants to the Inquiry. This was particularly so since electricity prices had increased in Melbourne by 32 per cent since June 2004.⁷⁴

The Committee heard that the cost of utilities be a significant issue for tenants.⁷⁵ Participants told the Committee that some tenants chose not to cook or use heating so as to save money on utility costs. As noted above in regard to standards the fitting out of public housing has the capacity to have a major effect on these costs.

For regional tenants, in particular Aboriginal tenants in the Robinvale area, the cost of LPG⁷⁶ was also of relevance. This is the major fuel for heating and cooking and generally costs around three times more than mains gas. This cost has an impact on finances and, more broadly, on general well-being.

...in Robinvale tenants pay almost \$160 for the cost of one bottle of LPG and its delivery. Residents are required to pay up front for their purchase, with no

⁷³ *Transcript of Evidence 25* (Representatives of Collingwood, Fitzroy & Richmond Public Housing Tenants), p.3.

⁷⁴ *Submission 108* (CUAC), p.3.

⁷⁵ *Submission 62* (Financial and Consumer Rights Council), pp.1-3; *Submission 80* (Energy and Water Ombudsman (Victoria) Limited), pp.1-3.

⁷⁶ Liquified Petroleum Gas.

option for payment by instalments such as Centrepay, as is the case for the payment of electricity. Customers must pay directly at the office of the gas supplier before delivery is made to homes. During the winter period families may use up to one bottle of LPG in less than two weeks. Low income tenants, such as single parents, will therefore go without use of the stove or heating because they cannot afford it. Further, some families have been unwilling to use gas for domestic use due to safety fears and have gone without for heating and cooking.⁷⁷

Tenant groups emphasised the importance of ensuring that ‘all renovations need to be smart, using green choices’ and also the significance of tenant involvement, stating that ‘all community consultation must be authentic and seen to be used in the finished work’.⁷⁸

RECOMMENDATION

14.10 That the Victorian Government review its tenant consultation plan for upgrade and renewal projects to ensure that tenants are involved in the process from start to finish.

HOUSING STANDARDS

While the Committee notes that the Victorian Government has committed to improving its existing asset base, it also heard that in view of the scale of the issue of ageing stock, some tenants have yet to experience these improvements. Issues regarding the general standard of housing stock resulted in strong responses from participants in the Inquiry.⁷⁹ The question of standards arose on two levels.

The first concerned the appropriateness of stock on offer to tenants, that is to say the quality of the stock that tenants are asked to accept. These can be prospective tenants on the waiting list or tenants awaiting transfer. The appropriateness of the stock is a vital issue. As outlined in earlier chapters, prospective tenants feel pressured to accept an offer of housing or potentially lose their opportunity. PILCH HPLC told the Committee that:

Public housing residents, often after years of waiting, recount being offered housing that does not meet public standards and expectations and is less than adequate with respect to cleanliness and functionality of fixtures. There is no right to refuse this housing.⁸⁰

The Director of Housing is required to comply with general standards set out in the *Residential Tenancies Act 1997* (the RT Act). This RT Act, however, has extremely limited regulated requirements for rental property. It merely

⁷⁷ Submission 108 (CUAC), p.3.

⁷⁸ Transcript of Evidence 25 (Representatives of Collingwood, Fitzroy & Richmond Public Housing Tenants), p.3.

⁷⁹ Submission 25 (St Vincent de Paul Society - Horsham Conference), p.1.

⁸⁰ Submission 103 (PILCH HPLC), p.25.

stipulates that landlords are required to provide a clean dwelling at the start of the tenancy and maintain premises in good repair (a term not further defined).⁸¹

VCOSS suggested to the Committee that the RT Act compares poorly with other states and territories and also with other countries. It stated that Victorian tenants can be ‘legitimately’ offered substandard housing, as can be seen from the gaps in the comparison table below.⁸² The acute shortage of private and public housing means ‘choice’ provided by the market now plays a very limited role in improving standards.⁸³

Table 14.4: Comparison of Victorian and international housing standards*

	RESIDENTIAL TENANCIES ACT & RELEVANT BUILDING REGULATION VICTORIA, AUS	OREGON STATUTES ORS 90.320 OREGON, US	RENTAL HOUSING HEALTH CODE VERMONT, US	MINIMUM HOUSING & HEALTH STANDARDS ALBERTA, CANADA
WEATHER PROOFING	x	✓	x	✓
FREE OF DAMP AND MOULD	x	x	✓	x
HEATING	x	✓	✓	✓
INSULATION	x	x	x	x
HOT AND COLD RUNNING WATER	LEGISLATED FOR ROOMING HOUSES UNDER THE HEALTH ACT BUT NOT SINGLE TENANCY	✓	✓	✓
STRUCTURALLY SOUND	✓	✓	✓	✓
SAFE ELECTRICALS	✓	✓	✓	✓
OPENABLE WINDOWS AND ADEQUATE VENTILATION	x	✓	✓	✓
VERMIN CONTROL	x	✓	✓	✓
FLY SCREENS	x	x	✓	✓
LOCKS	✓	✓	x	✓
COOKING FACILITIES	x	x	✓	✓
WINDOW COVERING (I.E. CURTAINS)	x	x	x	x
SMOKE ALARMS	✓	✓	x	x
PLUMBING AND SEWAGE DISPOSAL	x	✓	✓	✓

* The UK's Housing Health and Safety Rating System is not directly comparable as it identifies hazards which would produce non-compliance

Source: VCOSS A Future Focussed Housing Standard October 2009

⁸¹ Residential Tenancies Act 1997, No. 109 of 1997, Parliament of Victoria s.68.

⁸² Submission 87 (VCOSS), p.7; Victorian Council of Social Service (VCOSS), *A Future Focussed Housing Standard, The case for rental housing standards to help vulnerable households adapt to climate change*, 2009.

⁸³ VCOSS, *A Future Focussed Housing Standard*, 2009, pp.4-5, 14. See also: Victorian Council of Social Service (VCOSS), *Decent Not Dodgy, 'Secret Shopper' Survey*, 2010, pp.7-11, where it is reported that 12 per cent of dwellings for rent in Melbourne and Geelong in March 2010 near the affordable range were uninhabitable. They noted that 41 per cent of those surveyed already met all the VCOSS minimum standards or could do so with only very minor modification.

VCOSS recommended the introduction of defined minimum standards for all rental housing. It suggested that these be phased in over five years and implemented through amendments to the RT Act.⁸⁴

The Committee acknowledged that there is some consistency between the VCOSS recommendation and the objectives expressed in the *Victorian Integrated Housing Strategy* that rental housing standards should meet community expectations.⁸⁵

VCOSS MINIMUM RENTAL HOUSING STANDARDS

Policy principle

The landlord has an obligation to ensure that the property does not endanger the health and safety of the tenants nor negatively affect the tenants ability to maintain an affordable supply of energy and water.

Structural elements and thermal efficiency

- ▶ Property must be draught-proof and weatherproof.
- ▶ Property must be free of damp (whether caused by ground moisture, rain, defective plumbing or drainage).
- ▶ Property must have at least one form of built in gas heating (in the main living area) with a minimum energy efficiency rating of 4 stars (or similarly efficient electric heating where reticulated mains gas is not available).
- ▶ All external windows must be fitted with curtains or blinds.
- ▶ All properties must have roof insulation to a minimum rating of 3.5R.

Safety

- ▶ The property must be structurally sound. Interior and exterior building materials that are damaged or rotting must be repaired or replaced.
- ▶ Each external door must be fitted with a deadlock.
- ▶ Each window must be fitted with a secure lock.
- ▶ Smoke detectors must be hard wired.

⁸⁴ Submission 87 (VCOSS), p.11. This argument is supported by: Submission 66 (ARC), p.9; Submission 98 (TUV), pp.18-19 & Submission 94 (Frankston City Council - Community Development), p.6.

⁸⁵ HCB, *Victorian Integrated Housing Strategy*, 2010, p.16. The strategy foreshadows an evaluation of the current laws relating to housing standards.

Electricity and gas

- ▶ Each room must have at least one electric light fixture.
- ▶ Each habitable room must have a sufficient number of electrical outlets as reasonably required for domestic purposes.
- ▶ Property must be fitted with an electrical safety switch.
- ▶ Property must be connected to reticulated mains gas where available.

Natural and mechanical ventilation

- ▶ Every habitable room shall include at least one window or door in good repair that is capable of being opened to admit fresh air.
- ▶ Each window that is able to be opened must be fitted with a flyscreen.
- ▶ Every bath, toilet or shower room shall be ventilated by direct access with external air either by window or ventilation fan. If a ventilation fan is used it shall be vented directly to the exterior of the building and be of sufficient size to prevent the build up of moisture.

Water supply

- ▶ Property must have a continuous supply of hot and cold potable water.
- ▶ Every kitchen sink, bathroom sink, shower and bath shall be connected with a hot water service in working order connected to the most efficient fuel source available (gas in reticulated gas areas, solar in non-reticulated gas areas).
- ▶ Hot water service must be of the highest energy efficiency available.
- ▶ Fixed water appliances (toilet cisterns, showerheads etc) must be of the highest water efficiency currently available.

Health

- ▶ The building must be free of holes and gaps that would allow vermin to enter the property. The owner shall be responsible for extermination of any rodent and insect infestation in any dwelling unit when infestation in a dwelling unit is caused by his or her failure to maintain the dwelling.
- ▶ Property must have an adequate number of containers suitable for the storage of garbage and refuse awaiting final disposal.
- ▶ Property must contain an efficient and properly installed cooking appliance.

Source: VCOSS, A Future Focussed Housing Standard, October 2009, pp.12-13

Standards also arise as an issue when it comes to the adequacy of public housing for existing tenants. The Committee heard that a lack of minimum standards and the requirement only that property be ‘maintained’ can leave

tenants vulnerable to deteriorating and unhealthy stock that is far below the standard most Victorians would expect of their housing.

The Committee acknowledges that the Victorian Government has been addressing standards in its construction of new properties and in its retrofitting and renovation of older stock. The Committee heard that 3,600 new dwellings built since 2001 had a five-star energy rating. Since 2003 more than 16,000 properties have been upgraded, incorporating energy and water saving elements. Some 10,000 households now have access to solar water. The Victorian Government has indicated it is conscious of the issues with its stock and committed to improving it.⁸⁶ It will be assisted in this by funding it has received from Federal programs.

In relation to this struggle to upgrade old stock the St Vincent de Paul Society submission noted that in terms of standards the stock was very patchy and inconsistent in quality. They did applaud the fact that maintenance now received more attention than it did a decade ago.

The Committee heard from participants that some housing offices can have varying practices regarding the standards at which they will present properties for housing offers. Some tenants were offered housing in poor condition and then it was suggested to them to apply for a maintenance request. This applied to cracks in walls through which drafts easily penetrated, inadequate and malfunctioning heating, and windows that would not close properly or that would not lock.

For example, Hanover told of a client who was asked to move into a flat that smelled heavily of cat urine. He was urged to move in and then apply for maintenance. Upon investigation, the carpet was actually damp in spots as were the floorboards underneath it.⁸⁷

RECOMMENDATIONS

14.11 That the Victorian Government alter its policy to enable those tenants in properties that don't meet the minimal standards to be eligible for a transfer.

14.12 That the Victorian Government review the *Residential Tenancies Act 1997* with a view to incorporating minimum housing standards, taking into consideration the minimal standards for public housing recommended by VCOSS in *A Future Focussed Housing Standard*.

⁸⁶ J Campbell, 'Too hot to handle', *Sunday Herald Sun (Australia)*, 29 March 2009, p.27. In response to a criticism in March 2009 that over 56,000 properties failed to meet energy efficiency standards a spokesman for the Minister stated that 90 per cent of properties would have environmental features by 2012 and that 30,000 units would receive window and door sealing.

⁸⁷ *Submission 92 (Hanover)*, Case Study 5: Bill, p.23.

ENVIRONMENTAL STANDARDS

Heating houses that are poorly insulated or beset with drafts in winter or keeping them cool in summer imposes upon tenants either higher expense or greater discomfort than experienced by most Victorians.

The Consumer Utilities Advocacy Centre told the Committee of a case in Wonthaggi in Southern Gippsland that illustrated an issue in the implementation of the current maintenance policy addressing heating, cooling and energy efficiency.

The tenant in the house has an off-peak heat bank which uses large quantities of electricity. The cost for off-peak electricity has more than doubled over the last 5–10 years, with the cost of heating the tenant’s house increasing accordingly. In the second half of 2009, mains gas became available in Wonthaggi and is available for connection at the property. In about December 2009, the Office of Housing (OOH) replaced the electric heat bank in the house with a new electric heat bank. There was no option for a mains gas heater which would have been more efficient and cheaper to run for the tenant. On further contact with the OOH, the financial counsellor [involved with the case] was informed that the OOH usually replace like with like.⁸⁸

The Consumer Utilities Advocacy Centre observed that there does not seem to be a policy to take energy efficiency into account, and that this is ‘at odds with the approach taken with private housing where we are encouraged to move from electricity to gas, where possible’.⁸⁹ The result highlighted by this case is that the house is maintained (preserved) at its old standard, as per the RT Act, but the tenant and the State are financially and environmentally poorer.

In view of rental regulations in Victoria only requiring homes to be maintained, tenants can experience additional utility expenses and costs to health and well-being. These regulations also present challenges in working towards broader government policy relating to water use, energy efficiency, and a reduction in carbon emissions. While state and federal governments are pursuing a series of proactive measures designed to increase efficiencies in the home (such as water saving shower heads, insulation, energy saving globes, dual flush toilets) the Committee noted it is inconsistent that these policies are not being uniformly extended to public housing.

The Committee did note that improvements are being made, but that they are irregular and not the result of consistent application of policy. While recognising the costs of ongoing improvements, the Committee considered that there is a need to commit to improving the efficiency of homes rather than ‘maintaining’ them at levels that were basic twenty, thirty or more years ago.

⁸⁸ *Submission 108 (CUAC), p.3.*

⁸⁹ *Submission 108 (CUAC), p.3.*

Overall the low standards that apply to rental housing in Victoria, coupled with the age of the public housing stock, mean that the adequacy and suitability of public housing for the majority of tenants has fallen behind the standards and expectations of Victorians generally.

In the case of new public housing, since February 2001 the Victorian government has been building to five-star energy standards.⁹⁰ In 2005, regulations for new housing in Victoria introduced a mandatory five-star standard. In 2008, these regulations were extended to renovations and extensions.⁹¹ For new public housing HCB moved to a five-star plus regimen in July 2005. In January 2010 the build level moved to a six-star standard in preparation for this becoming mandatory for all Victorian building in 2011.⁹²

The Committee found that environmental improvements have been made to existing properties. These improvements appear to be based on new environmentally sustainable design principles. HCB's website on building, notes that over 80,000 compact fluorescent have been distributed to tenants in public housing and that over 10,000 public housing residents have access to solar hot water. Other items mentioned as provided under these principles include insulation, weather seals and draught excluders.⁹³ Further details are not available, however, about the installation of these improvements, such as the numbers provided, the approach and the type of stock selected.

While information on environmentally sustainable design is available elsewhere on the DHS website documents, the specific approach to improving public housing properties is not mentioned. References to it as a standard can be found in the Housing Standards Policy manual but there is no articulation of it as a strategy.

The Committee, therefore, found no evidence of a specific improvement policy relating to repairs and retrofitting of public housing. In response to a request from the committee HCB informed the Inquiry that solar hot water pre-heating systems had been installed in 28 high rise towers. In addition, 250 homes in electric only areas were being retrofitted with solar hot water.⁹⁴

Overall improvements in water efficiency are clearly provided for in HCB policy since the Housing Standards Manual does specify that in *replacing* any items that use or supply water the new appliance is required to have a three-star WELS (Water Efficiency and Labelling Standards) rating, with a four-star rating should water pressure allow.⁹⁵ Likewise, in relation to gas heaters, a

⁹⁰ HCB, Correspondence to FCDC, 29 June 2010.

⁹¹ Minister for Planning, 'New Six Star Rating and \$5 Million Fund Creates Jobs and Opens Doors to Build a Green Future', Media Release, 30 April 2010. <<http://www.premier.vic.gov.au/component/content/article/10190.html>> Accessed 1 September 2010.

⁹² HCB, Correspondence to FCDC, 29 June 2010.

⁹³ HCB, Environmental Sustainability. <<http://www.housing.vic.gov.au/buildings-projects/environmental-sustainability>> Accessed 31 August 2010.

⁹⁴ HCB, Correspondence to FCDC, 29 June 2010.

⁹⁵ HCB, *Housing Standards Policy Manual: Ch. 4 - Maintenance Standards*, 2009, p.20.

four-star efficiency rating is the minimum requirement for replacements.⁹⁶ Notwithstanding these requirements it is also noted that the manual states that ‘where a fixture, fitting or surface *will continue to remain serviceable, repairs and/or patching should take precedence over replacement, wherever practicable and regardless of age*’.⁹⁷ There is no mention of any evaluation of the efficiency of the item.

On the evidence available, the Committee found that there is neither a specific plan nor policy for systematically improving the energy or water standards of existing stock.

The Committee does note that renovations and extensions carried out by HCB must now meet the five-star energy standards that became mandatory in Victoria in 2008.

RECOMMENDATION

14.13 That the Victorian Government revise its asset management strategy to ensure that properties are upgraded to meet environmental standards when vacant.

COOLING

Changing climates have resulted in some regions in Victoria experiencing extremely high temperatures in summer. This can have significant health implications for public housing tenants who do not have access to adequate cooling, particularly older tenants.

The Committee heard consistently that tenants want the option of air-conditioning in their homes. The Victorian Government policy on air-conditioning, however, is that it contributes to high and often unaffordable electricity costs for tenants. It will not therefore install it as matter of course.

Tenants who want air-conditioning installed in their public housing property must tender medical recommendations in order to apply for it and are then assessed case by case.⁹⁸ Tenants can, however, install air-conditioning at their own cost without the need for medical documentation. When air-conditioning is provided it will usually be limited to two rooms. Ceiling fans are generally not provided for safety reasons.⁹⁹

The Committee recognises that the HCB position aims to prevent additional economic pressure for tenants. It is also an approach that takes into consideration the financial constraints of the Victorian Government.

⁹⁶ HCB, *Housing Standards Policy Manual: Ch. 4 - Maintenance Standards*, 2009, p.33.

⁹⁷ HCB, *Housing Standards Policy Manual: Ch. 4 - Maintenance Standards*, 2009, p.17 (Italics added).

⁹⁸ Parliament of Victoria, Public Accounts and Estimates Committee (PAEC), Inquiry into the 2010-2011 Budget Estimates, *Transcript of Evidence* (Mr Richard Wynne MP, Housing) 19 May 2010. <http://www.parliament.vic.gov.au/images/stories/committees/paec/2010-11_Budget_Estimates/Transcripts/DHS_-_Housing_VERIFIED.pdf>

⁹⁹ HCB, *Housing Standards Policy Manual, Chapter 10 - Modified Housing Standards*, 2008 Section 10.7.

The Committee observed, however, that issues relating to appropriate cooling for tenants are significant and that the following points need to be acknowledged:

- ▶ the number and intensity of high temperature days are increasing¹⁰⁰
- ▶ the average number of Victorian households accessing cooling to cope with this is increasing and thus expectations of what is tolerable and normal have changed¹⁰¹
- ▶ a large number of public housing residents are older, their number is increasing, and they are in the group of Victorians most susceptible to life-threatening or debilitating effects from heat.¹⁰²

The Committee noted that newly constructed public housing properties aim to incorporate passive cooling features. Passive cooling maximises the efficiency of the building envelope by minimising heat gain from the external environment and facilitating heat loss to the following natural sources of cooling:

- ▶ air movement
- ▶ cooling breezes
- ▶ evaporation
- ▶ earth coupling

Passive cooling also maximises the ability of the occupants to lose heat to natural sources of cooling. Examples of passive cooling include shading, louvred and maximum opening windows to obtain cross ventilation. In addition, passive cooling can include reflective surfaces, use of water features, and the design and orientation of a building for cooling breezes and air flow.

Two themes emerged from the evidence presented to the Committee. The first relates to the general problems heat causes tenants. Older dwellings were considered a key concern for residents who are older and frail and also the very young. High rise towers were specifically mentioned, particularly those flats with a north-west or western aspect. One tenant claimed

¹⁰⁰ For trends see: Climate Change in Australia, Observed Changes. <<http://climatechangeinaustralia.com.au/pastchange.php>> Accessed 30 August 2010. See also: Australian Government, Department of Agriculture, Fisheries and Forestry, Bureau of Meteorology, BCG Shared Solutions, Managing Climate Variability R&D Program et al., *Communicating Climate Change, Glimpsing Victoria's future climate*, Australian Government, Land & Water Australia, 2008, pp.1, 3. <<http://lwa.gov.au/products/pn22181>> Accessed 1 September 2010.

¹⁰¹ Australian Bureau of Statistics (ABS), *ABS 4602.2 - Household Water, Energy Use and Conservation, Victoria, Oct 2009, Energy Use: Air Conditioners*, 2010. Between 1994 and 2008 the proportion of Victorian households with an air-conditioner in use almost doubled. <<http://www.abs.gov.au/ausstats/abs@.nsf/Products/503F8B8C2AFD8744CA25774A0013BD64?opendocument>> Accessed 1 September 2010.

¹⁰² Australian Medical Association (AMA) Victorian Branch, Cooling subsidies needed to protect the elderly in heat, 11 January 2010. <http://www.amavic.com.au/page/Media/News/Cooling_subsidies_needed_to_protect_elderly_in_heat> Accessed 30 August 2010.

temperatures inside reached 60° on a 44° day.¹⁰³ Other participants described conditions in some public housing as furnace-like.¹⁰⁴ Windows in high rise flats will not open more than a fixed amount and the height of the towers can concentrate heat.

It was further noted by participants that heat also impacted upon people's moods and behaviours. Participants suggested to the Committee that heatwaves and housing that will not cool down add to stress and neighbourhood disputes.¹⁰⁵

Participants suggested that at the very least air-conditioning could be provided in communal areas of estates to provide cool spaces where relief from the heat could be sought.¹⁰⁶ In relation to other forms of housing windows and patio awnings were proposed as possible solutions for reducing heat in homes.¹⁰⁷

The second theme relates to the northern parts of the state, beyond the Great Divide and particularly on the Murray River. This area has a distinctively different climate from Melbourne's with higher day-time temperatures in the warmer months and colder night-time temperatures in cooler months.¹⁰⁸ For the winter months, better heating and heat conservation are needed. In the summer months, improved cooling and heat reflection are needed. Evidence to the Inquiry indicates this is an issue of high priority for public housing residents in the area.¹⁰⁹

The Committee noted that there were no comprehensive solutions offered to resolve the issue of cooling in public housing. In view of the safety concerns that inadequate cooling presents and the impact on quality of life of public housing tenants, the Committee considers it is an important issue and recommends that addressing the Victorian Government prioritises the identification of solutions.

RECOMMENDATION

14.14 That the Victorian Government identify comprehensive solutions and develop a strategy for responding to the issue of cooling in public housing properties to maximise health and safety for tenants.

¹⁰³ *Submission 103* (PILCH HPLC), p.26. See also: *Submission 109* (City of Yarra), p.5 – which cites 50 degree inside temperatures during the 2008-09 heatwave.

¹⁰⁴ *Submission 4* (Grampians Community Health), p.3.

¹⁰⁵ *Submission 108* (CUAC), p.2; *Transcript of Evidence 36* (ARC), p.3.

¹⁰⁶ *Submission 29* (ISEPICH), p.4.

¹⁰⁷ *Submission 44* (VPTA), pp.6-7; *Submission 70* (HomeGround), p.9; *Submission 82* (HAAG), p.11; *Submission 37* (Geelong South Public Tenants Group), p.3 & *Submission 17* (The Camperdown Tenants Group Inc.).

¹⁰⁸ *Submission 108* (CUAC), pp.1-2. The CUAC submission provided supported evidence that people living in the Mildura region will experience, on average, 77 days per annum when the temperature exceeds 30 degrees, including 30 days when the temperature rises above 35 degrees Celsius. And that, with the impact of climate change, it is expected that as average temperatures rise it is likely that days over 35 degrees will become more frequent.

¹⁰⁹ *Submission 66* (ARC), p.9. The Advocacy and Rights Centre had interviews with five CEOs of Community organisations that deal with public housing in Mildura in relation to the Inquiry. All immediately raised air-conditioning as the highest priority.

CHAPTER 15

FUTURE DIRECTIONS FOR PUBLIC HOUSING ASSETS

FINDINGS

Financing the growth of supply

- ▶ That the model of Commonwealth funding for public housing is in contrast to other corporatised government services in which the concession is recognised as a community service obligation and fully funded.
- ▶ That beyond the housing association model, there are alternative strategies for promoting non-government investment into social housing.

Social Housing Growth Strategy

- ▶ That the Victorian Government's preferred method for growing social housing is through not-for-profit housing associations rather than growing public housing stock.
- ▶ That participants expressed the need for a long-term, future vision for growing public housing.

Re-profiling public housing stock

- ▶ That in 2004, the Victorian Government committed to increasing the diversity of public housing stock to meet changing tenant needs.
- ▶ That there is a continuing need for increased social housing opportunities for single and larger households to meet higher demand.

Location and public housing stock

- ▶ That public housing stock is unevenly dispersed across Victoria and across metropolitan areas due to historical decisions about stock location.
- ▶ That public housing needs to be strategically located near health and community services, transport and other amenities.

Planning and development of social housing

- ▶ That planning strategies and mechanisms are integral to the development of affordable housing.
- ▶ That international jurisdictions that enable inclusionary zoning have far greater affordable housing outcomes (in units created) than voluntary schemes based on incentives or concessions only.

In determining the future public housing stock profile in Victoria, the Committee noted that the Victorian Government's asset management strategy discusses the importance of planning.

This chapter considers the future planning for public housing asset management. This needs to be considered in the context of social housing more broadly in view of the merging directions for both public and community housing.

The Victorian Government has explicitly stated that its preferred growth strategy for social housing is through housing associations rather than public housing. There are also intentions to grow the supply of social housing through the Nation Building Stimulus Plan – Social Housing initiatives.

In addition to exploring the implications of the growth of social housing through national one-off funding injections, this chapter examines the strategies in place by the Victorian Government to grow future public housing stock and the implications for public housing as a consequence of this focus on housing associations.

The Committee also considered the design of future public housing stock. In particular, it was interested in planning for the physical characteristics of future public housing design. It also examined the social factors in the growth of public housing, such as location, safety, recreational space and opportunities for community participation.

FUNDING GROWTH: FUNDING MODELS AND INVESTMENT OPTIONS

Throughout the report, the Committee has identified that it is well-established that there is a shortage of social housing in Victoria and more broadly across Australia.

A key reason for this shortage of supply relates to policy shifts and changes in funding patterns. In 2002, Professor Mike Berry explained that:

Over the past decade direct government expenditure on social housing has fallen in Australia, while implicit housing subsidies delivered to home owners have continued to increase. The real value of rent assistance paid to private tenants appears to have peaked in the mid-1990s and shows recent signs of decline. This pattern of government intervention is occurring at a time when increasing economic inequality and insecurity, on the one hand, and high house price inflation (especially in the large cities, on the other hand, is creating a growing pool of households experiencing housing-related hardship or 'housing stress'.¹

¹ M Berry & (with the assistance of Jon Hall), 'New approaches to expanding the supply of affordable housing in Australia: an increasing role for the private sector', *Final Report*, AHURI, May 2002 (Executive Summary), p.vi.

Professor Berry notes that a key policy challenge lies in exploring ways of more effectively attracting private investment into the provision of social housing in addition to existing government programs.² Despite recent funding initiatives, participants told the Committee that this policy challenge remains.

Growing the supply of social housing requires alternative approaches to funding and new investment options. In view of the fact that the management of social housing across all states and territories (including Victoria) is undertaken with an operating deficit, considerable attention has been given to exploring alternative strategies for funding and investing in social housing options into the future.

Research has suggested reforms to various aspects of financing social housing to create a more viable base from which to grow social housing supply. These include:

- ▶ reforming rental models that provide revenue
- ▶ reforming Commonwealth funding arrangements to states and territories
- ▶ attracting increased private investment
- ▶ increased regulation through urban planning legislation.

In a research project associated with the Australian Housing and Urban Research Institute (AHURI), Professor Berry provides a comprehensive overview of the options and methods of financing public housing, noting the importance of minimising risks for investors and the role of government in determining the most appropriate strategies to achieve reductions in risk.

POLICY OPTIONS FOR FINANCING EXPANSION OF SUPPLY

Bridge the gap between the return required and the return provided by:

<i>Raising net returns</i>	through the provision of subsidies
<i>Lowering risks to investors</i>	by transferring the risk to government or achieving market efficiency
<i>A combination</i>	of increasing net returns and decreasing risk.

Forms of government bridging:

<i>Subsidy provision</i>	cash or in kind outlays; or, revenue foregone (tax concessions)
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² M Berry et al., 'New approaches to expanding the supply of affordable housing in Australia', AHURI, 2002 (Executive Summary), p.vi.

<i>Risk transfer</i>	by credit support (such as government guarantee to investors on income received); or, increasing market efficiency (such as improved quality of market information, reduction of transaction costs, improved liquidity)
<i>Regulation</i>	through urban planning controls or financial controls on investment decisions
Delivery of forms of government support:	
<i>Demand side assistance</i>	support to low income tenants through cash payments or housing vouchers
<i>Supply side assistance (to expand dwelling stock)</i>	capital provision of dwellings managed by government or non-government organisations (such as grants provided through the National Affordable Housing Agreement)
<i>Subsidised home loans</i>	subsidised interest rates
<i>Shared equity schemes</i>	where ownership is split between government and resident
Financing the assistance programs:	
<i>Debt</i>	financial instruments that return amount borrowed; or, interest that is fixed, floating or real
<i>Equity options</i>	direct ownership; or, stock exchange listed company; or, residential property trust (listed or unlisted)
<i>Combination of debt and equity</i>	
Derived from: Berry, <i>New approaches to expanding the supply of affordable housing in Australia</i> , AHURI, 2002, pp.vii-viii	

The Committee considered three components of financing the growth of social housing supply: 1) government funding and rental income; 2) non-government investment; and 3) planning intervention and incentives.

GOVERNMENT FUNDING AND RENTAL INCOME

Funding for public housing in Australia is largely based on income received through rental revenue and Commonwealth funding provided by grants to states and territories.

RENTAL POLICIES IN SOCIAL HOUSING

Property rent – (determined on the basis of the quality and type of dwelling)

Historic cost-rent system

- 1) aggregate rents meet ongoing costs of providing social housing;
- 2) ongoing costs determined by reference to the dwellings that will replace the existing ones and the capital required to do this (current value of existing dwellings);
- 3) burden of overall costs distributed equitably among all dwellings

Current cost-rent system

- 1) and 3) as above.
- 2) ongoing costs determined by reference to the historic costs of the existing dwellings, particularly the cost of capital for these dwellings (repayment of loans)

Market rent system

Rent negotiated and agreed between landlord and tenant

Market-derived rent system

Rent determined administrative as a proportion of what is happening in either the local private rental market or housing market generally

Income-related or rebated rent – (based on the circumstances of the household)

Income-related rental policy

Where rent is determined according to the income of the household, usually through some rent-to-income ratio such as 20, 25 or 30 per cent

Subsidy-related rental policy

Where a subsidy is provided to a household, and the household rent paid by the tenant is the difference between the property rent and the subsidy

Flat rental policy

Where a common rent is determined across a group of households or group of dwellings. It is based on particular characteristics of households (such as household type) or dwellings (such as size and/or type) and ignores any diversity of characteristics.

Derived from: T. Burke, *Social housing rental policy in Australia and overseas*, RAP 75, 2006, p.2

In research into rental systems for social housing, Mr Sean McNelis and Professor Terry Burke explain that 'a unique aspect of Australia's social housing finance system is that household rents have to serve two functions: providing housing at an affordable price and ensuring the ongoing financial viability of social housing'.³

McNelis and Professor Burke suggest that the key to 'reforming Australia's social housing finance system is to ensure it has a stable revenue base while ensuring low income households have access to affordable housing'.⁴ Some of the options put forward include:

- ▶ increasing income support – through higher Centrelink payments
- ▶ directing subsidies to tenants or SHOs [social housing organisations]
- ▶ increasing household or property rents
- ▶ changing allocations policy to favour tenants with higher incomes.⁵

McNelis and Professor Burke go on to explain that in overseas finance systems, the financial viability of social housing is ensured because:

- ▶ tenants are charged a property rent based upon the ongoing costs of providing social housing, but tenants gain access to subsidies which compensate for the higher rents (eg European countries such as the Netherlands, Sweden and the United Kingdom), or
- ▶ SHOs are paid a subsidy that meets the difference between the household rent and the property rent (Canada and New Zealand), or
- ▶ SHOs are paid a subsidy that meets the difference between the household rent and cost benchmarks (United States).⁶

Other researchers have indicated that the Commonwealth funding model for social housing based on grants needs reform. The idea of introducing a subsidy (such as the system used in New Zealand) was emphasised by Dr Jon Hall and Professor Mike Berry in their research into operating deficits of public housing associations in Victoria. Their suggested approach is to subsidise the rental rebate:

An obvious alternative to the slow selling off of the public housing stock to shore up a weak financial position is for the community service obligation to be recognised and separately funded by government (as is now the case in New Zealand).

In all other corporatised government services the difference between the commercial price and the amount paid by the recipient of a concession is recognised as a community service obligation (CSO) and is fully funded. For

³ S McNelis & T Burke, Prof., 'Social housing rental policy in Australia and overseas', *AHURI Research & Policy Bulletin*, Issue 75, AHURI, June 2006, p.3.

⁴ S McNelis et al., 'Social housing rental policy in Australia and overseas', AHURI, 2006, p.3.

⁵ S McNelis et al., 'Social housing rental policy in Australia and overseas', AHURI, 2006, p.3.

⁶ S McNelis et al., 'Social housing rental policy in Australia and overseas', AHURI, 2006, p.3.

example, for electricity and water supply, the difference between the price per unit of consumption and the amount charged to concessional consumers is treated as a CSO and is normally provided as a Treasury payment to the authority concerned.

For public housing, the commercial or market price is market rent and the concessional price is the income-related rent paid by the tenant. The community service obligation per tenancy is the cost of the difference (i.e. the rental rebate).

There is, in principle, no distinguishing or special reason why the principle applying to CSOs in other corporatised government organisations should not be applied to public housing authorities and the CSO (rebates) fully funded by government.⁷

Dr Hall and Professor Berry demonstrate that ‘if the difference between market rent and concessional (rebated) rents was funded, the financial situation of the housing authorities would be placed on a commercially sound basis’.⁸ They also highlight that this model would eliminate operating deficits in nearly all states and territories. Responses from state and territory social housing authorities to the research project revealed overwhelming support for the concept of funding the CSO.⁹

RECOMMENDATION

15.1 That the Victorian Government negotiate with the Commonwealth Government to fund the difference between market rent and concessional (rebated) rents on the basis that it is a community service obligation.

NON-GOVERNMENT INVESTMENT

Over the past decade there has been considerable interest in exploring non-government investment options as the basis for growing the supply of social housing. In Victoria, this exploration has contributed to the development of the housing association model as an avenue for encouraging private investment. The Committee also found that there have been a range of methods under consideration and trialled in this field of research.¹⁰

Researchers have identified that large investors, such as superannuation funds, are reluctant to invest in rental housing. The key barrier to investing in the low to moderate income rental market is that ‘the expected rate of return on rental housing investment in Australia is too low, relative to the myriad risks that this investment entails’.¹¹ The section above outlined the

⁷ Dr Jon Hall & Prof. Mike Berry, ‘Operating deficits and public housing: policy options for reversing the trend: 2005/06 update’, *Final Report*, AHURI Final Report No. 106, AHURI, October 2007, pp.7-8.

⁸ Dr J Hall et al., ‘Operating deficits and public housing’, AHURI, 2007, p.8.

⁹ Dr J Hall et al., ‘Operating deficits and public housing’, AHURI, 2007, p.10.

¹⁰ The Committee was particularly interested in the Urban Communities Limited model in Kensington. For further information, see *Transcript of Evidence 28* (Urban Communities Limited).

¹¹ M Berry, ‘Expanding the supply of affordable housing in Australia’, *AHURI Research & Policy Bulletin*, Issue 13, AHURI, September 2002, p.1.

range of financing options that can be considered to bridge the gap between the return provided and the return required.

As part of a research project exploring strategies to expand the supply of social housing, Professor Mike Berry developed and analysed three models designed to bridge the gap and deliver risk adjusted rates of return for rental investors. These models are developed using criteria that require equity, efficiency, volume of funds and feasibility.

AHURI: THREE FINANCING MODELS

Model 1

is characterised by a Commonwealth Government outlay subsidy to the States who borrow from private investors to fund the capital provision of dwellings that are rented to target tenants at affordable rents.

The Commonwealth subsidy stream is calculated so that the expected cost to the States over the term of the loan is zero. The higher the subsidy, the lower the rents can be set to still meet all other outgoings and the lower the income required of the assisted tenants at the 25 per cent affordability benchmark.

In this model the Commonwealth provides a capped subsidy and the States raise the debt finance and manage the risks.

Model 2

is a corporate equity vehicle, drawing on both private equity and debt investors.

In addition, the Commonwealth contributes equity that provides (is subordinated to) a capital guarantee to the private equity investor. The States also provide a revenue subsidy so that, overall, the required (expected) rates of return of all private investors are met.

The company is listed on the stock exchange to ensure liquidity and the ready calculability of asset values for investors. In terms of the policy package, this model delivers a capital provision outcome, backed by both outlay subsidy and government guarantee, financed by a mix of public and private equity and corporate debt.

Model 3

is a non-profit company created to acquire and manage affordable housing.

The state government provides non-returnable, dividend-free equity, leveraged by modest private borrowing and voluntary developer contributions.

As a charitable entity, the vehicle has GST free status and a number of other tax advantages that help sustain lower than market rents.

This model therefore delivers a capital provision outcome, backed by both Commonwealth and State government foregone revenue subsidies, financed by a mix of government equity, private debt and donations.

Source: Berry M (with the assistance of Jon Hall), *New approaches to expanding the supply of affordable housing in Australia: an increasing role for the private sector*, Final Report, AHURI, May 2002. pp.viii-ix.

Model 3 is essentially the basis for the housing association model introduced in Victoria in 2004. In the context of promoting private investment in social housing, the Committee notes that the Victorian Government's key strategy is in building the capacity of housing associations to achieve this objective. In the *Victorian Integrated Housing Strategy* it states that 'Victoria will work to boost the scale of the sector, encourage more private sector investment, and support workforce skills development, planning and partnership building'.¹²

Participants in the Inquiry supported alternative exploration of strategies for attracting private investment in social housing. The Tenants Union of Victoria (TUV) recommended Commonwealth and State governments looking to different options for facilitating and channelling large scale private debt and/or equity capital in affordable housing identified in other research.

RECOMMENDATION

15.2 That the Victorian Government further investigate alternative models for funding and promoting non-government investment in social housing.

PLANNING INCENTIVES

The Committee also heard that urban planning systems are integral to the expansion of affordable housing. Some of the planning strategies to retain and promote the growth of social housing include:

¹² HCB, *The Victorian Integrated Housing Strategy, Affordable, Accessible and Sustainable Homes*, DHS, 2010, p.20.

- ▶ retaining social housing through amendments to planning legislation
- ▶ promoting social housing through:
 - ▷ *linkage programs* to establish a cause-effect relationship between a development and a need for goods and services, such as greater demand for housing
 - ▷ *inclusionary zoning* where a state or local government planning tool enables a council to provide incentives to developers or to impose conditions on developers to provide a desired use in a new development (such as affordable housing)
 - ▷ *development agreements* where the local government and developer negotiate a package of proposals around a new development (such as inclusion of affordable housing units).

Issues relating to planning and the development of social housing are discussed later in this chapter.

The Committee heard extensively from participants about inclusionary zoning, which is discussed in more detail at the end of this chapter.

VICTORIAN STRATEGY FOR GROWTH

The Committee recognises that the Victorian Government has made a commitment to increase its social housing stock through redevelopment and acquisitions to grow social housing in strategic locations. In December 2003, it announced its *Strategy for Growth for Low Income Victorians* that outlined its intentions. This was accompanied by a consultation document that sought comment on affordable housing options for low-income Victorians through the formation of affordable housing associations.

In its 2004–09 asset management strategy, *Sustaining our housing*, the Victorian Government outlined the following strategies for growing its social housing stock:

- ▶ re-profile the existing stock portfolio through acquisitions to meet housing demand and increase stock levels in strategic locations
- ▶ new housing acquisitions will support growth in activity centres, and other strategic locations, such as transit cities, that are well serviced by transport and employment
- ▶ individual redevelopment projects on well-located sites are planned to meet the needs of current and future housing clients.¹³

In particular, the asset management strategy identified that a key strategy for growing social housing is to attract non-government investment:

¹³ HCB, *Sustaining our housing, Asset management strategy 2004 to 2009*, 2004.

Over the next five years, Housing and Community Building will seek to develop major capital projects in partnership with non-government parties to expand affordable housing.

People on low incomes will get increased access to quality, affordable housing through a new additional form of housing provider—not-for-profit Affordable Housing Associations—formed in partnership with the State Government, local government, community groups and the private sector.¹⁴

Public housing is not the focus for future growth in social housing. The Victorian Government's preferred strategy is to grow social housing through not-for-profit community housing and through encouraging non-government investment. This was reinforced in the release of the *Victorian Integrated Housing Strategy* in March 2010.

VICTORIAN INTEGRATED HOUSING STRATEGY

Increase housing supply through not-for-profit housing providers

Not-for-profit housing organisations, such as housing associations and community housing providers, will continue to be the Government's preferred approach for increasing the supply of social housing. These providers have a proven record of creative housing developments across Victoria, have demonstrated a high quality of tenancy management and can deliver 25 per cent more housing than housing funded solely by government.

To deliver further growth in social housing, the Government will provide more support to housing associations and community housing organisations, including around 50 per cent of funding from the COAG's Nation Building and Social Housing agreements.

The Government will consider reforms giving local councils clearer powers to encourage social housing development through concessions in municipal rates paid by housing associations. The Government will also fast-track planning approvals of selected new, large scale social housing developments that will add substantially to the supply of housing.

Build the capacity of housing associations

Housing associations are a vital element in the provision of social housing in Victoria. Collaborative alliances with financial institutions, developers, governments and community organisations have enabled these associations to build their supply and respond to growing demand. For the sector to continue to expand, housing associations need greater capacity to become self-sustaining and attract partners and investors.

¹⁴ HCB, *Sustaining our housing*, 2004.

The Government will develop a five-year growth plan to continue the expansion of housing associations in Victoria. The plan will consider options for a targeted conversion of public housing stock to association stock and allow housing associations to package their existing funds with Commonwealth and Victorian Government incentives to create additional affordable rental housing. Building on our strong foundations, Victoria will work to boost the scale of the sector, encourage more private sector investment, and support workforce skills development, planning and partnership building.

Source: Victorian Government (2010) *Victorian Integrated Housing Strategy*, p.20.

GROWING SUPPLY: THE ROLE OF HOUSING ASSOCIATIONS

The Committee heard considerable evidence from not-for-profit community organisations that have established housing associations and are working to grow the supply of social housing through the creation of diverse models of community housing. The Committee had the opportunity to visit some of the innovative developments that housing associations are currently involved with.

This section considers the housing association model and some of the benefits and challenges that have emerged as the model has evolved in Victoria.

THE HOUSING ASSOCIATION MODEL

Housing associations were formed in 2004 following the revision of housing legislation. The housing association model was an early commitment of the current Victorian Government and its initial budget commitments were made in May 2003.

The model is based on the housing associations that emerged in the United Kingdom in the 1970s and 1980s. Housing associations increased in importance in the UK over the last decades of the twentieth century due to changes to council housing brought in by the Thatcher government, when rules were introduced that prevented councils subsidising their housing from local taxes.

While based on the UK experience, the development and provision of social housing in Victoria is different. These differences were highlighted by some participants in the Inquiry. For example, Hanover Welfare Services told the Committee that:

There are two main issues with the model as it has been implemented in Victoria which are different from the model in the UK. Firstly, in the UK housing providers are guaranteed a specific amount of rent from each property...

The second issue is that many agencies in Victoria lack the capital to borrow against in order to grow housing stock.¹⁵

This section notes that the different environments in which housing associations were established have led to some challenges that are specific to Victoria.

THE HOUSING ASSOCIATION MODEL

Legislation

The Housing Act 1983 establishes the role and responsibilities of the Director of Housing, and the Registrar of Housing Agencies.

Government bodies

The Director has responsibility for policy development, funding and leasing and service delivery

The Registrar has responsibility for registering the community based organisations that provide affordable housing. A key function of the Registrar is to monitor compliance with performance standards and monitor the sectors performance more generally.

Non-government organisations

Housing providers
31 providers that manage the Directors properties. They can also manage and own other properties. They can be limited liability companies, incorporated associations or cooperatives.

Housing associations
9 associations that are required to be not-for-profit, limited liability companies and to provide affordable rental housing for low-income tenants. They have the capacity to construct, purchase or otherwise acquire and own the rental housing they manage.

There are two goals to the housing association model in Victoria:

¹⁵ Submission 92 (Hanover), p.34.

Financing growth through housing associations

- ▶ Intention is that once housing associations reach a critical size they will be able to remain financially viable while sustaining growth of new housing.
- ▶ Commonwealth Rent Assistance (CRA) is available to tenants in housing association properties, but not public housing.
- ▶ Housing associations receive tax benefits as not-for-profit entities, but only when they charge less than 75 per cent of market rent.
- ▶ Housing associations retain all rent revenue and are not dependent on recurrent funding.
- ▶ The Victorian Government uses two mechanisms to facilitate the increase in supply of social housing owned by housing associations:
 - 1) Funding up to 75 per cent of total cost of new construction projects – with housing associations leveraging the additional 25 per cent of costs through borrowings or philanthropic grants
 - 2) Transferring property titles from the Director of Housing to associations to increase the asset base available to them to use as security for borrowings.
- ▶ Target of 15 per cent of the value of transferred properties was set to be achieved by 30 June 2010 – yet they have not achieved this goal. Only three of nine housing associations were reported to be borrowing against the transferred assets.

Achieving growth

- ▶ The VAGO report identified that data collection relating to housing associations is inconsistent and has meant that HCB is unable to report promptly and consistently on the overall increases in housing association stock and growth attributed to the different funding sources.¹⁶
- ▶ Growth from 2007-08 budget – program is expected to add 1,733 properties at an average cost to the state of around \$190,000 per property.
- ▶ At 31 December 2009, 697 properties had been completed as part of the state budget initiative.
- ▶ At 31 December 2009, 89 properties had been completed as part of the Nation Building initiative.

TRANSFER OF PUBLIC HOUSING PROPERTIES

One of the key strategies in growing the housing association model across Victoria has been to transfer public housing properties to housing associations. The intention of this process was to provide an asset base from which housing associations can grow through further leveraging their assets.

The Victorian Government advised that at the end of 2008, it had transferred 575 public housing dwellings to the community housing sector.

¹⁶ VAGO, *Access to Social Housing*, Victorian Auditor-General's Report, 2010, p.9.

There were mixed views about the strategy for transferring stock from public housing to housing associations. Some supported the Victorian Government's strategy to transfer larger number of public housing stock to housing associations to assist in the growth of supply. For example, the Brotherhood of St Laurence encouraged additional transfers to build the capacity of housing associations to increase their asset base:

We recommend this increase to 40 per cent by 2020 through a program of public housing stock transfers to registered housing associations. Such a program and sign of support for the development of housing associations would be in keeping with the experience of England over the past two decades.¹⁷

It is important to remember, however, that in the UK, social housing represents approximately 20 per cent of total housing stock. In Victoria, on the other hand, social housing is only 3.8 per cent of total housing stock.

Other participants suggested that there is greater caution relating to the transfer of stock to housing associations. Moreland City Council, for example, stated that:

Intended moves to transfer stock from the public housing sector to Housing Associations needs to be handled sensitively by the State Government, or existing negative stereotypes will transfer to future community housing.¹⁸

It recommended there is further consultation before progressing with additional transfers. HomeGround Services also had reservations about proceeding too quickly with transfers of stock. It stated that:

While HomeGround supports the value in fostering the allocation of new resources into affordable housing, we are very concerned with the potential growth of Housing Associations at the expense of public housing through stock transfers and lack of replacement public housing. As a homeless service provider HomeGround sees little access of homeless people to Housing Association stock and little prospect that this will change in the near future. Housing Associations needs to be much stronger and clearer to ensure similar benefits to public housing for tenants before any further stock transfers (of ownerships) should be contemplated ...¹⁹

In view of the evidence received and the Victorian Auditor-General's Office's (VAGO) finding that only two housing associations have used their asset base for security for borrowings (with one intending to), the Committee considers that there is room for further exploration of the benefits of stock transfers and additional consultation with the sector prior to future transfers.

¹⁷ Submission 78 (BSL), p.18.

¹⁸ Submission 105 (Moreland City Council), p.7.

¹⁹ Submission 70 (HomeGround), pp.3-4.

FINANCIAL VIABILITY AND SOCIAL COMMITMENTS

The Committee heard considerable evidence indicating that there are financial challenges in the housing association model.²⁰ In particular, there were challenges in securing the additional funding to achieve the 25 per cent leverage and also achieve the goal of providing affordable housing for Victorians on low incomes. These issues were dealt with extensively by the VAGO report.

Additional concerns were raised by participants regarding the financial capacity of housing associations to deliver on maintenance demands and property modifications.

RECOMMENDATION

15.3 That the Victorian Government evaluate the housing association model to determine its effectiveness in growing the supply of social housing and ensuring equitable access for vulnerable and disadvantaged Victorians, including the effectiveness of transfer of public housing stock.

RECENT VAGO FINDINGS

In June 2010, VAGO released a report on access to social housing. The focus of the report was on community housing provided by housing associations.

It made the following findings regarding the housing association model in Victoria:

Financial

- ▶ Housing associations are on track to deliver more than 1,700 properties by 30 June 2013 under the state's 2007-8 Budget initiative, at an average cost to the state of around \$190,000 per unit.
- ▶ Housing associations will not deliver the required 15 per cent leverage on assets transferred within the required time frame of June 2010. Seven of the eight housing associations are arranging borrowings, but only three are using the transferred assets as security.

Social

- ▶ Overall, tenants report high satisfaction levels with housing services provided by housing associations.
- ▶ Income eligibility limits for housing association applicants are broader than for public housing, meaning that those on higher incomes can be accepted as tenants.

²⁰ For example, see: *Submission 84* (St Kilda Community Housing Ltd.); *Submission 99* (CHFV); *Transcript of Evidence 29* (CHFV); *Transcript of Evidence 27* (Housing Choices Australia).

- ▶ Applicants from the public housing waiting list filled 46 per cent of new vacancies in housing association properties—17 per cent referred by the Department of Human Services (DHS) and 29 per cent self-referred. This combined result meets the target of 'up to' 50 per cent detailed in the DHS referral protocol. However, there are no mechanisms to provide for equitable access for those on the public housing waiting list.
- ▶ Tenants with incomes in the lower half of the income eligibility range pay no more than 30 per cent of gross income when they first move in, but there is no maximum that can be charged after commencement.

Regulatory

- ▶ The current Registrar fills dual roles, serving in a housing policy role as well as regulator. The Registrar's administrative arm is not organisationally independent from the Director of Housing, the funding body.
- ▶ The regulation model relies on self reporting by housing associations. The Registrar should strengthen its oversight by undertaking focused monitoring and verification.²¹

GROWING SOCIAL HOUSING: PUBLIC HOUSING OR HOUSING ASSOCIATIONS?

The Committee heard mixed views about the single focus on growing housing associations over public housing. In particular, there was a strong emphasis on the need to continue growing the supply of public housing in addition to housing associations. Concerns were expressed that a focus on housing associations as the sole strategy for growing supply was occurring at the expense of growing public housing.

While there is merit in the development of housing associations in the future growth strategy for social housing, participants told the Committee there were risks associated with an approach that favours one solution over a range of options.

Other Inquiry participants highlighted the significance of both community and public housing and the importance of ensuring diversity of housing options through the use of alternative methods of financing growth.

The Committee heard that the future of public housing could potentially be jeopardised if a forward strategy isn't considered. For example, McAuley Community Services for Women (MCSW) explained that:

Public housing should not be overlooked in the attempt to grow the Housing Association sector. To do so would risk creating a residualised, welfarised,

²¹ VAGO, *Access to Social Housing*, 2010, p.27.

unsustainable and unmanageable public housing system, that stigmatises and disadvantages public housing tenants.²²

The Committee also heard that housing associations tend to target different tenants than public housing targets due to their individual eligibility requirements which are often designed to service debt.

While impacting on its viability and contributing to an ongoing operating deficit, public housing has tended to house the most disadvantaged Victorians in housing need. Housing associations, on the other hand, increasingly need to secure additional rental income through greater flexibility in their allocation policies. The Committee heard, however, that housing associations are required to take quotas of their tenants from the public housing waiting list. It is currently 50 per cent.

Professor Terry Burke has indicated that there is room for considering alternative approaches to the current system. In particular, he suggests turning the system around to enable the community housing sector to respond to the housing needs of Segment 1 and 2 applicants in view of their specialist skills in supporting high need tenants.

RECOMMENDATION

15.4 That the Victorian Government develop a long-term vision and strategic direction for the development of social housing over the next 10 years to ensure a diversity of public and community housing options that will meet the needs of early housing applicants.

GROWTH PLANNING: RE-PROFILING PUBLIC HOUSING STOCK

In growing its housing stock, the Committee heard that there is a strong need to ensure the suitability of stock for the changing needs of current and future tenants. Chapter 1 outlined the changing tenant profile and the need for greater diversity in the stock profile.

Inquiry participants informed the Committee of issues regarding suitability of the stock to tenant needs. In particular, the size of properties and their fit with the tenant profile was frequently referred to. In earlier chapters of the report, the Committee has noted changes in tenant profile and the implications of the mismatch between housing stock available on the waiting times for some household groups, particularly singles and larger households.

The Committee recognises that the Victorian Government has committed to adapting its public housing stock to suit the changing tenant profile. It noted

²² *Submission 48 (MCSW), p.15.*

that in 2004, the *Partnerships for better housing assistance* strategy outlined an early commitment to 'aligning housing stock to changing client needs'.²³

This was further emphasised in the Victorian Government's asset management strategy, *Sustaining our housing, 2004-09*, which committed to ensuring that:

As older stock comes to the end of its economic life, individual redevelopment projects on well-located sites are planned to meet the needs of current and future housing clients. In particular a more diverse stock portfolio will better cater for community trends to smaller households, cultural diversity and an aging population.²⁴

Six years since the release of these strategies, the Committee heard that concerns remain about the suitability of stock to the tenant profile. The Committee considers there is a need for a revised asset management strategy to outline the future objectives and targets for re-profiling the existing public housing asset base. See *Recommendations 15.5, 15.6, 15.7 and 15.8*.

INCREASING HOUSING FOR SINGLES

The Victorian Government has acknowledged that it needs to adapt its public housing stock to meet the needs of the growing numbers of single households accessing public housing. As outlined in Chapter 1 the tenant profile is moving towards a higher number of singles dwellings, including older tenants, single parents and people with a disability and/or mental illness. Stock more suitable for singles is needed to meet the needs of an ageing population but also because the greater proportion of tenants eligible for Segments 1 and 2 are also single.

The Committee was presented with a number of different responses to issues concerning bedrooms and specific types of public housing tenant. For example, allocation of one bedroom stock has become essential for older singles seeking public housing.

Participants told the Committee that for some singles, one room is not always appropriate. In particular, people with a disability and older people will often need an additional room for a carer or for family to visit and stay.

The Victorian Public Tenants Association (VPTA) suggested that two bedrooms should be the minimum size for older people.²⁵ The issue of one bedroom also comes up for single parents who do not have sole access of their children. The Public Interest Law Clearing House (PILCH) Homeless Persons Legal Clinic (HPLC) told the Committee of a father of two children who was

²³ HCB, *Partnerships for better housing assistance, Housing and Community Building's strategic framework 2004-09*, 2004, p.18.

²⁴ HCB, *Sustaining our housing*, 2004, p.11.

²⁵ *Submission 44* (VPTA), p.11 & *Transcript of Evidence 4* (VPTA), p.4.

desperate to access public housing after his experiences in transitional housing. He accepted housing unsuitable for his needs:

I'm only in a one bedroom flat. I have 30% custody of my daughter. My son's now 18 and they said to me we've got a one bedroom flat and I said 'my general housing application, it was two bedroom'. Oh they said 'oh look, we'll tear this contract up' and I said 'no, you're not' because I just couldn't stay in this transitional property any longer. If I didn't have kids this place would be ideal.

My daughter's 9 and when she comes over she stays in a little bed in the corner of my room. But as she gets older, it's going to get more difficult, particularly with young girls—they want their privacy—obviously ... And my son fortunately, he still comes over with her—at 18. He still comes to see his dad, which is great. So he sleeps on the couch in the lounge room.²⁶

The Committee recognises that in its construction of new housing, the Victorian Government is committed to ensuring that most single properties provide a space for children, carers and other family members. The Committee visited properties that were currently under construction for older people that aimed to meet these specifications.

NEAMI argued that one-bedroom flats worked better as a long-term housing solution for young people, whether singles or couples, than the smaller option of a bedsit. This position was also supported by Wombat Housing and Support Services, who noted that bedsits tend to create concentrations of disadvantage since they are frequently clustered and allocated to people with mental health or alcohol and/or drug problems.

While the general view from participants was that bedsits are not an appropriate option, some participants revealed that they suit the needs of some people. The Salvation Army Eastcare and Uniting Care Community Options noted that bedsits can add to flexibility. Moonee Valley Council had experienced working with some older single male tenants who sometimes preferred them.

The Victorian Government's current policy is that one bedroom units are the preferred option for singles and older people and that bedsits are not a preferred option.²⁷ The high rise upgrade program includes the conversion of bedsit units to flats but the Committee also heard that in some cases this was not structurally feasible.²⁸ The overall number of bedsits in HCB stock have shrunk from 2,229 in 2001 to 1,461 in 2009.²⁹

²⁶ Submission 103 (PILCH HPLC), p.33.

²⁷ HCB, *Housing Standards Policy Manual, Chapter 2 - Construction Standards*, 2010 (Section 2.7) p.2-35.

²⁸ HCB, Building improvement projects. <www.housing.vic.gov.au/buildings-projects/current/building-improvement-projects> Accessed 2 September 2010. See also: *Transcript of Evidence 4 (VPTA)*, p.8.

²⁹ HCB, *Summary of Housing Assistance Programs 2000-01*, DHS, 2002, p.52; HCB, *Summary of Housing Assistance Programs 2008-09*, DHS, 2010, p.44. Note: Specific information on bedsits are not supplied in the *Summary of Housing Assistance Programs* reports before 2001.

The Committee recognises that the Victorian Government is pursuing the development of increased single accommodation in its construction and redevelopment of public housing.³⁰ The 2007–08 Budget initiative in housing has been used to address the shortage of social housing for singles. By the end of 2009, one-bedroom stock had made up 65 per cent of the units supplied by the initiative and their final proportion was projected as being 57 per cent of all 1,773 new dwellings.³¹

The Committee identified that in view of the varying needs of single households, the Victorian Government needs to ensure there is an equal degree of flexibility in the size and type of stock made available for single households.

INCREASED OPPORTUNITIES FOR LARGER HOUSEHOLDS

As noted in Chapter 1, the Committee identified that for larger families there is a shortage of suitable stock. The Committee found that for large households (particularly for individuals and families from culturally and linguistically diverse (CALD) backgrounds or Aboriginal communities), there is a need for access to larger properties. Approximately five per cent of those on the public housing waiting list (close to 2,000 people) were in need of larger dwellings.³²

The Committee noted that the Victorian Government is exploring avenues to increase its profile of larger properties, but it admits there are challenges in purchasing larger properties. In a response to the Committee, it explained that these challenges included low supply of larger properties in the broader market, restraints on building types, and difficulties in obtaining land that suit dwellings of this size. Public housing has a role here in filling in for market failure.

Participants told the Committee of the experiences of families needing more than four bedrooms.³³ The suggestion was made that some families will accept inappropriate stock in order to be housed, which can lead to situations of overcrowding. Alternatively, families will live in separate homes to gain the space they need.

The Committee heard that some households will move to suburbs or regions they are unfamiliar with to gain the housing they need. Dr Al-Mousa of the Ethnic Communities Council of Victoria (ECCV) told the Committee of a large Sudanese family that moved to Morwell because of the availability of a four-bedroom house.³⁴

³⁰ HCB, *Summary of Housing Assistance Programs 2008-09, 2010*, p.35.

³¹ VAGO, *Access to Social Housing*, 2010, p.11.

³² HCB, *Response to Request for Additional Data and Information*, Correspondence to FCDC, 29 June 2010.

³³ *Submission 6* (Kay Webster).

³⁴ *Transcript of Evidence 15* (ECCV), p.4.

The Committee noted that Victorian Government allocations policy permits households to move into housing with an inappropriate match of bedrooms to household members. In these situations, tenants are required to agree that they will not request an early housing transfer on the basis of the household being unsuitable based on the number of bedrooms to household members. They can, however, apply for a transfer on the general wait turn list.³⁵

The Committee recognises that the Victorian Government has acknowledged issues for larger households and made efforts to incorporate larger properties into its stock profile. In its site visits to public housing properties in Melbourne, it had the opportunity to see a redevelopment project that was building a convertible six-bedroom unit designed to separate into two three-bedroom flats if required in the future.

MINIMISING OVERCROWDING

The Victorian Government has protocols on overcrowding. HCB regards housing as inappropriate if there is severe overcrowding, reunification of parents and children is not possible or it results in inappropriate sharing of bedrooms.³⁶ These protocols apply both to allocations and in the transfer application process. Living in overcrowded circumstances can provide grounds to apply for early housing in Victoria under Segment 3 (Special Housing Needs).³⁷

Figures on the extent of overcrowding are not supplied in HCB's *Summary of Housing Assistance Programs* reports. All states do provide some information to the Commonwealth but there are problems with consistency across different state administrations. On the data provided as much as eight per cent of Victoria's public housing suffers from some form of overcrowding. The most comparable figure to this comes from NSW, where around seven per cent of public housing homes are overcrowded.³⁸

Most of the overcrowding is moderate in the context of Commonwealth definitions, meaning the shortfall in living space is one bedroom.³⁹ On this measure the Australia-wide data is more comparable. In June 2009 Victoria sat just above the national average of 6.1 per cent with 6.4 per cent of dwellings moderately overcrowded. Queensland (8.2) and Western Australia (6.7) both have higher levels and NSW (5.5) and South Australia (4.1) have less.⁴⁰

³⁵ HCB, *Allocations Manual, Chapter 12 - Matching Clients with Housing*, 2010, p.12-20.

³⁶ HCB, *Allocations Manual, Chapter 1 - Introduction and Overview*, 2010, p.1-7; HCB, *Allocations Manual, Chapter 8 - Special Housing Needs*, 2010, p.8-11 to 8-14. 'Severe overcrowding' is defined in Victoria as a shortage of two or more bedrooms. The equivalent term used by the Commonwealth is 'overcrowding'.

³⁷ HCB, *Allocations Manual: Ch. 1 - Introduction and Overview*, 2010, p.1-7.

³⁸ Figures derived from Australian Institute of Health and Welfare (AIHW), *Public rental housing 2008-09, Housing Assistance Data Development Series*, AIHW, 2010, Tables 1.1, 1.5.

³⁹ Note that in Victoria the term used for this situation is simply 'overcrowding'.

⁴⁰ Figures derived from AIHW, *Public rental housing 2008-09*, 2010, Table 1.1.

In terms of severe overcrowding, where there is a shortage of two bedrooms or more, comparable figures between Victoria and other states and territories are difficult to make because Victorian data excludes non-rebated public housing. The figure for severe overcrowding in Victoria is 2.1 per cent.⁴¹ In NSW, the only other state that also does not count non-rebated households the figure is 1.5 per cent.⁴² In its submission to the Inquiry the Australian Institute of Health and Welfare (AIHW) noted that Victoria's rate was in line with the national average of such overcrowding, 1.7 per cent.⁴³

Overcrowding has a number of negative impacts but two in particular stood out from the evidence. The first was the potential for family conflict and the second was the negative effect on children's educational development due to a lack of space for study.⁴⁴ Overall, overcrowding has negative effects on the well-being of tenants and imposes costs on the larger society in terms of government services.⁴⁵

Nonetheless, the Committee noted that most participants who expressed concerns about overcrowding did so in terms of its being a problem of private market failure or long waiting lists that public housing supply could alleviate.⁴⁶ Hanover noted that overcrowding was a rare result in public housing allocation.⁴⁷ Where it did occur the evidence suggested it came from a lack of stock to suit large or extended families.⁴⁸

Table 15.1: Overcrowding in Australia is defined using the Proxy Occupancy Standard

HOUSEHOLD COMPONENT	DWELLING SIZE REQUIRED
Single adult only	1 bedroom
Single adult (group)	1 bedroom (per adult)
Couple with no children	2 bedrooms
Sole parent or couple with 1 child	2 bedrooms
Sole parent or couple with 2 or 3 children	3 bedrooms
Sole parent or couple with 4 or more children	Number of bedrooms equal to the number of children

AIHW Public Rental Housing 2008-09 p.24

⁴¹ Australian Institute of Health and Welfare (AIHW), *Public rental housing 2007-08, Commonwealth State Housing Agreement national data report*, AIHW, 2009, Table 1.5.

⁴² AIHW, *Public rental housing 2008-09*, 2010, Table 1.5.

⁴³ *Submission 83* (AIHW), p.3.

⁴⁴ See, for example: *Submission 92* (Hanover), Case study 4: Nya, p.22.

⁴⁵ Australian Institute of Health and Welfare (AIHW), *Housing Assistance in Australia*, 2008, pp.2, 24; *Submission 57* (RDNS HPP), p.2; *Submission 50* (IECHS), p.4.

⁴⁶ *Submission 28* (CSMC), p.4; *Submission 78* (BSL), p.17; *Submission 94* (Frankston City Council - Community Development), p.4; *Submission 60* (AHAG); pp.9-10; *Submission 44* (VPTA), p.3; *Submission 24* (GSPC), p.6.

⁴⁷ *Submission 92* (Hanover), p.22.

⁴⁸ *Submission 44* (VPTA), p.3-4; *Submission 70* (HomeGround), p.7; *Submission 43* (ECCV), p.5.

RECOMMENDATION

15.5 That the Victorian Government revise its asset management strategy to outline its planned growing social housing with particular attention to:

- ▶ objectives and targets for re-profiling the existing public housing asset base
- ▶ identifying its ideal dwelling mix in the public housing stock profile
- ▶ intended targets and timelines for growing the housing supply and options for singles and larger families to meet the needs of the changing tenant profile.

GROWTH PLANNING: PURCHASE AND CONSTRUCTION

One of the key components in growing social housing in Victoria is the approach to purchasing and constructing new properties. The Committee did not hear a large amount of evidence on these issues, but considers them important in the context of the future directions of the management of public housing assets.

The Committee found that the Victorian Government has standards relating to both elements of adding to the social housing stock profile.

PURCHASE

One of the objectives of asset management strategies in public housing is to outline intentions for purchase and future acquisitions of public housing stock.

The Victorian Government's asset management strategy that expired in 2009 stated that as part of the broader goal to 're-profile stock and grow in strategic locations', its objective is:

In line with the Government's metropolitan strategy, Melbourne 2030, new housing acquisitions will support growth in activity centres, and other strategic locations, such as transit cities, that are well serviced by transport and employment opportunities.⁴⁹

The Victorian Government has established standards for the acquisition of stock.

PURCHASE STANDARDS

The objectives of the Purchase Standards are to:

- ▶ Establish appropriate standards for the purchase of new and existing properties;
- ▶ Make properties available for tenancy as soon as possible;

⁴⁹ HCB, *Sustaining our housing*, 2004, p.11.

- ▶ Ensure that properties purchased for use for community and special needs clients are appropriate for their intended purpose;
- ▶ Detail all applicable H&CB and legal requirements; and,
- ▶ Provide the basis for the cost effective use of funds.

Source: HCB, Purchase Standards, p.11

The HCB purchase standards also outline the policy related to purchasing. The manual states the following:

It is a general policy preference that properties are of brick construction and well located in relation to facilities. In order to maximise the asset value of housing, it is preferred that properties are not acquired adjacent to railway lines, commercial premises or freeways. These preferences are not a pre-condition for purchase.

Flexibility is needed to obtain a wide range of suitable accommodation for a disparate group of clients.⁵⁰

In addition, it outlines a range of detailed specifications relating to purchase of properties.

Apart from the very broad objective expressed in the asset management strategy from 2004-09, the Victorian Government currently does not have a strategy for its purchase of stock.

Participants in the Inquiry highlighted issues relating to purchasing public housing stock. The types of issues that the Committee heard included:

Availability

Difficulties for housing associations in purchasing one and two bedroom housing due to availability of stock.⁵¹

Location

Preference for purchase in residential settings over medium to high density; purchase standards need to include location requirements.⁵³

Environment and access

Purchase standards need to include environmental and accessibility standards;⁵⁴

Purchased properties do not consider the access needs of people with a physical disability.⁵⁵

⁵⁰ HCB, *Housing Standards Policy Manual, Chapter 1 - Purchase Standards*, 2008, p.16.

⁵¹ *Transcript of Evidence 7 (AHV); Submission 45 (LOMA)*.

⁵² *Submission 104 (NEAMI)*.

⁵³ *Submission 92 (Hanover)*.

⁵⁴ *Submission 94 (Frankston City Council - Community Development)*.

⁵⁵ *Submission 81 (Carers Vic)*.

The need for growth

Purchasing public housing is important in spite of focus on growth of community housing.⁵⁶

Role of local government

Local councils often have valuable input to assist in identifying properties for purchase.⁵⁷

Regarding spot purchase, participants made some general comments. Women's Housing Ltd (WHL) explained that there are challenges for some tenants in integrating into the community. Inner South Community Health Service (ISCHS) stated that for some tenants in spot-purchased properties it can be more difficult to access support programs.

Others, however, suggested that there are a range of benefits emerging from spot purchases:

- ▶ quicker than construction
- ▶ minimising concentrations of disadvantage
- ▶ providing anonymity for public housing tenants
- ▶ particularly good for women who have experienced family violence
- ▶ opportunity to live in a 'normal community'
- ▶ often well connected to public amenities, employment opportunities.⁵⁸

Ms Alison Quinn suggested to the Committee that there needs to be greater consultation with the community when it purchases a property in the community.⁵⁹

CONSTRUCTION

In addition to the acquisition of new properties, the Victorian Government has a focus on constructing new dwellings which provides the flexibility to re-profile stock to suit the specific needs of tenants.

The importance of having a clear strategy for construction was raised by the CEO of WAYSS, Mr Kim Stowe, who stated that in view of the shortage of one-bedroom properties and larger properties, that 'there should be perhaps less spot-purchase and more design-and-build'.⁶⁰

⁵⁶ Submission 40 (Wombat).

⁵⁷ Submission 105 (Moreland City Council).

⁵⁸ Submission 88 (Bob Scates); Submission 40 (Wombat); Submission 45 (LOMA); Submission 48 (MCSW); Submission 56 (ISCHS); Submission 91 (HOPS).

⁵⁹ Submission 8 (Alison Quinn).

⁶⁰ Transcript of Evidence 22 (WAYSS), p.8.

In the context of its 2004–09 asset management strategy, the Victorian Government stated that its broader goal was to ‘re-profile stock and grow in strategic locations’ by ensuring that:

As older stock comes to the end of its economic life, individual redevelopment projects on well-located sites are planned to meet the needs of current and future housing clients. In particular, a more diverse stock portfolio will better cater for community trends to smaller households, cultural diversity and an aging population.⁶¹

The Victorian Government has established standards to inform its construction of new developments. These were referred to in Chapter 14. The following box outlines the broad context on which the standards were developed.

CONSTRUCTION STANDARDS

The Construction Standards are drawn from OOH and legal (statutory, regulatory and code) requirements and reflect best practice in the low cost construction industry for domestic dwellings. The Standards set out the policy and standards applicable for the construction of rental general, special needs and community housing stock.

The Construction Standards shall comply with all applicable legal requirements and all applicable Departmental policies, guidelines and standards.

Unless specifically excluded herein, products, components, services, systems, design, construction methods, etc. shall comply with the relevant AS Australian Standards, AS/NZS Australian/New Zealand Standards or ISO International Standards Organisation standards.

Source: HCB, *Construction Standards*, p.xi

The current HCB *Construction Standards* focus on providing a range of features in the construction of new dwellings, including:

- ▶ suitable location
- ▶ accessibility
- ▶ energy efficiency
- ▶ design and construction
- ▶ security
- ▶ locks
- ▶ fences

⁶¹ HCB, *Sustaining our housing*, 2004, p.11.

- ▶ fire risk management
- ▶ landscaping.⁶²

Participants made some of the following points in regard to construction:

- ▶ Construction needs to take into account location to minimise disadvantage.⁶³
- ▶ There is a lack of construction of housing suitable for people with disability.⁶⁴
- ▶ There are issues regarding developers resisting the construction of social housing.⁶⁵

RECOMMENDATION

15.6 That the Victorian Government revise its asset management strategy, specifying its objectives, implementation plan and timeframes relating to the purchase and construction of public housing stock.

GROWTH PLANNING: DEVELOPMENT AND LOCATION

In the future development of public housing, the Committee heard that housing needs to be well located to meet the needs of its residents. Ready access to public transport, health and community services, schools and other amenities, such as shopping centres is important for low income Victorians.

The Committee noted that location was included in the Victorian Government's 2004–09 asset management strategy, including growing stock in strategic locations such as activity centres and transit cities that are well connected to transport and employment.

This section considers the development of public housing and location in the context of

- ▶ proximity to services and infrastructure
- ▶ the diversity and dispersal of public housing stock
- ▶ opportunities for community participation.

ACCESS TO SERVICES AND INFRASTRUCTURE

The Committee heard that the location of many inner Melbourne public housing estates suited tenants general needs, being close to health, educational, support and public transport services.

Participants expressed the importance of these existing locations of public housing in inner city suburbs.⁶⁶ While recognising issues associated with high

⁶² HCB, *Housing Standards Policy Manual: Ch. 2 - Construction Standards*, 2010, pp.6–10.

⁶³ *Submission 105* (Moreland City Council); *Submission 92* (Hanover).

⁶⁴ *Submission 22* (BCH&WHCLS).

⁶⁵ *Transcript of Evidence 38* (City of Ballarat).

density public housing, the Community Housing Federation of Victoria (CHFV) stressed the importance of retaining the land for public housing.

Current public policy suggests that these large inner city estates should be broken up (as has occurred at Kensington and Carlton). For all the perceived problems of those estates, residents are likely to have less access to services, jobs, education and transport if they are moved to outer urban localities. The inner urban economy is not dependent on accommodating more high wage earners; in fact, AHURI has provided evidence to suggest that the inner urban area of Melbourne struggles to fill low-wage positions (such as cleaning and waiting) because the cost of housing forces such workers to the urban fringe. Poor or non-existent public transport coupled with the cost and time travel negates any benefits in commuting to these jobs.⁶⁷

As noted earlier, a number of participants emphasised the importance of acquiring and building new public housing stock in well located areas that are connected to relevant services and amenities.

ENHANCING OPPORTUNITIES FOR COMMUNITY PARTICIPATION

The Committee heard that many older public housing estates were built in an era when the tenant profile in public housing comprised low income families and concentration of disadvantage was not an issue for policy consideration. Community participation has since become an important issue in the context of public housing as a strategy for reducing disadvantage.

The Committee heard that location is important in providing opportunities for community participation. For example, Whittlesea Community Connections told the Committee that:

Ensuring access to opportunities for community connection and participation are integral to achieving life outcomes. For new arrival communities, access to such opportunities is essential in order to achieve life and settlement outcomes. However location of available public housing often means that new arrival individuals and families are forced to re-locate after only recently establishing new connections. This can have destabilising effects including the trauma of losing newly established networks that are integral to successful settlement and integration.⁶⁸

Local councils noted the importance of the location of public housing for maintaining family and support networks. They also emphasised the importance of activity centres in creating integrated communities.

Moonee Valley City Council informed the Inquiry that it was in the process of developing structural plans for its two principal, and four major, activity

⁶⁶ *Submission 70* (HomeGround), p.8; *Submission 90* (Prof. Terry Burke), p.6; *Submission 82* (HAAG), p.13.

⁶⁷ *Submission 99* (CHFV), p.5.

⁶⁸ *Submission 12* (Whittlesea Community Connections), pp.3-4.

centres. It considered these projects present opportunities to bring in public and community housing providers in locations well suited to their clients. Centres such as these are foreseen as strategic places for new housing and Moonee Valley City Council is committed to keeping a diversity of housing in its area. It lamented the lack of input so far from HCB and stressed much more dialogue with the Council was needed to ensure the best outcomes from the planning.⁶⁹

RECREATIONAL SPACE

Recreational space was considered important by participants in the Inquiry, particularly for children and for creating a sense of community in local neighbourhoods. The Committee heard that access to recreational and outdoor space was important for the following reasons:

- ▶ It gave children spaces to play in with positive effects for both them and their parents.
- ▶ It provides an alternative to indoors in summer when houses can get hot and uncomfortable.
- ▶ It contributes to improved relations with neighbours (poorly configured space, on the other hand, can contribute to disputes or to the abandonment of open spaces, such as parks).

In terms of unsuitable configurations of recreational space for children, Ms Patricia Norman told the Committee that:

Properties with common areas such as driveways are no place for children as they often have nowhere else to play.⁷⁰

Ms Megan Richards also emphasised the importance of recreational space for children. She noted that that inner city high rise and other flats were unsuitable given they had small living spaces and little in the way of private balconies or play areas.

Inquiry participants noted that Neighbourhood Renewal had contributed to positive developments in recreational and outdoor space. The Greater Shepparton City Council discussed changes made in Parkside East as part of the Neighbourhood Renewal project:

The neighbourhood renewal project also facilitated the complete redevelopment of the public open space within the area from a very large open and unloved park area to now two smaller well-developed parks which have suffered very little vandalism or antisocial issues. The new parks are well located with good observation throughout. They are well appreciated by the local community.⁷¹

⁶⁹ *Submission 67 (MVCC)*, pp.3, 9-10.

⁷⁰ *Submission 23 (Patricia Norman)*, p.7.

⁷¹ *Transcript of Evidence 42 (Greater Shepparton City Council)*, p.4.

The Committee heard that community gardens are considered important opportunities for recreation in some public housing estates. In 2006, HCB reported that it operated a Community Garden Program with 750 plots across 13 estates, and conducts an annual Victoria in Bloom competition.⁷²

RECOMMENDATION

15.7 That the Victorian Government revise its asset management strategy for public housing to include:

- ▶ an outline of its intentions for outdoor areas and its importance in developing a sense of community in public housing areas
- ▶ a plan for children's use of outdoor areas that are safe and provide opportunities for recreation and social development.

DISPERSAL OF STOCK

As outlined in Chapter 7, there are issues relating to the dispersal of public housing stock in Victoria. Different regions have different stock levels. This distribution of public housing across Victoria is historical and was not based on demographic consideration of the need for public housing across the state.

One impact of the uneven distribution of public housing stock is that individuals and families experience longer waiting times to access public housing. Uniting Care Harrison made the following comment:

There is also an issue with the disparity between numbers of THM and OoH RGS stock in each of the regions and throughput. For example the North/West region has 24,717 RGS and listed 2,090 vacancies 07/08, whereas the EMR has 5,825 RGS properties and only listed 362 vacancies 07/08. The North/West region has 577% more vacancies than the EMR did 07/08. This has a significant impact on waiting times in THM stock in the EMR if tenants for example have chosen broadband areas in the EMR, rather than the North/West region.⁷³

Some participants emphasised to the Committee the uneven dispersal of public housing stock throughout the state and urged that an effort be made through future building to create a wider dispersal of locations. A number of local councils, including Moonee Valley City Council, Hume City Council and Whitehorse City Council, supported the increased dispersal of public housing across Melbourne and the state.

It was not only in Melbourne that concerns about distribution and availability of housing were heard. Grampians Community Health stated that the uneven dispersal of public housing in its region had a number of implications:

⁷² HCB, *Decent homes, safer streets and stronger communities, Victoria's social housing - information and key contacts*, 2006, p.19.

⁷³ *Submission 75* (UnitingCare Harrison), p.3.

All areas in the Wimmera and Grampians regions have been affected by Office of Housing properties being sold off and not replaced. This has caused areas such as Ararat, Stawell, St Arnaud, Horsham and Nhill in particular, to have experienced a significant increase in waiting times for Office of Housing properties from months to years, even for high priority applications. The region has also been under stocked for some time for 1 bedroom properties and 4 bedroom public housing properties, with waiting lists for individual people and people with larger families waiting for years as a minimum. Due to the above, there has been a flow on effect for emergency and transitional housing programs, which have been unable to exit tenants from houses and therefore creating further issues for new referrals who must then also be placed on a waiting list for transitional housing as well as public housing. ... Many people, including families with children, have become itinerant and move from place to place in search of safe and stable housing. Homelessness services frequently deal with people travelling from one region to the next, never finding anywhere permanent to stay.⁷⁴

A number of participants in the Inquiry expressed concerns that economic considerations would drive too much public housing into Melbourne's outer suburbs, where transport and employment options are minimal and the cost of travelling to and from services is higher in terms of finance and time.

Despite concerns about these developments, the Mornington Peninsula Shire's Housing Policy Reference Group provided an example of an outer suburban housing estate that had been transformed through community development initiatives.⁷⁵ The public housing estate at West Park in Hastings was constructed on the outskirts of the township approximately two kilometres from the shopping centre. The introduction of community development programs, however, had improved the opportunities for the estate.

These initiatives included Neighbourhood Renewal, the Good Shepherd Youth & Family Services Community House and the Wallaroo Child Care and Kindergarten, in addition to public transport and the Shire's Dial-a-Bus service. The Committee heard that these community development programs have assisted in alleviating some of the isolation and dislocation experienced by residents in the area.

The Committee identified that by ensuring good planning with regard to location, future investment in community and neighbourhood renewal can be minimised. Yet it also recognises that commitment to putting social and capital infrastructure in place can be of significant benefit to residents in isolated communities with minimal access to vital services.⁷⁶

⁷⁴ *Submission 4* (Grampians Community Health), p.1.

⁷⁵ *Submission 97* (The Mornington Peninsula Shire's Triple A Housing Policy Reference Group), p.6.

⁷⁶ See: *Submission 102* (Hume City Council), pp.9, 18 for a similar point.

RECOMMENDATIONS

15.8 That the Victorian Government revise its asset management strategy to outline its approach to preventing concentrations of disadvantage in acquisitions.

15.9 That the Victorian Government commit to ensuring a more even distribution of public housing across DHS metropolitan and rural regions in Victoria.

GROWTH PLANNING: SAFETY AND PUBLIC HOUSING

The Committee identified that in the development of public housing, safety for public housing tenants is an important consideration. It heard a strong message from participants that safety in public housing is important to their sense of security and their health and wellbeing. Participants advised the Committee that safety needs to be considered in the context of the building structure (as discussed in chapter 14) and the surrounding community (including street lighting and the design of public spaces).

There were positive reports to the Committee regarding the use of concierges and better lighting.⁷⁷ It was evident that those tenants who had not yet had safety upgrades were eager for them. It was also suggested that building the community through shared activities, thus raising social capital, was part of a solution to increasing security.⁷⁸ Spectrum Migrant Resource Centre (SMRC) also registered support for training and employment programs as positive steps toward reducing crime.⁷⁹

The Committee heard that other initiatives taken by HCB to improve safety have included the installation of 900 CCTV cameras on all 44 high rise towers, employment of security personnel at some estates, employment of community contact officers (CCOs) in concierge positions, provision of outdoor sensor lighting and better outdoor lighting generally.⁸⁰

The Public Housing Infrastructure Program funds a concierge service on public housing estates in the City of Yarra that provides employment and training for public housing tenants. CCOs have replaced security guards in performing the role of concierge between 8am to 4pm.⁸¹

⁷⁷ Submission 78 (BSL), p.23; Submission 34 (Margaret O'Callaghan), p.4; Submission 67 (MVCC), p.9.

⁷⁸ Submission 44 (VPTA), p.9; Submission 100 (SVDP ACCS), p.23; Submission 53 (SMRC), p.5; Submission 70 (HomeGround), p.9.

⁷⁹ Submission 53 (SMRC), p.5.

⁸⁰ See: HCB, *Wendouree West. The Journey Continues, The Year 8 Report on the Wendouree West Community Renewal 2001-09*, DHS, p.23; HCB, *Program framework and funding guidelines 2009-12 (Effective from June 2010)*, *Public Housing Infrastructure Programs*, 2009 Section 6.9; Submission 92 (Hanover), p.19; Submission 67 (MVCC), p.10; Submission 70 (HomeGround), p.9; Minister of Housing, 'High Tech Security for Melbourne's High Rises', Media Release, 26 August 2009. <<http://www.premier.vic.gov.au/newsroom/7945.html>> Accessed September 2010.

⁸¹ HCB, *Program framework and funding guidelines 2009-12*, 2009 Section 6.9.

An evaluation of the program in 2006 found it provided a cost-effective model for the delivery of concierge services with positive outcomes in training, further employment and community building and safety.⁸² The Committee was advised by HCB that it had contributed to a downward trend in crime and security incidents at the estates. Customer services delivered by CCOs were rated as good or excellent by 75 per cent of interviewed tenants in the evaluation.⁸³

Some concerns, however, were expressed by one tenant group in high rise public housing about the focus of security staff. Representatives from the Collingwood, Fitzroy and Richmond high rises expressed the view that too many strangers were coming on to estates.⁸⁴

NEIGHBOURHOOD RENEWAL AND IMPROVING SAFETY

The Victorian Government has implemented policies with regard to safety, incorporating best practice measures in its Neighbourhood Renewal Program. As previously outlined, Neighbourhood Renewal has been targeted to public housing areas with high levels of disadvantage and above average reports of crime and safety issues.⁸⁵

The Neighbourhood Renewal crime and safety plan has three key areas within its framework:

- (1) **Policing** —
based on the principles of Local Priority Policing
- (2) **Community based crime prevention initiatives** —
Community Policing, Neighbourhood Watch and comprehensive crime prevention programs.
- (3) **Physical environment** —
eg. Crime Prevention Through Environmental Design (CPTED), community safety audits and associated improvements and redevelopments.⁸⁶

The following indicators are used in performance measurement of action plans implemented in the Neighbourhood Renewal areas:

⁸² HCB Neighbourhood Renewal Unit (in partnership with), University of Ballarat, Deakin University et al., *Neighbourhood Renewal Evaluation Report 2008*, 2008 Section 7.5 (Analysis) C&S 3—Crimes Reduced.

⁸³ HCB, Correspondence to FCDC, 29 June 2010.

⁸⁴ *Transcript of Evidence 25* (Representatives of Collingwood, Fitzroy & Richmond Public Housing Tenants), p.3.

⁸⁵ D Klein Harald, 'Neighbourhood Renewal: Revitalising Disadvantaged Communities in Victoria', *Public Administration Today*, 1, Institute of Public Administration Australia (IPAA), 2004, , p.25 At their inception, Neighbourhood Renewal areas were characterised by an average 58 per cent higher crime rate and 129 per cent higher rate of child protection notification than the State average.

⁸⁶ HCB, *Neighbourhood Renewal, Crime and Safety Framework*, 2008, p.10.

- ▶ Residents feel the neighbourhood is a safer place to live.
- ▶ Crime against property and persons is reduced.
- ▶ Child protection notifications and substantiations are reduced.⁸⁷

Overall the framework stresses cooperation with the police, forming relationships between police and residents and improvement of the physical environment. The latter is often carried out in cooperation with the local council.⁸⁸

The 2008 evaluation report for the Neighbourhood Renewal Program showed improvement in a number of areas relating to crime and safety:

- ▶ 12 per cent decrease in overall crime
- ▶ 27 per cent decrease in crimes against property
- ▶ Six per cent reduction in child protection substantiations.
- ▶ Rate of crimes against the person increased by 7.4 per cent, potentially caused by increased reportage of family violence incidents.⁸⁹

As a measure of social inclusion the figures record that the falling rate of crime meant a narrowing of the gap between crime averages in these neighbourhoods and the state average. The narrowing was by two per cent.⁹⁰

While there have been major improvements in Neighbourhood Renewal areas it remains that there are still 50 per cent more crimes against property in these areas than the Victorian average.⁹¹

RECOMMENDATIONS

15.10 That the Victorian Government publicly report on the outcomes of participation of employment programs and the reduction of crime in each specific neighbourhood renewal project.

15.11 That the Victorian Government undertake a full and publicly available evaluation of completed neighbourhood renewal projects.

URBAN PLANNING AND REGULATION

The Committee heard that planning laws and the role of local government are critical in the future direction of public housing and its development.

⁸⁷ HCB, *Neighbourhood Renewal: Crime and Safety Framework*, 2008, p.15.

⁸⁸ HCB, *Neighbourhood Renewal: Crime and Safety Framework*, 2008, pp.11, 14.

⁸⁹ HCB Neighbourhood Renewal Unit et al., *Neighbourhood Renewal Evaluation Report 2008*, 2008 (Executive Summary) pp.6, 8.

⁹⁰ HCB Neighbourhood Renewal Unit et al., *Neighbourhood Renewal Evaluation Report 2008*, 2008 (Executive Summary) p.8. The evaluation notes that 'In part, the significant increase in recorded crimes against the person can be attributed to a changed culture by Victoria Police and the community regarding the reporting of domestic/family violence' – meaning more crime is being reported and counted than had previously been the case. The increase could therefore be overstated. The increase in reports of crimes against the person in Neighbourhood Renewal areas actually increased less than for the state average under these changed conditions of reporting.

⁹¹ HCB Neighbourhood Renewal Unit et al., *Neighbourhood Renewal Evaluation Report 2008*, 2008 Executive Summary, p.10.

Participants told the Committee that Victoria’s planning laws currently put no obligation on new developments to include provision for affordable housing, including public housing.

PLANNING POLICY AND SOCIAL HOUSING

In Victoria, recent policy directions relating to the planning system demonstrate that planning and the future development of affordable and social housing are interlinked. *Melbourne 2030, Melbourne @ 5 million* and the *Victorian Integrated Housing Strategy* are the key policy documents relating to the planning system.

As part of the *Victorian Integrated Housing Strategy* and in recognition of the general housing shortage in Victoria, the Victorian Government has introduced a set of priorities to ensure planning processes promote housing development. It states that it aims to support long-term growth and drive housing development by:

- ▶ planning for long-term growth
- ▶ introducing a new urban development zone
- ▶ speeding up priority housing developments (including public housing and housing association developments)
- ▶ identifying housing supply requirements for all metropolitan areas
- ▶ encouraging the development of more aged care facilities.⁹²

In identifying housing supply requirements, the Victorian Government indicates that it is ‘proceeding with the Local Action on Affordable Housing project – a partnership with six local councils that will facilitate affordable housing developments, undertake planning for affordable housing and explore new ways to deliver affordable housing in each municipality’.⁹³

The Committee was advised that the anticipated outcomes of the Local Action on Affordable Housing pilot project are:

- ▶ improvement in understanding of local housing needs
- ▶ increase in affordable housing availability
- ▶ improved understanding of affordable housing opportunities
- ▶ improved council capacity to facilitate affordable housing development
- ▶ partnerships between local government, not-for-profit and private industry to deliver affordable housing projects.⁹⁴

The project is scheduled for completion this year.

⁹² HCB, *Victorian Integrated Housing Strategy*, 2010, p.10.

⁹³ HCB, *Victorian Integrated Housing Strategy*, 2010, p.10.

⁹⁴ HCB, Correspondence to FCDC, 29 June 2010.

In response to questions put to the Minister for Planning regarding strategies relating to planning systems and the development of affordable (including social) housing, the Department of Planning and Community Development (DPCD) advised the Committee that:

- ▶ The review of the Urban Growth Boundary for Melbourne does not include a target for the development of social housing. The Commonwealth and Victorian governments, however, identified the ‘development of social housing units in appropriate locations’ as a policy objective.
- ▶ The Precinct Structure Planning Guidelines used for the planning of new communities does indicate a need to identify opportunities for the provision of social housing.⁹⁵

In the context of increasing the availability of affordable housing, VicUrban has been identified by the Victorian Government as having a central role. The *Victorian Integrated Housing Strategy* identifies that a new mandate has been set for VicUrban, refocusing it to support more housing in established areas.

VICURBAN

Role of VicUrban

The Victorian Urban Development Authority (VicUrban) is the Government’s land development agency established under the Victorian Urban Development Authority Act 2003. VicUrban is a body corporate with perpetual succession. Its functions include the requirement to contribute to improvements in housing affordability in Victoria. It is required to undertake its activities on a commercial basis.

New mandate

VicUrban’s mandate will be refocused towards supporting more housing in established areas, particularly along major public transport routes, in activity centres in metropolitan Melbourne and in large regional centres. These new residential developments are expected to demonstrate high quality, affordable and sustainable housing. VicUrban’s new mandate is to:

- ▶ Assemble, consolidate and prepare land in existing urban areas for higher density housing development
- ▶ Encourage a diverse range of housing types, including smaller dwellings
- ▶ Supply competitively priced lots to the housing construction industry

⁹⁵ DPCD, *Response to Request for Data and Information*, Correspondence to FCDC, 16 July 2010. See also *Submission 95* (MAV).

- ▶ Work in partnership with housing providers to develop more inclusive residential estates
- ▶ Encourage the delivery of affordable, accessible and sustainable high density housing

Source: DPCD, *Response to Request for Data and Information*, Correspondence to FCDC, 16 July 2010.

DPCD advised the Committee that VicUrban experiences the following challenges in delivering well located, affordable housing:

- ▶ difficulties in identifying and securing suitable land close to employment, transport and services.
- ▶ overcoming stigma attached to affordable housing, which can mean affordable housing developments are considered higher risk projects.
- ▶ new, quality affordable housing close to employment and services generally costs the same to purchase or rent as other housing in the area, but lower income households' capacity to pay is restricted.⁹⁶

PLANNING REGULATIONS AND SOCIAL HOUSING

The relationship between housing costs and planning regulations, charges and procedural requirements—including the impact of planning controls on the responsiveness of supply—has been raised regularly in the course of inquiries into housing affordability.

The planning system regulates:

- ▶ the types of land and locations that may be used for housing development
- ▶ the amount or density of housing that may be developed
- ▶ the configuration and design of this housing
- ▶ the sequencing of development
- ▶ the types of services to support development (from utilities to parks to community centres)
- ▶ some charges for infrastructure.

Planning also encompasses a range of referrals and approvals by local government and other state authorities in regard to matters such as roads, environment, education and infrastructure.

The Victorian Planning Provisions have been amended to make the Minister for Planning the responsible authority for housing and education projects funded through the Nation Building Economic Stimulus Plan.

⁹⁶ DPCD, Correspondence to FCDC, 16 July 2010.

Under this plan, the Victorian Government agreed to take urgent action to support the timely and effective delivery of Nation Building projects and infrastructure. The new measures will fast-track Nation Building housing, are temporary and will expire on 30 June 2012.⁹⁷

The Committee was also advised by DPCD that proposed amendments to the *Planning and Environment Act 1987* are intended to streamline planning processes and support the approval of social housing developments. These amendments are aimed at increasing efficiency in the provision of housing in response to problems such as those raised above. The two key processes are:

Streamlined planning scheme amendment process – which will provide a faster, more efficient process for amending the

- ▶ Victoria Planning Provisions and planning schemes for classes of amendments, including for changes that have been through alternative consultation and assessment processes.

Fast track planning permit process – which will make getting a planning permit for straightforward proposals easier

- ▶ Proposals for specified classes of applications will be assessed against criteria to be set out in planning schemes.
- ▶ The decision on these applications must be made within a shorter statutory timeframe.⁹⁸

PLANNING PROCESSES AND THE CONSTRUCTION OF PUBLIC HOUSING

Participants in the Inquiry expressed concerns regarding the difficulties that have emerged in creating new public housing due to political objections from prospective neighbours. Participants stressed that such objections, while they might be opportunistic, had often been based on a less than clear explanation to communities of what the development would actually entail. They also noted that stigma and stereotyping contributed to public resistance to housing projects. WHL told the Committee that:

You would be amazed at the stuff that is sent around as soon as a project comes up. Some residents groups are well organised now. We had a project at Sunshine that had only gone in for planning, and there was a letterbox drop with pictures of high-rises and people who looked quite homeless or drunk, with their bottles next to them, leaning against a high-rise — ‘This is what’s coming to our area’.⁹⁹

⁹⁷ HCB, Victoria working with the Australian Government on Nation Building, Victorian Planning Provisions. <<http://www.housing.vic.gov.au/housing-and-community-partnerships/funding-initiatives/social-housing-construction>>. Accessed September 2010.

⁹⁸ DPCD, Correspondence to FCDC, 16 July 2010.

⁹⁹ *Transcript of Evidence 10* (WHL), p.7.

While objections can be expected to any development, particularly ones that involve building medium or high density dwellings in an area where they are uncommon, public housing is especially vulnerable because of the stigma it attracts.

Councillor Rose Iser of the Victorian Local Governance Association (VLGA) noted that stigma was a challenge in development projects:

One of the greatest myths of social housing projects—and I will use colloquial or colourful language—is that most of the people coming into the housing are ‘smack addicts from Mars’.¹⁰⁰

She added that political leadership was often the key to resolving these issues. The Committee heard that objections were not always about backlash but could include legitimate concerns about planning, such as infrastructure and services.¹⁰¹

Councillor Iser also remarked that local councils were at the coalface of such issues and highlighted the importance of the state and Commonwealth governments working collaboratively with local government. If social inclusion agendas were to achieve change, she suggested this had to be done at the community level.¹⁰²

The Committee was shown a list of concerns around these issues expressed by Victorian Mayors at a VLGA meeting in January 2010. They expressed support for social housing and the incorporation of social housing into planning. They also called for clear communication of information about developments and consideration for local planning rules and processes. They were resistant to planning intervention from the state government and against social housing that resulted in high rise and dislocated communities of disadvantage.¹⁰³

Clear information, consultation, advocacy and political support are all necessary if such problems are to be minimised or avoided. The Committee noted that the current policy of mixing small amounts of public housing into the larger community has the potential to minimise the issues.

The committee also heard evidence that public and social housing could and does benefit from fast tracking in relation to planning. The CEO of Wintringham, Mr Bryan Lipmann, explained to the Committee that:

Prior to fast-tracking—which I know has created some concerns in some communities and areas, but you have to look at the alternative—we pretty much budget for \$50 000 to \$100 000 in legal fees to go through VCAT and anywhere up to a year’s delay. If we do not have to use that, that is great.

¹⁰⁰ *Transcript of Evidence 32 (VLGA)*, p.8.

¹⁰¹ *Transcript of Evidence 32 (VLGA)*, p.9.

¹⁰² *Transcript of Evidence 32 (VLGA)*, p.8.

¹⁰³ *Transcript of Evidence 32 (VLGA) – Exhibit*, pp.1-3.

That is what we are pretty well budgeting, and my colleagues would say something similar.

There are some very serious reasons why fast-tracking was introduced. It was because it was almost impossible for services to get up. If it is a private enterprise, they include that in the cost, but as a not-for-profit organisation we are not funded for that. Apart from anything else we are building housing for a reason—because people desperately need it. If you have to wait a year, it is unnecessary...

You should have the right to object, but you should be able to have some consequences for frivolous objections and you should be almost forced to negotiate and not just make those objections. That is my view. ...

There are issues of national importance, such as building a new port or a new destroyer or something like that, and it should be similar for issues of social importance such as schools, housing and hospitals—they should bypass the ordinary process. As much as that is difficult for some people in the community to accept, in my view it is a better good for a community that needs to be recognised.¹⁰⁴

The Development Facilitation Unit within DPCD has been established to intervene in situations such as those outlined by Mr Lipmann. The purpose of this Unit is to work:

with private developers and council on private sector developments to assist these projects through the planning system where major road blocks exist. Proposals that include affordable housing (either through the NRAS scheme or increasing housing densities to increase housing supply) are eligible for this case-by-case assistance.

Assistance may involve (and has involved) the Minister for Planning rezoning land to allow for planning permits to be issued by the relevant Council, calling in of applications from VCAT to ensure decisions are made in a timely manner and the Minister becoming the Responsible Authority for particular development sites where strategic opportunities to provide more housing exist

In addition, the DFU can work (and has worked) with Councils to provide additional assistance in advancing housing proposals through the planning system. Examples of DFU assistance is the involvement in the former Coburg High redevelopment (NRAS component), Casey Gardens residential proposal in Narre Warren (NRAS component), and DPCD representation at VCAT on major housing proposals to show their alignment with Melbourne 2030 and Melbourne@5 Million.¹⁰⁵

Community objections to the creation of new community or public housing have the ability to impact upon the location of that housing. The Committee heard evidence that communication of information is important in assisting

¹⁰⁴ *Transcript of Evidence 24 (Wintringham)*, pp.11-12.

¹⁰⁵ DPCD, Correspondence to FCDC, 16 July 2010.

communities to alleviate fears and understand issues associated with social housing developments.

In relation to the view that society generally holds about public housing, the VLGA suggested that it was important for HCB, and state and local politicians generally, to take the lead in addressing stigma that was placed on public housing and its tenants.

It was further suggested by some participants that underlying this was a need to get out the message of just how successful and cutting edge so many new social housing projects were. The CEO of HomeGround Services, Mr Stephen Nash, made the following comment:

I cannot speak strongly enough about the need for much better communication. We need to have much more proactive communication so that instead of being reactive to the horror stories about the myths associated with public housing there is much better communication about the fantastic outcomes and things that are happening not just in public housing but in more overall affordable housing that is government subsidised.¹⁰⁶

Councillor Iser also highlighted the importance of educative strategies, noting that:

Education information does not have to be conducted in forums. There are many ways of working with residents associations, retail associations, existing services, schools. The other thing that I think could also be a useful step would be to take the communities which do have large percentages of public housing and to invite those committees to exemplify themselves in terms of the successes there and to tell those stories to communities who may be experiencing some backlash and some fear and to tell those stories in innovative and creative ways.¹⁰⁷

Based on the evidence it received, the Committee considered there is a need to more effectively engage with local councils and to improve engagement with communities in regard to planning the development of social housing. This is discussed later in this chapter.

RECOMMENDATION

15.12 That the Victorian Government produce data on re-developments of public housing outlining the changed ratio of private to public and/or community dwellings and any reduction in numbers of social housing units.

NEW DIRECTIONS: PLANNING AND SOCIAL HOUSING

In 2008, AHURI produced its final report on a research project into new directions in planning for affordable housing. This project explored

¹⁰⁶ *Transcript of Evidence 9 (HomeGround), p.3.*

¹⁰⁷ *Transcript of Evidence 32 (VLGA), p.8.*

approaches used in international and Australian jurisdictions. The research findings revealed that:

By combining planning requirements for affordable housing with funding, subsidies or incentives, strong not for profit housing developers have emerged in the United States, the United Kingdom and the Netherlands, to provide a viable 'delivery infrastructure' for affordable housing that can be created or secured through the planning and development process.¹⁰⁸

The researchers also note that in 2008, the 'Australian experience contrasts to international practice' and that the:

few specific planning mechanisms for affordable housing that have been implemented within local jurisdictions in Australia have been largely divorced from broader national or state housing policy. As a likely consequence, Australia lacks a strong not for profit or for profit affordable housing development sector...

In the absence of financial incentive schemes to encourage low cost housing development (as opposed to the demand side subsidies such as Australia's First Home Owner's Grant, and the Commonwealth Rental Assistance Scheme), it is not surprising that the affordable housing planning approaches that do exist in Australia operate in isolation from other government policies or funding schemes.¹⁰⁹

The researchers suggest there are three scales of intervention in planning for affordable housing. These are:

Systemwide approaches

To enhance the overall capacity of the planning system to promote affordable housing goals, these approaches are likely to be generic and most easily transferable across jurisdictions.

Methodological or procedural approaches

To improve the way in which planning for affordable housing is carried out (for instance, methods for calculating development contributions, diversified models of housing assistance and management, or models of regional collaboration). As these approaches often operate above or across the statutory planning system, they are more easily transferable across jurisdictions.

¹⁰⁸ N Gurran, V Milligan, D Baker et al., 'New directions in planning for affordable housing: Australian and international evidence and implications', *Final Report*, AHURI Final Report No. 120, AHURI, June 2008, p.4.

¹⁰⁹ N Gurran et al., 'New directions in planning for affordable housing', AHURI, 2008, p.6.

Planning mechanisms or levers

To achieve particular affordable housing outcomes (for instance, controls to protect low-cost stock, regulation-based incentives to promote low-cost housing in the private market, or requirements to dedicate a proportion of development value or equivalent for affordable housing programs). These approaches may need the most work to tailor to the legal and administrative specifications of each jurisdiction.

In relation to the third scale of intervention, Table 15.2 outlines the key strategies and mechanisms that are used internationally and in Australia.

Table 15.2: Planning strategies and mechanisms for affordable housing

STRATEGIC OBJECTIVE	APPROACH / MECHANISM
1. Increase housing supply	<ul style="list-style-type: none"> - Land audit - Government dedication / acquisition of land - Land development or renewal authority - Land development incentives / penalties
2. Reduce barriers to affordable housing development	<ul style="list-style-type: none"> - Audit existing controls; assess impact of proposed regulations - Development controls permit diverse housing, in as many areas as possible - Faster approvals for preferred development - Overcome local barriers to affordable housing
3. Preserving and offsetting the loss of low-cost housing	<ul style="list-style-type: none"> - Social impact framework - Preserving particular house types at risk - Assistance for displaced residents
4. Encouraging new affordable housing	<ul style="list-style-type: none"> - Graduated planning standards - Planning bonuses / concessions - Fast track approvals for affordable housing meeting defined criteria - Fee discounts
5. Securing new dedicated affordable housing	<ul style="list-style-type: none"> - Voluntary negotiated agreements - Inclusionary zoning - mandatory contributions for all identified development in the zone - Mixed tenure requirements – proportion of development in new release areas must be affordable - Impact fees – mandatory contribution to offset impact of development on affordable housing needs

Source: N Gurrán et al. 'New Directions in planning for affordable housing: Australian and international evidence and implications', Final Report (No. 120), AHURI, 2008. p.28

The five strategic objectives identified in Table 15.2 are defined as follows:

Strategic Objective 1

Housing supply levers aim to enable a steady release of new land for housing to stabilise the land market. To be effective, the land must be located in areas where existing or potential demand is focused.

Strategic Objective 2

Barrier reduction strategies seek to remove obstructions to developing low-cost and diverse housing forms. They complement housing supply strategies by making it easier to use available land for low-cost and affordable housing, or housing for those with special needs, like seniors or people with a disability.

Strategic Objective 3

Strategies to preserve existing sources of accommodation that are affordable to low-income earners may focus on a particular housing type under pressure (e.g. boarding houses or residential hotels), or on the incremental processes of urban change and redevelopment that cumulatively reduce low-cost housing opportunities. These approaches usually seek to discourage redevelopment of low-cost housing forms, and minimise the potential for displacement of low-income residents from their home or local community.

Strategic Objective 4

Planning incentives can *encourage new affordable housing* by reducing the costs associated with development.

Strategic Objective 5

Dedicated contributions for affordable housing may be made on a voluntary or mandatory basis.

- ▶ *Voluntary negotiated agreements* for affordable housing are made between a developer and planning authority, often in return for an incentive, concession or variation of planning standards.
- ▶ *Mandatory policies* impose a legal obligation for developers to contribute to affordable housing as a condition of development approval. The requirement may apply to a specific site, area, or across a zone or entire local authority.¹¹⁰

The AHURI research project revealed that there are many factors that need to be taken into consideration in implementing mechanisms associated with planning strategies focused on delivering affordable housing. One specific factor relates to market conditions.

Market values, market opportunity and market activity contribute to the effectiveness of planning strategies and individual mechanisms for achieving those strategies. In order to predict which planning measures are suited to different market conditions, the researchers developed five hypothetical matrices that provide an indication of the potential impact of the measures. A summary of the complex matrices is outlined.

HYPOTHETICAL MATRICES**1. Matching supply strategies to market conditions**

It can be difficult to gauge the impact of new supply programs on affordability across a whole region, as housing markets and submarket characteristics can differ substantially.

Government penalties to discourage speculators withholding land from development are likely to be most effective in medium and lower value areas where land can be acquired cheaply with a view to land banking for the future.

¹¹⁰ N Gurrán et al., 'New directions in planning for affordable housing', AHURI, 2008, pp.28-31.

2. Barrier reduction strategies

Reducing barriers to lower-cost forms of housing extends the supply of affordable housing in the private market. Those barriers might include restrictive planning controls or excessive procedural requirements. Barrier reduction can also assist non-profit developers by reducing building costs. In markets where there is a balance between housing supply and demand, strategies to reduce development costs will have a direct influence on house prices, particularly at the lower end of the market where there are smaller profit margins.

3. Preserving and offsetting the loss of low-cost housing

Regulations to preserve identified low-cost housing, by restricting or conditioning redevelopment opportunities, tend to counterbalance the inflationary price pressures affecting other potential redevelopment opportunities within a rising market. Similarly, social impact framework requirements to offset impacts on low-income people displaced by a new development will discourage, if not prevent, the redevelopment of lower-cost housing forms

4. Incentives for new affordable housing

Planning incentives for new affordable housing are particularly effective within high value markets where development opportunities are limited. The most suitable market context for this measure is likely to be inner and middle ring housing markets where land values are higher, and where there is a greater imperative to achieve higher density and parking or open space savings.

5. Seeking dedicated affordable housing

The main opportunities to introduce voluntary or mandatory requirements for affordable housing arise when major changes to planning controls are requested to enable residential developments, or to intensify existing permitted residential density within an area.

Mandatory approaches are most important in a high value market where there are few opportunities for development, and where it is very difficult to access these for affordable housing. In other words, mandatory mechanisms actually work best in the conditions that make them imperative – i.e. where there is a real shortage of affordable housing opportunities, and it would otherwise be most difficult to secure or develop new affordable housing supply.

In addition, mandatory approaches can effectively support other government investment or incentives for affordable housing.

Source: N Gurran et al. 'New Directions in planning for affordable housing: Australian and international evidence and implications', Final Report (No. 120), AHURI, 2008, pp.110-18.

INCLUSIONARY ZONING

Many participants in the Inquiry gave consideration to mandating affordable housing in new developments using inclusionary zoning.

‘Inclusionary zoning’ is generally where ‘a proportion of all identified development above a specified threshold and within a specified zone or area must contribute to affordable housing, usually as a fixed amount’.¹¹¹

In most Australian states and territories, mandatory affordable housing contributions are not permissible under planning legislation and voluntary incentives are generally the only avenue for securing new affordable housing development. Researchers have identified that:

International case studies support the proposition that mandatory affordable housing requirements deliver a far greater affordable housing outcome than do voluntary schemes based only on incentives or concessions, in terms of units created.¹¹²

Importantly, the point is made that ‘when financial subsidies or incentives are available for affordable housing development, their take up appears to be much greater in jurisdictions where mandatory inclusionary requirements or targets apply’.¹¹³

The Committee notes that these issues have been previously considered by a Senate Select Committee on Affordable Housing. The Select Committee recommended that:

The state and territory governments introduce enabling legislation for inclusionary zoning to require affordable housing in all new developments, including a proportion of social housing.¹¹⁴

These views were supported by the National Housing Supply Council (NHSC), which reported that the United Kingdom had introduced inclusionary zoning and that it is an important method for supporting the increase in social housing. It notes that across Australia, some jurisdictions are exploring strategies for inclusionary zoning, with varying approaches and different levels of progress.¹¹⁵

Zoning requirements for new developments, aimed at increasing the supply of affordable housing, have been introduced in a number of state and territory governments. In South Australia, the introduction of an ‘urban boundary’ in 2002 was aimed at promoting efficiency in urban management focusing on residential development in established suburbs where there is already

¹¹¹ N Gurran et al., ‘New directions in planning for affordable housing’, AHURI, 2008, p.31.

¹¹² N Gurran et al., ‘New directions in planning for affordable housing’, AHURI, 2008, p.106.

¹¹³ N Gurran et al., ‘New directions in planning for affordable housing’, AHURI, 2008, p.106.

¹¹⁴ Select Committee on Housing Affordability in Australia, *A good house is hard to find: Housing Affordability in Australia*, Parliament of Australia, The Senate, 2008 Recommendation 6.1, p.104.

¹¹⁵ National Housing Supply Council, *2nd State of Supply Report 2010*, 2010, p.87.

significant investment in infrastructure. The ACT, as part of its Affordable Housing Action Plan, introduced a requirement that at least 15 per cent of blocks must be priced in the range of \$60,000–\$120,000. This had been achieved by introducing a range of block sizes, rather than inclusionary zoning.

In its submission to the Inquiry, the Victorian Council of Social Service (VCOSS) observed that the Housing Plan for South Australia now requires 10 per cent of new developments to be affordable and five per cent to be designated for households with high needs.

VCOSS also pointed to the example of the UK ‘Section 106 agreements’, which are used to require a number of measures, including the provision of social housing, the percentage of which is negotiated by the council and developers. In higher demand areas such as the City of London, this can be up to as much as 50 per cent of the development. The Committee heard that inclusionary zoning policies also operate in a number of other countries including Ireland and Canada. However, in most cases these mechanisms are also supported by government investments and incentives.¹¹⁶

Several Inquiry participants highlighted the importance of considering the delivery of affordable and social housing within the planning system. The TUV submitted that planning plays a ‘crucial role regulating the supply, type and location of newly constructed housing’.¹¹⁷ It noted, however, that the *Planning and Environment Act 1987* and Victoria’s planning system failed to include the delivery of affordable or social housing as an objective, in contrast with planning systems in other jurisdictions.¹¹⁸

In addition to recommending that the *Planning and Environment Act 1987* be amended to include an objective to promote and retain affordable housing, the TUV made several other recommendations in relation to the planning system:

That it be amended to provide for the creation and retention of low-cost housing as a guiding principle.

That Inclusionary Zoning for affordable housing be implemented by all local government authorities.

And that all local governments should have the option of imposing development levies to be used for the construction or purchase of affordable housing for all residential developments and any other development that results in a loss of low-cost housing.¹¹⁹

¹¹⁶ Submission 87 (VCOSS), p.10.

¹¹⁷ Submission 98 (TUV), p.17.

¹¹⁸ Submission 98 (TUV), p.17.

¹¹⁹ Submission 98 (TUV), Recommendations 16-19, p.17.

VCOSS observed that inclusionary zoning provided a mechanism by which the Government could ensure that well-located, affordable housing is distributed throughout the metropolitan region.¹²⁰ It went on to recommend that, in addition to legislative support through the *Planning and Environment Act*, the addition of inclusionary zoning mechanisms to the Victorian Planning Provisions would allow local councils or governments to require developers to provide a certain proportion of affordable housing in their developments.

VCOSS recommended that the Victorian Government amend the Victorian Planning Provisions to allow for the use of inclusionary zoning. VCOSS suggested that including inclusionary zoning within the Victorian Planning Provisions would allow councils in areas of high demand to implement affordable housing requirements. This approach may be particularly useful when rezoning land for residential development from previous uses.¹²¹

Wesley Mission Victoria (WMV) also supported VCOSS's call for the introduction of inclusionary zoning that requires 10 per cent of housing in new developments of over 10 dwellings to be reserved for affordable housing, and linking the release of any Commonwealth and state-owned land to a certain proportion of affordable housing.¹²²

Professor Terry Burke suggested to the Committee that public and community housing should be spread across the metropolitan areas. He stated that this would involve preserving, and building up where possible, inner and middle ring public stock with a mix of social and private housing in other areas.

Professor Burke suggested that this would only be able to take place through inclusionary zoning as a condition of planning, by giving developers a 'density bonus' to compensate for the costs of inclusionary zoning, and by 'extending the as of right planning principles implemented for the economic stimulus funded social housing to all future social and designated affordable housing'.¹²³

In regard to potential concerns about inclusionary zoning by developers, Mr Darren Ray from the VLGA made the following statement:

I think attitude is a barrier. If you mention the words 'inclusionary zoning' in certain bureaucratic circles they are dirty words, and yet you have four groups of councils from different political spectrums, I might observe, in the IMAP group of councils — Stonnington, Yarra, Port Phillip and Melbourne — that are ready to go. They have got the model, and I believe they are in correspondence with the minister and the state government about pursuing that. It was one of the recommendations that came from the regional housing statements process, which was a really good process in 2005–07. They are ready to go.

¹²⁰ Submission 87 (VCOSS), p.10.

¹²¹ Submission 87 (VCOSS), Recommendations 1-5, p.11.

¹²² Submission 86 (WMV), p.8.

¹²³ Submission 90 (Prof. Terry Burke), p.6.

I come from a housing background of many years, and developers say to me, 'We don't care what the rules are. Just make one set of rules for everybody so that there is certainty and we will factor those costs into our development responses'. In and around activity centres it strikes me that if you have a pilot group of councils and those inner city locations ready to go now, then all it takes is a regional planning scheme amendment endorsed by the Minister, and they are ready to go.

I do not think the evidence is as mixed as some bureaucrats might lead you to believe. Certainly the early days of inclusionary zoning, because there was a lack of certainty about the rates and implementation in the UK, were problematic, but I think we have moved beyond that. If you talk to a lot of big developers they say, 'Happy to factor it in; just tell us what the rules are'.¹²⁴

The Committee recognises that the issue of any mandatory approaches for affordable housing contributions potentially creates both opportunities and challenges for members of the community. It is of the view that there is a need for greater exploration by the Victorian Government of planning models that can increase affordable housing developing, including a proportion of social housing.

RECOMMENDATIONS

15.13 That the Victorian Government amends the *Planning and Environment Act 1987* to include as an objective a need to support the development and retention of affordable housing.

15.14 That the Victorian Government increases the supply and distribution of new affordable housing which may include private and social housing by amending the Victorian Planning Provisions to allow for the use of 'inclusionary zoning'.

¹²⁴ *Transcript of Evidence 32 (VLGA)*, p.6.

INQUIRY INTO THE ADEQUACY AND FUTURE DIRECTIONS OF PUBLIC HOUSING IN VICTORIA

SUBMISSION GUIDE

TERMS OF REFERENCE

The Family and Community Development Committee has been asked by the Legislative Council to inquire into the adequacy and future directions of public housing in Victoria, including —

- (a) public housing waiting lists in Victoria;
- (b) the impact on individuals and families of waiting times to access public housing and how this varies by each segment;
- (c) the adequacy, quality and standards of Victorian public housing;
- (d) the safety and location of Victorian public housing and public housing estates; and
- (e) the impact of public housing need on specific groups, including women, seniors, the homeless, indigenous Victorians, refugees, people with a mental illness, substance abuse and/or disability.

This Guide is intended to assist organisations and individuals who wish to make a written submission and/or who would like to present evidence before the Committee at a public hearing. The questions in this Guide provide an indication of the issues the Committee will be considering as part of this Inquiry, but they are not intended to be exhaustive and it is not necessary to answer all the questions in comments or submissions.

PUBLIC HOUSING IN CONTEXT

Housing is a basic human need and the right to adequate housing has been recognised internationally. Governments in Australia and elsewhere provide forms of 'social housing', with the aim of providing 'affordable housing' to those with low income or otherwise in need.

Social housing is usually rental housing provided or subsidised in some way by the State. Housing is 'affordable' when payments towards rent (or in other cases mortgages) are low enough to leave households with enough income to meet the costs of other basic needs in their daily life, such as food, clothing, transport, medical care and education.

Public housing

Is one form of social housing, and generally refers to dwellings which are owned and managed by a government housing authority. In Victoria, this authority is the Office of Housing, a division of the Department of Human Services.

Community housing

Is the other main form of social housing. Such housing is managed by community-based organisations but may be partly or even wholly subsidised or owned by government. Community housing models vary in their location and physical type of housing, the groups of tenants who may live there, management arrangements and whether they provide longer-term, transitional or crisis accommodation. In some cases, tenants may participate in the management of their housing.

The Terms of Reference for this Inquiry refer specifically to public housing. Other measures to provide affordable housing, such as rent assistance or home ownership assistance, are beyond the scope of this Inquiry.

The Committee has been requested to look at future directions of public housing. This might include alternative models to the current public housing system in Victoria. Some new initiatives in Victoria will be discussed at the end of this Guide.

PUBLIC HOUSING IN AUSTRALIA

Since 1945, public housing in Australia has been funded through joint Agreements between the Commonwealth and States. There have been many changes to public housing policy and the nature of funding procedures since that time.

Public housing was originally housing provided for low income worker families. Construction of public housing stock reflected this and was mainly made up of medium density housing estates with uniform design and appearance. These were largely three bedroom detached houses and some high rises, located in former industrial outer suburbs, or as in the Victorian experience, what were seen as working class or 'slum' areas of larger cities, in the 1950-70s.

A new joint funding framework has now been established under the *National Affordable Housing Agreement*. Until 2009, however, public housing funding levels had been steadily decreasing under these national Agreements. There were a number of reasons for this, including:

- Scarce public housing resources have been increasingly targeted toward the most disadvantaged in the community. Rather than funding being tied to the construction and expansion of housing stock, it has been targeted to specific programs aimed at groups with distinct housing needs.
- Funding has been redirected towards providing crisis accommodation, as well as mortgage and rental assistance.
- There has also been increased attention to small but growing community and local government housing assistance programs which had begun in the early 1980s, with some funding diverted to supporting housing co-operatives, housing associations or joint housing ventures between governments and other organisations.

The overall aim of this changed focus of funding has been to provide “appropriate, affordable and secure housing assistance for those who most need it”.

WHO LIVES IN PUBLIC HOUSING?

The profile of tenants has changed significantly since the early post-war decades. Targeting of housing assistance has meant that being on a low income alone is no longer the main criteria for allocation to public housing:

- Over 90% of public housing tenants have some form of Centrelink payment or benefit as their main source of income.
- A large proportion of tenants are single or sole parents.
- The move to close down institutions which began in the 1980s has meant that people on aged or disability support pensions, often with complex support needs, represent a significant proportion of those now in public housing. From 1994-2006 there has been a 70% increase in the number of tenants who receive a disability pension.¹
- Other groups targeted by current social housing policies include homeless people, those experiencing domestic violence, indigenous people, refugees, new migrants and other households under stress.

This has resulted in a concentration of social disadvantage and people with high needs in public housing, who require particular forms of support.

¹ Department of Human Services, *Support for High-Risk Tenancies Final Report* (2006) 16.

A SNAPSHOT OF PUBLIC HOUSING IN VICTORIA

The supply of affordable housing generally for low-income people in Australia and Victoria has been declining over the past decades. For many low-income people, public housing is becoming the only long-term housing option that is affordable and sustainable.

At the same time, however, there has been little growth in the supply of public housing stock and many people have to wait longer to access housing. In Victoria, for example, social housing represents only about 4% of the housing market. Much public housing stock is now at the end of its economic life or is not suited to current needs:

- In 2008, the Office of Housing managed and maintained 65,167 public housing properties. There were 62,952 households living in public housing in Victoria. A further 1,345 households were living in Aboriginal Housing, and over 6,100 in other forms of community housing. Over 4,100 households were living in short-term crisis or transitional accommodation.²
- The Auditor-General reported in 2004 that detached housing and low-rise flats made up about 58% of public housing stock. High-rise properties made up about 11% of stock, and the remainder was made up of semi-detached properties. There is also a movable units program (self-contained units which can be placed near another home and removed when not required).³
- In 2004, 38% of all public housing was over 20 years old in Victoria. Between 1998-99 and 2005-06, spending on maintenance of public housing maintenance grew 33% from approximately \$52.6 million to \$70 million.

Rents for public housing tenants are assessed so as to not exceed 25% of their household income.

The Government has established a number of programs to redevelop, maintain, and in some cases, increase the supply of affordable housing and support of low income households. As well as building or acquiring new public and community housing units, there have been some initiatives which are changing the profile of public and social housing in Victoria:

- Public housing estates are being renewed through Neighbourhood Renewal and redevelopment programs.
- Government is also working in partnership with not-for-profit community housing providers to supply additional social housing and established several not-for-profit Housing Associations.

² Department of Human Services, *Summary of Housing Assistance Programs 2007-08* (2009) 3, 5.

³ Auditor-General, Victoria, *Maintaining Public Housing Stock* (2004) No. 76, Session 2003-2004, 15-16.

THE OFFICE OF HOUSING

The Office of Housing is responsible for managing and maintaining properties in line with the *Residential Tenancies Act 1997*. This Act sets out the legal rights and responsibilities of landlords and tenants, and requires the Office of Housing to provide housing of an appropriate standard and to properly maintain it. The Act also allows the Office of Housing, as a landlord, to take legal action in some cases, such as against tenants who are significantly in arrears in rent or who have maliciously damaged property.

Disputes between public tenants and the Office of Housing are often resolved through internal complaint procedures. When this is not possible, the Victorian Civil and Administrative Tribunal may hear disputes and make legally binding decisions on matters such as eviction, repairs and compensation.

The *Housing Act 1983* provides that the role of the Office of Housing is to ensure every Victorian has 'adequate and appropriate housing' at a price within their means, by 'encouraging the provision of well-maintained public housing of suitable quality'. The often complex needs of people living in public housing, however, means that the Office of Housing has a greater social role as a shelter of 'last resort'.⁴ This is a shift from the more traditional role of a public landlord in providing and managing housing. The Office of Housing now assists tenants to understand and meet lease obligations and works with other agencies to improve support services.

WAITING LISTS

To be eligible for public housing a person must:

- live in Victoria and be an Australian citizen or permanent resident
- be over 17 years (in some cases people between 15-17 years may be eligible),
- have repaid any outstanding debt to the Office of Housing from a previous public housing tenancy or bond loan,
- not exceed the current general public housing income and asset limits.
- not own or part own a house, unit or flat,
- have not been evicted, or had rent in arrears or otherwise breached their tenancy in the past 12 months.

Allocation will generally be based on household composition, income and the time spent on a waiting list. However, priority allocations are made in cases of special need.

The Office of Housing operates a 'segmented waiting list', aimed at targeting scarce housing resources to groups for early housing allocation on the basis of highest need and by allocating housing appropriate to these needs. People who are in similar need of housing assistance are placed in the same segment of the list in order of their application:

Segment 1 Recurring Homelessness

This is the highest priority segment, and targets people who have a history of recurring homelessness, or are at risk of recurring homelessness and have underlying social relationship, living skills or domestic violence risk factors which affect their ability to obtain or maintain housing.

Segment 2 Supported Housing

This segment targets people who have disabilities or long-term health problems who may need modification to their home or assistance from support services making alternative accommodation, such as private rental housing, unsuitable.

Segment 3 Special Housing Needs

This segment targets people living in insecure, unsafe or inappropriate housing or who have urgent medical needs.

Segment 4 Wait Turn

This segment is for people eligible for public housing but without urgent need.

As of September 2009, there were 39,076 people on the waiting list across the whole of Victoria. Of this, 8,215 were early housing applicants, and 30,861 were in the Wait Turn segment. Because of the shortage of available public housing, people can spend several years on public housing waiting lists. Even for priority allocations it is common for people to wait for up to one year to access public housing.

At a 2006 Homelessness Consumer Forum in Victoria attended by over 50 homeless people, 75% of surveyed people stated that they had spent over two years on the public housing waiting list.⁵ Many people who on public housing waiting lists may be forced to live in private accommodation, or transitional or crisis accommodation.

Security of tenure in public housing relates to the rights of tenants to continued occupation of a home. While public housing has generally involved tenure for life, there is now a trend toward fixed-term leases for new public tenants.

⁴ Tony Newman and Jenny Samoiloff, Housing and Community Building Division, Department of Human Services, Victoria, 'Sustaining Tenancies' (Paper presented at National Housing Conference, Perth, 2005) 2.

⁵ PILCH Homeless Persons' Legal Clinic (Vic) and Human Rights Law Resource Centre, *Report to Special Rapporteur on the Right to Adequate Housing* (2006) 5.

Q Is the current system of segmented waiting lists preferable?

Q Should public housing be restricted only to those on low incomes or who are otherwise disadvantaged?

Q Are current accommodation options open to individuals or to families on waiting list suitable in the interim? What other options could be appropriate?

Q Is security of tenure an important aspect of public housing?

Q Should public housing be made available on a short to medium term basis so it can be accessible to a greater number of people?

ADEQUACY

The Terms of Reference require the Committee to broadly inquire into the adequacy of public housing. More particularly, the Committee has been asked to look at the ‘adequacy, quality and standards’ of public housing, which includes the quality of public housing provision as well as the conditions and standards of properties. This Guide will first look more broadly at the issue of ‘adequacy’ and secondly, at the specific issues of ‘quality and standards’.

There are international human rights standards on the elements of the right to housing which is ‘adequate’. Generally, the adequacy and appropriateness of public housing relates to whether it meets the needs of its residents. This will involve a combination of different factors, which may include:

- the way in which it is supplied and managed, including workforce capacity and resident participation,
- its location in relation to employment, transport and services,
- its suitability for the members of a particular household (including age),
- the cultural needs of its residents,
- its quality, design and siting,
- the degree of security and control residents have.

Because public housing options are limited, it is generally not possible for applicants to specify the type of housing they would like, unless a person has special needs such as requiring wheelchair access. Although applicants can

select areas of preference in which they would like to live, their application may be removed if they demand or refuse a particular suburb without good reason, such as for fear of risk of domestic violence, where a particular location may affect Centrelink payments, or if there is a need to live near special schooling or medical services.

Q Is the current system for ensuring that people are allocated appropriate public housing working?

Q What changes could be made to the way in which available public housing is provided which adequately respond to the differing needs of people in Victoria?

QUALITY AND STANDARDS

Victoria has limited regulation of rental property standards. The *Residential Tenancies Act*, which applies to private and public housing tenancies, requires all landlords, including the Office of Housing, to provide a clean dwelling at the start of the tenancy, to maintain the premises in ‘good repair’ and undertake urgent repairs. The Office of Housing must also take reasonable steps to ensure that a tenant has ‘quiet enjoyment’ of the premises. The Act does not, however, set out any basic housing standards.

Other relevant Victorian laws such as the *Health Act 1958* and the *Building Act 1993* (and building codes) allow for a building to be declared uninhabitable and require repairs or demolition in extreme cases.

The Office of Housing is responsible for management of maintenance works, and its regional offices are responsible for day to day responses to health, safety and security, breakdown and loss of amenity, and property maintenance when a tenant moves out before a new tenant moves in. Maintenance and repair work is carried out by contractors, who are expected to follow a Code of Conduct. The Auditor-General has conducted reviews of the role of the Office of Housing in maintaining its public housing stock.⁶

In terms of workforce capacity and quality of service, the Office of Housing has a Business Practice Manual, including a Public Housing Customer Service Charter which outlines the service standards and processes by which staff manage the assistance of its clients. It also has policies in relation to identification and referral of tenants

⁶ See most recently: Auditor-General, Victoria, *Maintaining Public Housing Stock* (2004) No. 76, Session 2003-2004 and *Follow-up of Selected Performance Audits Tabled in 2003 and 2004* (2007) No 17, Session 2006-07.

with support needs and communication with outside bodies, particularly through the Public Housing Infrastructure Program, where there is a tenancy dispute or a tenancy is at risk of failing.

Q Are the quality and standards of public housing in Victoria adequate? If not, what measures do you think would be appropriate to address the main concerns?

Q Is there any need to set out more clearly minimum standards to be applied to public housing properties?

Q Could current procedures for dealing with complaints be improved? If so, how?

Q How adequate are Office of Housing staffing levels and expertise?

Q How responsive are Office of Housing staff to complaints about public housing tenants by neighbours?

SAFETY AND LOCATION

Historical planning decisions about location and configuration of public housing, and targeting public housing to those most in need, means that there has tended to be concentrations of economic and social disadvantage in particular areas. There may be problems with criminal, anti-social or other behaviours of concern (often related to drug and alcohol addictions, mental health or criminal justice issues) which may impact on the safety of other residents in public housing or neighbouring houses. In addition, much public housing stock is now inappropriate in design or location and as it ages maintenance costs increase.

Public tenants can apply for a transfer to a different housing property, but will need to wait for a property to become available. There is provision for an early housing transfer to be made in cases of urgent need, such as domestic violence, health problems and overcrowding.

More recently, the Victorian Government has made some effort to make public housing more varied and spread out. Older housing estates are being renewed, security measures have been enhanced and more attention is being given to improve the geographic mix of public and private housing.

It is now understood that the location of public housing should also have regard to employment and training

opportunities, community amenities and support services. The importance of this for rural and regional Victoria, in which there are concentrated areas of disadvantage and high need, has been recognised. Such areas have been the focus of 'place-based' approaches to reducing disadvantage.

As noted, the Committee will consider future directions in these areas and some of the new initiatives being undertaken by the Government are discussed at the end of this Guide.

Q What are the most important factors that need to be taken into account in deciding where public housing should be located? How well are these needs being met currently?

Q What could be done to improve public housing for rural and regional areas?

Q Have there been measures to improve the safety of public housing which have been particularly effective?

IMPACT ON SPECIFIC GROUPS

In this part of the Inquiry the Committee will consider the adequacy of public housing in meeting the housing needs of specific groups of people. Within available public housing, there needs to be a range of options to reflect the specific needs of different groups, as well as housing in areas where specific services are available and where there is appropriate community support.

Q How does public housing need impact differently on specific groups of people, such as:

- **Women**
- **Seniors**
- **The homeless**
- **Indigenous Victorians**
- **Refugees**
- **People with a mental illness, substance abuse issues and/or disability?**
- **Those in country Victoria?**

In addition, these groups may overlap. People in need of public housing may be at risk of homelessness, as well as have other needs based on age, gender, family violence, disabilities or mental health and other health issues.

The Committee is particularly interested in receiving comments on the particular public housing needs which some groups may have, and the experiences of such groups within the current system:

Women

A significant reason for women accessing public housing relates to experiences of family violence.

Q Are there ways in which public housing can be improved to meet the specific needs of women?

Seniors

Public housing properties can be unsuitable or inappropriate for older people, particularly those with mental illness or disability or other needs.

Q Have there been initiatives which have been successful in addressing the living arrangements and support needs of seniors?

Q What could be done to make it easier to adapt and upgrade accommodation to suit the needs of people as they age?

The homeless

Victoria has a homelessness and housing strategy that aims to integrate housing assistance with support services and programs.

Q How has the priority allocation system impacted on public housing need of people at risk of or experiencing homelessness?

Q Are there ways in which this could be improved to better address the needs of the homeless?

Indigenous Victorians

There is a much higher representation of Indigenous people in the homeless population due to numerous factors, including a lack of affordable, culturally appropriate housing and discrimination in housing markets. Aboriginal applicants for public housing are eligible for placement in general public housing or Aboriginal housing managed with the assistance of Aboriginal Housing Victoria.

Q Are there ways in which the public housing system could be improved to better target the needs of Indigenous Victorians?

Refugees

The Federal Integrated Humanitarian Settlement Strategy scheme provides assistance to refugees into accessing private and public rental accommodation.

Q What are the main barriers to the ability of refugees to access appropriate public housing and how can these be addressed?

People with mental illness, substance abuse issues and/or disability

Providing adequate public housing for people with high or complex needs must take into account requirements for modifications to housing or location in relation to existing services.

Q Are there ways to improve the procedures involved in modifying public housing for people with disabilities?

Q What are some of the other barriers for people with mental illness, substance abuse issues and/or disability in accessing appropriate public housing? How could these issues be better addressed?

FUTURE DIRECTIONS OF PUBLIC HOUSING

In its social policy statement, *A Fairer Victoria 2005*, the Victorian government recognised access to affordable housing as critical to reducing disadvantage, improving Victoria’s ‘sense of wellbeing’ and ‘maintaining the social fabric’ of communities. The policy recognised the link between a lack of affordable housing in the private sector and the pressures placed on public housing and crisis accommodation.

The policy aimed to boost access to ‘safe, secure, affordable and accessible housing’ in several areas, including expanding the supply of social housing. This has included simplifying management arrangements for long-term community housing. There has also been agreement by the Victorian Government, as part of the Commonwealth Government’s Economic Stimulus Plan, to a large construction program to boost the supply of social housing stock, also aimed at stimulating jobs in the construction sector. As well as constructing new social housing, funding is also being provided for repairs and maintenance to existing public housing, as well as the way in which social housing is managed.

There have been several other initiatives in Victoria which have been undertaken in the past decade. Two major changes include:

Registration of Housing Associations/Providers

- The government introduced a system for registration and regulation of community housing organisations who provide long-term or transitional housing. The Housing Registrar who oversees this regulation has introduced performance measures, standards and guidance for this sector.
- Housing Associations are expected to take about half of any new tenants for new government-funded properties from the public housing waiting list. People who are housed by a Housing Association will then be taken off the public housing waiting list.

Neighbourhood Renewal

- Neighbourhood Renewal involves eight-year government-funded community building projects in several areas of high disadvantage in Victoria. These areas shared characteristics of concentrations of run down public housing, high crime rates, low levels of school completion and educational qualifications, high unemployment, poor health and lack of community infrastructure and access to services.
- Through 'place-based renewal', investment in these communities has been increased and services joined up through participation and partnership with local governments, schools, community health centres, housing agencies, training organisations, and residents. This has included large investment in public housing and community infrastructure, according to area-based local action plans which appear to have had positive outcomes.

Q The Committee is interested in hearing views on future directions of public housing. Have these or other new initiatives been successful? Are there alternative models which may have benefits for Victoria?

SUBMISSIONS

The Committee welcomes written submissions addressing one, multiple or all Terms of Reference of the Inquiry.

Submissions close on **Friday 29 January, 2010**.

Guidance regarding submissions can be found at: www.parliament.vic.gov.au/committees/submissions.html

Submissions can be provided in either hard copy or by email to the Executive Officer.

Email: janine.bush@parliament.vic.gov.au

Hard copy submissions should be sent to:

The Executive Officer
Family and Community Development Committee
Parliament House
Spring Street
EAST MELBOURNE VIC 3002

The Committee draws your attention that **all submissions are public documents unless confidentiality is requested**.

Please contact the Committee if confidentiality is sought, as this has bearing on how evidence can be used in the report to Parliament.

APPENDIX 2

SITE VISIT LOCATIONS

LOCATION	NOTES
Young Street, Bacchus Marsh	Three-storey older persons complex replacing a (demolished) small group of two-storey apartment blocks Under construction
Wendouree West Community Learning Hub	Complex containing Yuille Park Community College & Wendouree West community facilities constructed during the Neighbourhood Renewal program
Wendouree West housing estate	Original and redeveloped public housing in Neighbourhood Renewal area
Norman Street, Wendouree West	Inspection of interior of new, tenanted, two-bedroom home
Violet Grove Shopping Strip, Wendouree West	Revitalised strip shopping precinct
The Boulevard, Shepparton	Six two-bedroom townhouses built on site originally containing three dwellings Under construction
North Shepparton Community Hub & Learning Centre	Complex for North Shepparton community including health and training facilities resultant from Neighbourhood Renewal program Under construction
Parkside housing estate	Original and redeveloped public housing; also local parks in Neighbourhood Renewal area
Glory Way, Shepparton	Inspection of interior of three-bedroom home, circa 1980s (vacant, prior to arrival of new tenants)
Malcolm Crescent, Shepparton	Inspection of interior of two-bedroom home, circa 1950s Being substantially renovated
Elizabeth Street, Melbourne	CommonGround project to provide a tenancy mix of incomes, support and training services Under construction
Elgin Square, Canning Street, Carlton	Inspection of vacant, three-bedroom walk-up unit
Viva development, Carlton, Melbourne	Briefing regarding plans for comprehensive redevelopment of a large area of Carlton housing estate Early construction
Alfred Street, North Melbourne	Inspection of tenanted, (converted) six-bedroom apartment and vacant, three-bedroom apartment. Also inspection of foyer area
Kensington housing estate, inc. Urban Communities	Overview of redevelopment that now includes both public and private housing properties in former entirely public housing precinct. Also inspections of tenanted, public housing

	apartment and tenanted privately-owned apartment.
Barkly Street, Footscray	New seven story complex, with 35 studio, 12 one-bedroom and 24 two-bedroom apartments providing tenancy for a mix of incomes and on-site training (cafe) and services
East Reservoir Neighbourhood House and Community Hub	Briefing regarding two redevelopments of former public housing stock: 12-18 Strathmerton Street, Reservoir & 44 Cheddar Rd, Reservoir
Royal Parade, Reservoir	Inspection of interior of recently vacated, stand-alone older property.

APPENDIX 3

SUMMARY OF ELIGIBILITY CRITERIA

Category	Income/Asset	Outstanding Debt	Assessment of Need and/Responsibility for Assessment
Police Witness	Wait-turn Housing Eligibility Income and Asset Limits*	Police generally pay first \$1000.	Request and recommendation received directly from Police. Tenancy Services assess eligibility for public housing.
VEMP	'Temporary and short term housing' applicants are not required to meet any income or asset eligibility criteria. 'Long term housing' applicants must meet the wait-turn income or asset eligibility criteria.	No requirement to repay outstanding debt unless applying for long-term housing.	The VEMP Manager and/Community Recovery Committee assess applicant's current housing circumstances for emergency, temporary and short-housing. Eligibility for long-housing is assessed by Housing Office.
Corrections Locational Transfers	Wait-turn Housing Eligibility Income and Asset Limits	Agreement made and maintained. Offer of housing made as soon as possible.	Approved to category by Housing Manager following consultation with DOJ. Offer and allocation approved Housing Manager.
Relocation Transfers	Generally no requirement to meet any income or asset eligibility criteria	No requirement to repay outstanding debt prior to transfer.	Full assessment by local Housing Office
Recurring Homelessness	Reduced Income and Asset Limits**	Agreement made and maintained. Offer of housing made as soon as possible.	Assessment of recurring homelessness and inability secure alternative private rental accommodation made by 'Participating Agency'. Wait turn rental housing eligibility confirmed by local housing office. Approved to category by Regional Panel.
Temporary Absence	Wait-turn Housing Eligibility Income and Asset Limits	Agreement made and maintained. Offer of housing made as soon as possible.	HSO to investigate eligibility based on previous tenancy and make recommendation. Approved to category by housing office panel.

Category	Income/Asset	Outstanding Debt	Assessment of Need and/or Responsibility for Assessment
Supported Housing	Wait-turn Housing Eligibility Income and Asset Limits*	\$200 lump sum payment and 3 month agreement	Referral by support agency confirming new and transfer applicants current housing is unsuitable. If applicant requires significant personal support, person must be linked with a specific support program. Approved to category by local housing office panel.
Special Housing Needs	Reduced Income and Asset Limits**	\$200 lump sum payment and 3 month agreement	New and Transfer applicants are required to provide documentation confirming their current housing circumstances are unsuitable. Approved to category by local housing office panel.
Property Management Transfers	Wait-turn Housing Eligibility Income and Asset Limits*, however HSM has discretion to approve non-eligible households	Negotiated on a case by case basis.	Full assessment by local Housing Office
HOLS Conversion	Wait-turn Housing Eligibility Income and Asset Limits*	All outstanding debt must be paid in full.	Referral and recommendation by Home Finance Branch. Assessment by local Housing Office
Wait-turn Category	Wait-turn Housing Eligibility Income and Asset Limits*	All outstanding debt must be paid in full.	Full assessment by local Housing Office
<p>* Wait-turn Housing Eligibility Criteria - Income limits based on eligibility limits for Centrelink Rent Assistance. Asset Limits \$30,000 or up to \$60,000 if major or full modifications are required.</p> <p>** Income limits based on eligibility for a Commonwealth Health Care Card from Centrelink.</p>			

Source: HCB, *Allocations Manual: Introduction*, Version 6.3, March 2010, pp.1.9-10.

APPENDIX 4

ORDER OF ALLOCATIONS – SEGMENTED WAITING LIST

Order of Allocation	
Category	New Applicants or Transfer Applicants
Police Witness Protection Program	New and Transfer Applicants
Victorian Emergency Management Procedures (VEMP)	New and Transfer Applicants
Corrections Locational Transfers	Transfer Applicants
Redevelopment Transfers	Transfer Applicants
Recurring Homelessness	New Applicants Only
Temporary Absence	Transfer Applicants
Supported Housing	New and Transfer Applicants
Special Housing Needs	New and Transfer Applicants
Property Management Transfers	Transfer Applicants
Home Ownership Loan Scheme Conversion to Rental Housing (HOLS)	New Applicants
Wait-turn	New and Transfer Applicants

Source: HCB, *Allocations Manual: Introduction*, Version 6.3, March 2010, pp.1-4.

APPENDIX 5

WAITING & TRANSFER LISTS – JUNE 2010

Total Number of Applicants on the Public Housing Waiting List as at June 2010

Region	Waiting List Office	Early Housing	Wait Turn	Total
1.Eastern Metro	Box Hill	435	2,203	2,638
	Ringwood	486	1,802	2,288
1.Eastern Metro Total		921	4,005	4,926
2.North West Metro	Ascot Vale	295	798	1,093
	Footscray/Flemington	433	1,103	1,536
	Broadmeadows	597	2,592	3,189
	Preston	1,006	2,218	3,224
	Sunshine	903	3,068	3,971
	Fitzroy/Collingwood/Richmond	422	1,081	1,503
	North Melbourne/Carlton	386	965	1,351
2.North West Metro Total		4,042	11,825	15,867
3.Southern Metro	Cheltenham	438	1,770	2,208
	Dandenong	594	4,213	4,807
	Frankston	316	1,818	2,134
	South Melbourne/Prahran	560	1,247	1,807
3.Southern Metro Total		1,908	9,048	10,956
4.Barwon South West	Geelong	452	2,016	2,468
	Portland	19	77	96
	Warrnambool	128	509	637
4.Barwon South West Total		599	2,602	3,201
5.Gippsland	Sale	43	163	206
	Bairnsdale	55	233	288
	Morwell	236	814	1,050
5.Gippsland Total		334	1,210	1,544
6.Grampians	Ballarat	185	858	1,043
	Horsham	35	189	224
6.Grampians Total		220	1,047	1,267
7.Hume	Benalla	47	111	158
	Seymour	125	188	313
	Shepparton	119	309	428
	Wangaratta	78	194	272
	Wodonga	48	416	464
7.Hume Total		417	1,218	1,635
8.Loddon Mallee	Bendigo	296	708	1,004
	Mildura	98	188	286
	Swan Hill	73	158	231
8.Loddon Mallee Total		467	1,054	1,521
Head Office #	Head Office	0	100	100
Head Office Total		0	100	100
Statewide Total		8,908	32,109	41,017

Movable Units applications are registered with head office so they do not appear within regional statistics within regional statistics.

Total Number of Applicants on the Public Housing Transfer List as at June 2010

Region	Waiting List Office	Early Housing	Wait Turn	Total
1.Eastern Metro	Box Hill	169	365	534
	Ringwood	152	279	431
1.Eastern Metro Total		321	644	965
2.North West Metro	Ascot Vale	115	253	368
	Footscray/Flemington	111	224	335
	Broadmeadows	214	463	677
	Preston	429	543	972
	Sunshine	317	584	901
	Fitzroy/Collingwood/Richmond	135	299	434
	North Melbourne/Carlton	181	326	507
2.North West Metro Total		1,502	2,692	4,194
3.Southern Metro	Cheltenham	175	343	518
	Dandenong	189	596	785
	Frankston	116	311	427
	South Melbourne/Prahran	156	293	449
3.Southern Metro Total		636	1,543	2,179
4.Barwon South West	Geelong	132	524	656
	Portland	4	14	18
	Warrnambool	43	112	155
4.Barwon South West Total		179	650	829
5.Gippsland	Sale	11	28	39
	Bairnsdale	19	54	73
	Morwell	75	208	283
5.Gippsland Total		105	290	395
6.Grampians	Ballarat	67	170	237
	Horsham	25	38	63
6.Grampians Total		92	208	300
7.Hume	Benalla	18	35	53
	Seymour	28	55	83
	Shepparton	48	75	123
	Wangaratta	39	37	76
	Wodonga	20	73	93
7.Hume Total		153	275	428
8.Loddon Mallee	Bendigo	133	132	265
	Mildura	7	29	36
	Swan Hill	15	51	66
8.Loddon Mallee Total		155	212	367
Statewide Total		3,143	6,514	9,657

Source: HCB, Waiting times.

<<http://www.housing.vic.gov.au/applying-for-housing/waiting-times>>

Accessed September 2010.

APPENDIX 6

WAITING & TRANSFER LISTS – MARCH 2010

Total Number of Applicants on the Public Housing Waiting List as at March 2010

Region	Waiting List Office	Early Housing	Wait Turn	Total
1.Eastern Metro	Box Hill	440	2,168	2,608
	Ringwood	470	1,762	2,232
1.Eastern Metro Total		910	3,930	4,840
2.North West Metro	Ascot Vale	272	778	1,050
	Footscray/Flemington	427	1,068	1,495
	Broadmeadows	571	2,557	3,128
	Preston	969	2,149	3,118
	Sunshine	902	2,969	3,871
	Fitzroy/Collingwood/Richmond	398	1,053	1,451
	North Melbourne/Carlton	381	944	1,325
2.North West Metro Total		3,920	11,518	15,438
3.Southern Metro	Cheltenham	444	1,740	2,184
	Dandenong	563	4,070	4,633
	Frankston	295	1,747	2,042
	South Melbourne/Prahran	583	1,256	1,839
3.Southern Metro Total		1,885	8,813	10,698
4.Barwon South West	Geelong	440	1,927	2,367
	Portland	18	71	89
	Warrnambool	114	482	596
4.Barwon South West Total		572	2,480	3,052
5.Gippsland	Sale	39	150	189
	Bairnsdale	58	225	283
	Morwell	221	751	972
5.Gippsland Total		318	1,126	1,444
6.Grampians	Ballarat	206	788	994
	Horsham	31	167	198
6.Grampians Total		237	955	1,192
7.Hume	Benalla	38	107	145
	Seymour	110	177	287
	Shepparton	109	281	390
	Wangaratta	70	204	274
	Wodonga	51	434	485
7.Hume Total		378	1,203	1,581
8.Loddon Mallee	Bendigo	266	685	951
	Mildura	82	178	260
	Swan Hill	88	136	224
8.Loddon Mallee Total		436	999	1,435
Head Office #	Head Office	0	114	114
Head Office Total		0	114	114
Statewide Total		8,656	31,138	39,794

Movable Units applications are registered with head office so they do not appear within regional statistics within regional statistics.

Total Number of Applicants on the Public Housing Transfer List as at March 2010

Region	Waiting List Office	Early Housing	Wait Turn	Total
1. Eastern Metro	Box Hill	170	374	544
	Ringwood	147	283	430
1. Eastern Metro Total		317	657	974
2. North West Metro	Ascot Vale	111	253	364
	Footscray/Flemington	113	209	322
	Broadmeadows	211	467	678
	Preston	424	538	962
	Sunshine	319	567	886
	Fitzroy/Collingwood/Richmond	161	282	443
	North Melbourne/Carlton	173	305	478
2. North West Metro Total		1,512	2,621	4,133
3. Southern Metro	Cheltenham	174	354	528
	Dandenong	181	589	770
	Frankston	106	303	409
	South Melbourne/Prahran	178	299	477
3. Southern Metro Total		639	1,545	2,184
4. Barwon South West	Geelong	139	525	664
	Portland	10	12	22
	Warrnambool	37	108	145
4. Barwon South West Total		186	645	831
5. Gippsland	Sale	11	29	40
	Bairnsdale	14	47	61
	Morwell	84	192	276
5. Gippsland Total		109	268	377
6. Grampians	Ballarat	80	172	252
	Horsham	26	35	61
6. Grampians Total		106	207	313
7. Hume	Benalla	17	34	51
	Seymour	28	49	77
	Shepparton	48	70	118
	Wangaratta	33	40	73
	Wodonga	20	80	100
7. Hume Total		146	273	419
8. Loddon Mallee	Bendigo	134	125	259
	Mildura	13	25	38
	Swan Hill	14	47	61
8. Loddon Mallee Total		161	197	358
Statewide Total		3,176	6,413	9,589

Source: HCB, Waiting times.

<<http://www.housing.vic.gov.au/applying-for-housing/waiting-times>>

Accessed September 2010.

APPENDIX 7

PUBLIC HOUSING ALLOCATIONS RANKING SYSTEMS, AUSTRALIA & NEW ZEALAND

System	NSW	VIC	ACT	SA	NZ
SEGMENTED	<p>129,000 properties</p> <p>S1: Emergency temporary accommodation</p> <p>S2: Priority (incl. not able to access private rental market; homelessness; medical condition)</p> <p>S3: Elderly (applicant aged 80+ years or 55+ years for Aboriginal clients)</p> <p>S4: Priority transfers (because of factors similar to categories 1 to 3 above)</p> <p>S5: Other eligible applicants</p>	<p>65,256 properties</p> <p>S1: Long-term homeless</p> <p>S2: Disability, frail aged, severe medical needs, significant personal support or major housing modifications</p> <p>S3: Those with unsuitable housing who cannot access the private rental market</p> <p>S4: Low incomes only</p>	<p>11,511 properties</p> <p>S1: Applicants in urgent need of housing (eg. extreme housing crisis)</p> <p>S2: Applicants for whom the private rental market is not accessible as a long-term option (eg. extreme affordability problems or discrimination)</p> <p>S3: Normal wait turn</p> <p>S4: Transfers</p>	<p>48,271 properties</p> <p>S1: Applicants in urgent need of housing</p> <p>S2: Applicants with high/complex housing need</p> <p>S3: Affordability related need</p> <p>S4: Transfers</p>	<p>64,399 properties</p> <p>SA: Households with a severe and persistent housing need that must be addressed immediately</p> <p>SB: Households with a significant and persistent housing need</p> <p>SC: Households with a moderate housing need</p> <p>SD: Lower level housing need</p>

WAIT LIST & PRIORITY	QLD 50,157 properties	NT 6,062 properties	WA 39,000 properties	TAS 12,004 properties
	<p>Primarily wait-turn system with limited priority allocation system. Wait list based on suburbs.</p> <p>Priority access for:</p> <ul style="list-style-type: none"> • Homelessness • Medical conditions • Emergency housing situation • Violence (incl. domestic violence and continual harassment) • Natural disaster 	<p>Wait list with separate non-priority listings for:</p> <ul style="list-style-type: none"> • Singles • Single pensioners (aged) • Single pensioners (w/ disability) <p>Urgent/priority access for:</p> <ul style="list-style-type: none"> • At risk of homelessness • Serious social problems, eg. domestic violence, that are related to current housing situation • Disability 	<p>There are separate waiting lists for emergency housing, priority assistance, wait turn assistance and Aboriginal housing. Applicants are wait listed by zones.</p> <p>Wait list plus urgent/priority access for:</p> <ul style="list-style-type: none"> • Urgent medical condition • Domestic violence / child abuse • Racial harassment • Homelessness 	<p>Housing need factors:</p> <ul style="list-style-type: none"> • Adequacy Maximum points 38 • Affordability Maximum points 25 • Appropriateness Maximum points 20 • Exceptional need Not weighted, but will enable an applicant to be housed immediately • Offer rejection Minus 10 points for every 2 offers rejected <p>Categorisation of need:</p> <ul style="list-style-type: none"> • Category 1 Points score greater than or equal to 35 • Category 2 Points score of 25 to 34 • Category 3 Points score of 15 to 24 • Category 4 Points score of 10 to 14 • Category 5 Points score of less than 10
	PRIORITY POINT			

Sources: Queensland Department of Housing 2004, viewed 14 July 2004 <<http://www.housing.qld.gov.au>>; Territory Housing 2003, viewed 14 July 2004 <<http://www.dcdsca.nt.gov.au>>; Department of Housing and Works, viewed 14 July 2004 <<http://www.housing.wa.gov.au>>; Department of Family and Community Services 2003, *Housing Assistance Act 1996: Annual Report 2001-02*; Housing New Zealand Corporation 2002, Social Allocation System, unpublished article; Housing New Zealand Corporation 2002, viewed 17 June 2002 <<http://www.webnz.com/hnz/>>; Housing Tasmania, Overview of the Housing Assessment System, accessed 18 March 2004.

Source: K Hulse & T Burke, 'The changing role of allocations systems in social housing', Final Report (No. 75), AHURI, 2005, pp.109-110.

LIST OF SUBMISSIONS

Submission 1	Natasha Bazil
Submission 2	Monash Alfred Psychiatry Research Centre
Submission 3	National Disability Services Victoria
Submission 4	Grampians Community Health
Submission 5	Eastern Access Community Health (EACH)
Submission 6	Kay Webster
Submission 7	Collingwood, Fitzroy & Richmond Public Housing Tenants
Submission 8	Alison Quinn
Submission 9	Confidential
Submission 10	Human Rights Law Resource Centre Ltd
Submission 11	Victorian Alcohol & Drug Association (VAADA)
Submission 12	Whittlesea Community Connections
Submission 13	Humanist Society of Victoria Inc.
Submission 14	Semmens Court Residents Association Inc.
Submission 15	Anne Sgro'
Submission 16	Care Leavers Australia Network (CLAN)
Submission 17	The Camperdown Tenants Group Inc.
Submission 18	Lesley Baker
Submission 19	Australian Housing and Urban Research Institute (AHURI)
Submission 20	Robert Newey
Submission 21	Wendy Ralph
Submission 22	Banyule Community Health & West Heidelberg Community Legal Service Inc.
Submission 23	Patricia Norman
Submission 24	Geelong Settlement Planning Committee (GSPC)
Submission 25	St Vincent de Paul Society - Horsham Conference
Submission 26	Women's Housing Ltd.
Submission 27	Office of the Public Advocate
Submission 28	Council of Single Mothers and their Children (CSMC) (Confidential Appendix)
Submission 29	Inner South East Partnership in Community & Health (ISEPICH)
Submission 30	Anne Jacobs, Anna Benton, Gina Sierakoski, Megan Richards, Tegan Phillips
Submission 31	Peter Edwards
Submission 32	Confidential
Submission 33	Barry Pearce
Submission 34	Margaret O'Callaghan
Submission 35	Whitehorse City Council
Submission 36	Residents Group 3081
Submission 37	Geelong South Public Tenants Group
Submission 38	Confidential
Submission 39	Heidelberg Branch ALP
Submission 40	Wombat Housing and Support Services
Submission 41	Australian Association of Social Workers
Submission 42	The Salvation Army EastCare & Uniting Care Community Options
Submission 43	Ethnic Communities' Council of Victoria Inc.
Submission 44	Victorian Public Tenants Association
Submission 45	Loddon Mallee Accommodation Network (LOMA)
Submission 46	Wintringham
Submission 47	YMCA Victoria
Submission 48	McAuley Community Services for Women
Submission 49	Inner South - Port Phillip & Stonnington Housing Information Network
Submission 50	Inner East Community Health Service
Submission 51	Victorian Mental Health Carers Network
Submission 52	Network of Asylum Seeker Agencies Victoria Housing Coalition
Submission 53	Spectrum Migrant Resource Centre (SMRC)
Submission 54	Margaret Ryan
Submission 55	Eastern Access Community Health (EACH) Social & Community Health
Submission 56	Inner South Community Health Service

Submission 57	Royal District Nursing Service
Submission 58	North East Metro Child & Family Services Alliance
Submission 59	Common Equity Housing Ltd
Submission 60	AIDS Housing Action Group (AHAG)
Submission 61	Rural Housing Network Ltd
Submission 62	Financial and Consumer Rights Council
Submission 63	Victorian Association for the Care and Resettlement of Offenders (VACRO)
Submission 64	Residents of Delacombe Housing Estate
Submission 65	Tania White
Submission 66	Advocacy and Rights Centre Limited
Submission 67	Moonee Valley City Council
Submission 68	Sacred Heart Mission
Submission 69	Aboriginal Housing Victoria (Confidential Appendix)
Submission 70	HomeGround Services
Submission 71	Mind Australia
Submission 72	Action for Community Living
Submission 73	Australian Community Support Organisation (ACSO)
Submission 74	Mark Dixon
Submission 75	UnitingCare Harrison
Submission 76	Centre for Excellence in Child and Family Welfare
Submission 77	Housing Resource and Support Service (HR&SS)
Submission 78	Brotherhood of St Laurence
Submission 79	Psychiatric Disability Services of Victoria (VICSERV)
Submission 80	Energy and Water Ombudsman (Victoria) Limited
Submission 81	Carers Victoria
Submission 82	Housing for the Aged Action Group Inc. (HAAG)
Submission 83	Australian Institute of Health and Welfare (AIHW)
Submission 84	St Kilda Community Housing Ltd
Submission 85	Council to Homeless Persons
Submission 86	Wesley Mission Victoria
Submission 87	The Victorian Council of Social Service (VCOSS)
Submission 88	Bob Scates
Submission 89	Council on the Ageing (COTA) Victoria
Submission 90	Professor Terry Burke, Swinburne University of Technology Institute For Social Research
Submission 91	Homeless Outreach Psychiatric Service (HOPS)
Submission 92	Hanover Welfare Services
Submission 93	Forensicare - Victorian Institute of Forensic Mental Health
Submission 94	Frankston City Council - Community Development
Submission 95	Municipal Association of Victoria (MAV)
Submission 96	Domestic Violence Victoria
Submission 97	The Mornington Peninsula Shire's Triple A Housing Policy Reference Group
Submission 98	Tenants Union of Victoria
Submission 99	Community Housing Federation of Victoria
Submission 100	St Vincent de Paul Aged Care and Community Services
Submission 101	Good Shepherd Youth & Family Service
Submission 102	Hume City Council
Submission 103	Public Interest Law Clearing House (PILCH) Homeless Persons' Legal Clinic
Submission 104	Neami Limited
Submission 105	Moreland City Council (Confidential Appendix)
Submission 106	Darebin City Council
Submission 107	Yarra Community Housing
Submission 108	Consumer Utilities Advocacy Centre
Submission 109	City of Yarra

WITNESSES/ PUBLIC HEARING TRANSCRIPTS

MELBOURNE

9 February 2010

Transcript of Evidence 1	Australian Housing and Urban Research Institute (AHURI) Deputy Executive Director, Dr Andrew Hollows
Transcript of Evidence 2	Hanover Welfare Services CEO, Mr Tony Keenan General Manager, Research and Service Development, Dr Shelley Mallett General Manager, Client Services and Operations, Ms Lyn Lanham
Transcript of Evidence 3	Victorian Civil and Administrative Tribunal (VCAT) Former President, Victorian Civil and Administrative Tribunal, The Hon. Justice Kevin Bell Senior Associate to the Hon. Justice Bell, Mr Bruce Chen
Transcript of Evidence 4	Victorian Public Tenants Association (VPTA) Vice Chairperson, Ms Mary Sexton Treasurer, Ms Ana Rufatt Vice Secretary, Mr Chris Artufel Coordinator, Ms Jackie Dacey Secretary, Ms Jeanette Pyett
Transcript of Evidence 5	Wesley Mission Melbourne Manager, Wesley Homelessness Support Services, Ms Linda McKay SHASP, Wesley Homelessness Services, Ms Linda Downing
Transcript of Evidence 6	Council to Homeless Persons (CHP) Acting CEO, Mr David Wright-Howie
Transcript of Evidence 7	Aboriginal Housing Victoria (AHV) CEO, Ms Sharon Paten Tenancy Manager, Ms Joanne Atkinson
Transcript of Evidence 8	Brotherhood of St. Laurence Research & Policy Centre, Prof. Paul Smyth Mr Michael Horn Mr Tony Barnett
Transcript of Evidence 9	HomeGround Services CEO, Mr Stephen Nash General Manager Client Services, Ms Heather Holst

11 February 2010

Transcript of Evidence 10	Women's Housing Ltd. CEO, Ms Judy Line Director, MC Two Pty Ltd, Mr Joseph Connellan
Transcript of Evidence 11	Victorian Women's Housing Association (VWHA) CEO, Ms Jeanette Large CEO, McAuley Community Services for Women, Ms Jocelyn Bignold CEO, Emergency Accommodation Support Enterprise (EASE), Ms Margaret Augerinos
Transcript of Evidence 12	Housing for the Aged Action Group (HAAG) Chairperson, Ms Dalene Salisbury Tenancy Advice/Policy Worker, Mr Jeff Fieldler Assistance with Care and Housing for the Aged (ACHA) Program Worker, Ms April Bragg
Transcript of Evidence 13	St Vincent De Paul Aged Care & Community Services CEO, Mr John Blewonski General Manager, Community Services, Ms Netty Horton Manager of Housing Services, Ms Karren Walker Ms Anne Tuohey

Transcript of Evidence 14	Residents Group 3081
	Co-Chair, Ms Eulie Emery
	Sr Sally Bradley
	Director, West Heidelberg Community Legal Service Inc., Dr Liz Curran
Transcript of Evidence 15	Ethnic Communities' Council of Victoria (ECCV)
	Director, Mr Ross Barnett
	Policy Officer, Mr Ahmad Al-Mousa
Transcript of Evidence 16	Victorian Drug and Alcohol Association (VAADA)
	Executive Officer, Mr Sam Biondo
	Manager of Supported Accommodation, Vocational Training & Financial Services, Odyssey
Transcript of Evidence 17	Victorian Council of Social Service (VCOSS)
	Policy & Affairs Manager, Ms Kate Colvin
	Housing Policy Officer, Ms Sarah Toohey
Transcript of Evidence 18	Public Interest Law Clearing House (PILCH)
	Manager/Principal Lawyer, Mr James Farrell
	Senior Lawyer, Mr Chris Povey
Transcript of Evidence 19	Council on the Ageing Victoria
	President, COTA Victoria, Ms Janet Wood
	Manager, Policy Development, Ms Debra Parnell

On the 11 February 2010, evidence was received IN CAMERA during one (unlisted) session by the Committee.

16 February 2010

Transcript of Evidence 20	VICSERV Psychiatric Disability Services of Victoria
	Policy & Research Manager, Ms Wendy Smith
Transcript of Evidence 21	Mental Illness Fellowship Victoria
	CEO, Ms Elizabeth Crowther
	Consultant, Consumer Participant Services, Ms Julie Anderson
Transcript of Evidence 22	WAYSS Limited
	CEO, Mr Kim Stowe
Transcript of Evidence 23	Asylum Seeker Resource Centre
	Case Worker, Ms Chanelle Burns
	Case Worker, Ms Sherrine Clark
Transcript of Evidence 24	Wintringham
	CEO of Wintringham & Wintringham Housing, Mr Bryan Lipmann
	General Manager Housing, Wintringham Housing, Ms Elizabeth Perez
Transcript of Evidence 25	Atherton Gardens Residents Association
	Representative, Mr Josip Lenger
	Representative, Collingwood Public Housing Tenants, Mr Nicholas Arnott
Transcript of Evidence 26	Carers Victoria
	Policy Advisor, Mr Ben Illsey
	Carer, Mr Raymond Davis
Transcript of Evidence 27	Housing Choices Australia
	CEO, Mr Michael Lennon
	Chair, Prof. Brian Howe
Transcript of Evidence 28	Urban Communities Limited
	CEO, Mr George Housakos
	Chair, Hon. Michael Duffy
	Ms Gillian Stevenson
	Ms Pam Temby
	Ms Elaine Lopez

17 February 2010

Transcript of Evidence 29	Community Housing Federation of Victoria (CHFV)
	Acting Executive Director, Mr Chris Chaplin
Transcript of Evidence 30	Swinburne University of Technology - Institute for Social Research
	Faculty of Life and Social Sciences, Prof. Terry Burke
Transcript of Evidence 31	Tenants Union of Victoria (TUV)

	CEO, Mr Mark O'Brien
	Policy & Liaison Worker, Mr Toby Archer
Transcript of Evidence 32	Victorian Local Governance Association (VLGA)
	VLGA President, Cr Rose Iser
	Director Policy & Public Affairs, Mr Darren Ray
Transcript of Evidence 33	National Disability Services (NDS)
	Acting State Manager, Ms Sarah Fordyce
	CEO, St John of God ACCORD, Ms Liz Bishop
Transcript of Evidence 34	Department of Human Services, Division of Housing & Community Building (HCB)
	Director of Housing & Executive Director Housing & Community Building, Ms Margaret
	Acting Director, Policy & Strategy, Ms Anne Congleton
	Director, Public Housing & Community Building, Mr Richard Deyell
	Director Finance and Business Services, Housing & Community Building, Mr Mark Darmody

BALLARAT

2 March 2010

Transcript of Evidence 35	Semmens Court Residents Association Inc.
	President, Mr Gordon Colgate
	Secretary, Mr Russell Castley
Transcript of Evidence 36	Advocacy and Rights Centre Limited
	CEO, Mr Alex Mactier
Transcript of Evidence 37	Loddon Mallee Housing Services Ltd
	CEO, Mr Ken Marchingo
Transcript of Evidence 38	City of Ballarat
	Director, People & Communities, Ms Carolyn Barrie
	Manager, Community Development, Mr Peter Appleton
Transcript of Evidence 39	Residents of Delacombe Housing Estate
	Ms Renee Norman-Jones
	Mr Fred Dickson
	Ms Sharon Lavery

MOORoopNA

16 March 2010

Transcript of Evidence 40	Rural Housing Network
	Manager Client Services, East Hume, Mr Darran Stonehouse
	Mr Paul McNamara
Transcript of Evidence 42	Greater Shepparton City Council
	General Manager of Community Development, Mr Ian Martin
Transcript of Evidence 43	Rumbalara Aboriginal Cooperative Ltd.
	Manager of Infrastructure, Mr Michael Buckworth
	Housing Services Manager, Mr Dwayne Atkinson

In Moorooopna, evidence was received IN CAMERA during one (unlisted) session by the Committee.



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