

VPTA Policy Position Statement – A Viable Public Housing System

Topic: The VPTA Vision for Public Housing

Executive Summary

The Victorian Public Tenants Association wants to see a well-managed, affordable and sustainable Public Housing system that remains the responsibility of Government. We recognise that the system will need to adapt to the changing needs of the community and that it will continue to evolve and hopefully improve. In order to achieve this, we believe that the system should not be subject to the vagaries of politics or short term political expedience but rather that it should be run by an independent Authority answerable to the Victorian Parliament under a bi-partisan or all party arrangement. This would help ensure that the system remains viable in the long term for future generations as long as the need is there.

We recognise that a quality Public Housing system provided as a safety net for those with no other realistic alternative is imperative and is an important element of the complex and diverse housing sector in Victoria. The VPTA asserts that Government must fund, manage and sustain Public Housing as a core requirement for the provision of available and affordable housing for those in need rather than relying on schemes managed by the non-government sector.

The VPTA gives qualified support to additional schemes which increase the supply of affordable quality housing to those who need it, provided these are not at the expense of a proper functioning and sustainable Public Housing system. This includes Community Housing projects and private sector initiatives done in collaboration with, or under the auspices of, Government.

The VPTA Vision for the Future of Public Housing

For the Public Housing system to be well-managed, affordable and sustainable we believe it must achieve its purpose, how well it performs must be properly measured and any shortcomings addressed in a timely and responsive manner. The system must consistently meet the reasonable expectation of its various stakeholders and must not be permitted to fall into decline or to fail in its role.

It must be available those who have no other realistic option to secure, safe and affordable housing, including homeless people and those on the waiting list for public housing. Public Housing providers and authorities must meet their duty of care in providing a timely, well-managed, well maintained, contemporary rental housing system that is fit for purpose and complies with the requirements of the Residential Tenancies Act and other relevant legislative provisions. Departmental Policy and procedures must continuously be improved to be in line with community expectation of its Service Providers. The system must be responsive to the needs of its customers and remain accountable and transparent to its stakeholders.

An appropriate and viable Public Housing system

The system must deliver a viable solution for those who qualify and are eligible for support in a timely and cost effective manner. Applicants for public housing must undergo a proper and fair assessment and screening process to ensure that any property to be offered will meet their immediate and projected needs, insofar as this can be established and that any placement will not be to their detriment, or that of other tenants.

An effective case management/ tenant management system must be in place to ensure that adequate support and appropriate, timely interventions can be made for tenants experiencing difficulties, for optimal tenancy outcomes.

For the system to be successful it must be responsive to the reasonable needs of its customers and must make provision for the changing community dynamic and demographics. It must be well planned and co-ordinated in order for it to be relevant and sustainable in the long term.

The Public Housing system must have adequate funding in order for it to be viable. Successive Governments must providing adequate funding for the system as a safety net to providing affordable housing for those in genuine need with no other realistic alternative housing options.

A quality Public Housing system now and for the future.

The system must be maintained at a reasonable standard and new properties feature energy efficient design, contemporary green building technologies and global best practice thinking in public housing models and service delivery.

It must cater for the changing needs of the community and at its core should be a proper, long sighted, well researched, strategic planning process based on a high level of community and stakeholder consultation.

Planning and funding arrangements for future development initiatives for new buildings and proposed redevelopments for existing estates needs to be the subject of a proper tenant and community consultative process that is transparent and complies with relevant planning laws.

The VPTA acknowledges that there will be a diverse range of social housing schemes and programs under the auspices of governments, both State and Federal, as well private market projects. We assert that these must be in addition to, and in conjunction with, a proper functioning Public Housing system; not at the expense of Public Housing.

The hallmarks of a good system

The VPTA believes that a well-managed properly functioning Public Housing System:-

- Should be built and maintained to an acceptable minimum community standard that is well documented, well communicated and widely accepted. People should know what is being provided and the standard to be achieved. Ideally, public housing should be indistinguishable from private housing.
- Utilises quality contemporary green building design principles and lasting technologies that will make it fit for its intended purpose for the life of the building, requiring only routine maintenance.
- Has a standard list of fixtures, fittings, features and appliances that are to be provided in each dwelling.
- Is energy efficient, cost effective, requires minimal maintenance and is cheap to maintain and run.
- Has facilities and services close by, not requiring excessive travel or expense to get there.
- Is well serviced by Public Transport for those without the ability to drive or without access to a car
- Delivers short wait times which are paramount if the system is to provide a timely response to those in need. Waiting times in excess of 12 months are generally unacceptable. Long waiting times denote a failure of the system, unless alternative short term accommodation arrangements can be made. For those already in public housing seeking transfer to a different location, the waiting time will be less critical provided the person is safe or not at risk in their current public housing tenancy.
- Offers a range of desirable locations and differing options within each location to enable people a real choice in their accommodation. The current situation where there is a severe lack of single person accommodation is creating backlogs and hardship. Where there is a mismatch in what is available to what is needed, the Department should negotiate with prospective tenants on short term emergency options.
- Sees vacancies filled quickly. Properties should not be left vacant for any extended period unless there is no demand in that area. In this situation the property should be considered for sale to private owners, with the sale value achieved used to purchase or build more suitable properties in more

sought after locations. Better planning, case management and resource utilisation would help facilitate this.

- Provides customised solutions. In some instances it may be desirable to look at purpose built options to meet a specific community need, particularly for those with similar housing requirements – sole parents, aged persons, people with disabilities, those in specialist treatment programs or those with special needs wanting to transition to more mainstream public housing options.
- Provides the opportunity and support for tenants to participate in community life and make a positive contribution.
- Ensures those living in public housing can be fully integrated in the community.
- Encourages tenants to take pride in their homes and allows them, subject to permit, to make reasonable improvements provided these are to the requisite standard.
- Recognises the contribution being made by tenants and rewards those tenants that help improve the living quality of public housing residency.
- Provides opportunities for tenants to participate in decisions that affect them.
- Affords proper planning and infrastructure associated with each development, with an homogenous mix of public and private tenants that it is seen as an attractive place to live and one which the community can be proud of.
- Encourages diversity and provides opportunities and support for people wanting to transition out of public housing.

Affordability - Rebated Rent

The rental paid by Public Housing Tenants has increased over time to the current 25% of household income (rebated rent) or market rent.

We would question why we have a 25% rebated rent figure and what this is based on. Why has rent progressively increased? For a number of our members and people living in public housing this figure is not affordable. We would like to see commissioned a contemporary study on rental affordability in public housing to ensure that it is appropriate and fair.

There may well be certain categories of tenant requiring a reduction in rent, be it short or long term, to help ensure a successful tenancy. Case management should be used as a tool to identify this.

Exemptions or allowances should be considered in special circumstances where people need additional funds to re-establish themselves, such as sole parents, homeless people, ex- prisoners or refugees, or where their circumstances warrant consideration and rental reductions, including those requiring lifelong specialist care, treatments or medicines where the cost is not subsidised.

Market Rent

How market rent is derived is unclear given the variation we see in valuations within the same location and comparing the market rent valuation provided by the Department to that of what private properties of similar size and standard are charged in private rental properties adjacent to public housing rentals.

The VPTA has a number of questions to be put to the Department in relation to the market rent assessments that have been sent out.

- Is the market value too low or is it what can be realistically achieved?
- Does this cause people who may be able to afford private housing to remain in public housing at the expense of others less fortunate?
- Are people able to manipulate their domestic arrangements to take advantage of this apparent inequity?
- Should the Department expect to get more by way of market rent?
- What is realistic?
- What is achievable/affordable?

- What is the process used to determine market rent? Is this accurate and fair?

The VPTA will be seeking clarity on the overall market rent position.

The VPTA believes that many tenants assessed for market rent will have other people living with them whose income is taken into account in the rent assessment and who do not therefore qualify for rebated rent as the household income figure is excessive. It is unlikely that these tenants would be able to afford market rent in their own right.

A fairer system of market rent may be required so that those with significant earnings should be required to pay more by agreement if they are to remain in public housing. Market rent cases may warrant more rigorous review by the Department.

The VPTA believes the Public Housing system should not generally be available to those with other options or who could readily move into the private market.

Ensuring adequate Housing Stock is available

The VPTA believes that future planning is essential for a properly functioning Public Housing system and will be seeking copies of any forward plans from the Department regarding stock transfers, new developments and refurbishments.

In this process we will be seeking information on the following:-

- Departmental policy on stock increases and ensuring supply matches demand.
- Relativity on Departmental planning to address wait list demand, population increases/projections and demographic changes.
- Forward budgetary projections and costing estimates.
- Replacement Program for existing buildings – lifecycle considerations and maintenance factors, including the number of dwellings that remain vacant and that are inhabitable.
- Position regarding stock and tenant transfers to Community Housing and private developers
- New building policy and program.
- Auditor General's report on stock usage and evidence on occupancy rates.
- What are viable properties? Which have been identified for sale, transfer, refurbishment redevelopment and demolition
- What is the ongoing maintenance liability?
- What is the current valuation of existing stock?
- What are the detailed operating expenses associated with delivering the current Public Housing system?

Making the Transition out of Public Housing

The VPTA has suggested a number of ways for the Department and Government to assist tenants make the transition from Public Housing to the private sector in previous policy position statements. We believe that a working party representing PEAK bodies, including the VPTA, Department of Human Service and other relevant welfare agencies and instrumentalities should be convened to work through a raft of sustainable programs in this regard.

Tenancy and Property Review Considerations

The VPTA would like to see a proper and accountable regular tenancy review process. This would include a cyclic visitation program by suitably trained housing staff to assess:-

- the property condition;
- that the property is being occupied and by the tenant whose name is on the lease:
- any other household members whose income should be taken into account for the purposes of rent setting

- that the property is not being sub let
- that the property is being kept in a satisfactory condition and is being properly maintained with any maintenance matters to be rectified
- that the system is meeting the needs of tenants

A well-managed evidence based inspection and review process will help ensure that Community confidence in the system is maintained and with the right measures in place to demonstrate the public housing system is meeting the needs of its many stakeholders.

Part of this review rationale would be to ensure the maximum occupancy rates to reduce the number of people on waiting lists and the time spent waiting for public housing. Where there is a history of properties being vacant for extended periods, or with frequent absences, this may warrant a more intensive or regular review process in relation to that tenancy.

The VPTA would support a risk based approach based on effective case management and property management systems.

Regular and thorough cyclic tenant and property reviews should deliver better outcomes for tenants.