



INQUIRY INTO HOMELESSNESS IN VICTORIA

**VICTORIAN PUBLIC
TENANTS
ASSOCIATION**

January 2020



ABOUT THE VPTA

The Victorian Public Tenants' Association (VPTA) is the voice of public housing in Victoria.

As the peak body representing existing public housing tenants and those on the waitlist, our goal is to provide advice to tenants, and to improve and expand the public housing system in Victoria. Although not formally part of our role, we also assist community housing tenants where possible.

We undertake systemic advocacy and provide policy advice to the Department of Health and Human Services, undertake community engagement work and operate a free and confidential telephone advice service.

In the 2018-19 financial year, we processed more than 8,000 calls through our free advice line.

A NOTE ABOUT TERMINOLOGY

There is a significant level of community confusion regarding the correct way to refer to social housing, community housing and public housing – with the terms and tenures often being conflated.

'Social housing' is an umbrella term that is used to refer to long term rental housing, where rents are generally subsidised, and in many cases, charged as a proportion of the household income. The two different forms of social housing are public housing and community housing.

'Public housing' is provided by the State Government, through the Director of Housing. These properties are owned by the Director of Housing and managed by staff employed by the Department of Health and Human Services.

'Community housing' is provided by Not-for-Profit organisations that are regulated by the Victorian Housing Registrar. The properties are either owned by the organisation directly or are Director of Housing owned properties that are being managed by the organisation.

There are significant differences between public and community housing, which directly impact on the day to day lives of residents, including the amount of rent that can be charged in each form of tenure, how complaints are dealt with, who is housed and the level of rights and protections for residents.

We firmly believe that public housing is the most equitable, affordable and appropriate form of tenure for the most vulnerable Victorians, including those who are experiencing or are at risk of experiencing homelessness.

Where the term ‘social housing’ is used in this submission, it is to accurately report data that is not further broken down between the two forms of tenure, express something that is true of both public and community housing, or to refer to a cohort of Victorians (such as those on the joint social housing waitlist – the Victorian Housing Register, or VHR).

PUBLIC HOUSING – THE CRITICAL SAFETY NET

For many, public housing is the last line of defence against experiencing homelessness, and the first realistic pathway out of experiencing homelessness.

Evictions out of social housing generally result in a period of homelessness.

The correlation between the availability of public housing, and the prevalence of homelessness in communities cannot be denied.

Recent research undertaken by RMIT Emeritus Professor Gavin Wood and others confirmed that public housing is at the front line of homelessness prevention and alleviation. The study found:

“...public housing to be a very strong protective factor reducing risks of homelessness. Public housing is particularly effective because it is affordable. It has also traditionally offered a long-term, secure housing option for those at the bottom of the housing market. This is because public housing leases provide the benefits of security of tenure commonly associated with home ownership. Community housing on the other hand appears to not offer the same level of protection. These

findings emerge despite community housing being affordable, however security of tenure is weaker because providers are more dependent on rent revenue, and therefore less tolerant of rental arrears.”¹

The Senate Economics References Committee 2015 report following an Inquiry in to Housing Affordability found that “...access to affordable, safe and sustainable housing [is] a vital determinant of wellbeing that is associated with better outcomes in health, education and employment as well as economic and social participation.”²

In 2017-18, specialist homelessness services nationwide serviced 288,795 Australians, of which 116,872 were in Victoria.³ That’s the equivalent of 40% of all Australians who accessed services, when the Victorian population represents only 26%.

In Australia, and Victoria in particular, drastically increasing stock of both forms of social housing, with an emphasis on public housing (as evidenced by Professor Wood et al) would significantly reduce the number of people experiencing homelessness in the State.

The number of public housing properties in Victoria declined by 1,015 between 2000 and 2018.⁴ In that same time period, the number of people experiencing homelessness has increased.⁵

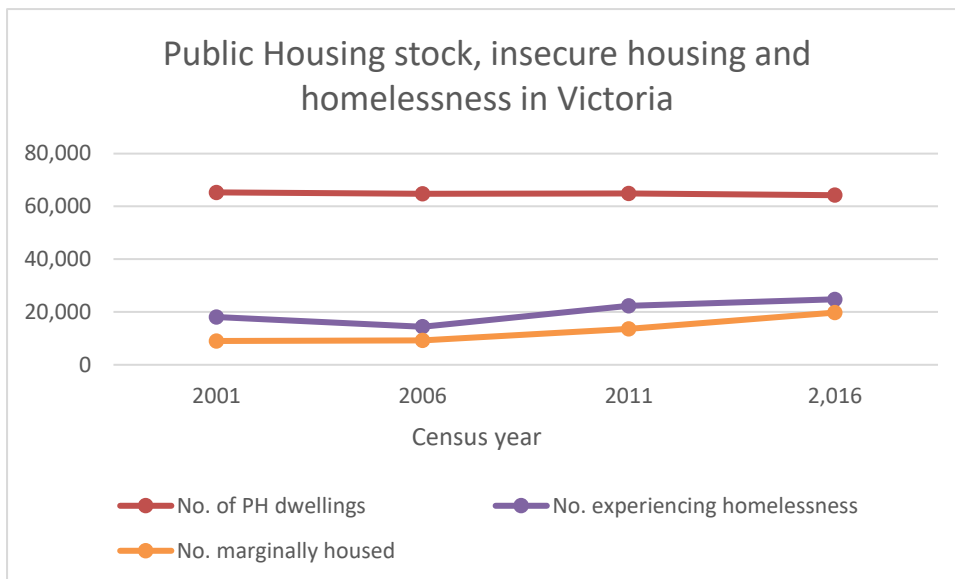
¹ Guy Johnson, Rosanna Scutella, Yi-Ping Tseng and Gavin Wood, How do housing and labour markets affect individual homelessness? *Housing Studies*, 2018, <https://www.tandfonline.com/doi/full/10.1080/02673037.2018.1520819>, 18.

² Australian Productivity Commission, Report on Government Services 2019, Chapter G.

³ Australian Institute of Health and Welfare, Specialist homelessness services annual report 2017-18, accessed online, 7 November 2019. <https://www.aihw.gov.au/reports/homelessness-services/specialist-homelessness-services-2017-18/data> .

⁴ Calculated using data provided in current and historical editions of the Productivity Commissions ‘Report on Government Services’ – 2019 and 2001. Calculation based on figures reported under ‘public housing – total tenantable dwellings’ in both reports.

⁵ Australian Bureau of Statistics, Census of Population and Housing: Estimating Homelessness 2016.



Despite the clear link between availability of public housing and the prevalence of homelessness in communities, Victoria has the lowest proportion of social housing stock of all Australian States and Territories.⁶

Growing homelessness in Australian communities is often considered a classic ‘wicked problem’ – problems which are resistant to solutions due to a conflation of independent and inter-related issues all having a direct bearing on the evolution of an issue.

But this is incorrect. Homelessness can be addressed, and around the world, is being addressed, through housing first interventions.

The concept is simple – house people first. Housing is the fundamental touch stone of personal stability. Nothing else can be properly addressed until someone has the security of a home.

Currently, the existing public housing stock in Victoria is under enormous pressure, in terms of both pressure on the Victorian Housing Register, blowing out waiting times exacerbating homelessness and threats from the community housing sector, which in some quarters, seeks to takeover public housing stock, only to assist people with lesser identified priority and higher incomes. The overall result of this being fewer properties being available to those with the greatest need.

⁶ Groenhart L and Burke T. ‘Thirty years of public housing supply and consumption: 1981 – 2011’, AHURI Final Report No. 231, Australian Housing and Urban Research Institute Limited, 2014, 17.

Recommendations:

1. Victoria extend existing 'housing first' style responses to homelessness, by placing further investment in integrated assertive outreach and supportive housing teams, in recognition of the critical, foundational role that access to safe and secure housing plays.
2. Existing Government commitments regarding construction of new public housing be significantly extended in order to address current and future housing needs.

PRESSURE ON THE VICTORIAN HOUSING REGISTER AND HIGHEST NEED CASES

The number of people covered by an application to access social housing through the Victorian Housing Register continues to grow.

In March 2018, the Victorian Parliament's Inquiry into the Public Housing Renewal Program reported that there were 82,499 individuals waiting for access to social housing,⁷ including a large number of children.

As of September 2019, the Department of Health and Human Services was reporting that there were 51,551 applications on the Victorian Housing Register⁸, which typically sees growth in the order of 500 applications every month. Often, these applications are on behalf of families.

Our calculations indicate that the number of individuals waiting for a home will reach 100,000 in 2020. That's the equivalent of the capacity of the Melbourne Cricket Ground, slightly more than the population of large regional centres like Ballarat or Bendigo, and three times the population of Shepparton.

The demand for properties is not going to go away or decrease.

⁷ Parliament of Victoria, Legal and Social Issues Committee, *Inquiry into the Public Housing Renewal Program*, https://www.parliament.vic.gov.au/images/stories/committees/SCLSI/Public_Housing_Renewal_Program/LSIC_58-11_PHRP_Text_WEB.pdf, pg 23.

⁸ Victorian Housing Register and transfer lists by local area, accessible at Victorian Housing Register, <https://www.housing.vic.gov.au/victorian-housing-register>, (accessed 19 December 2019).

A number of factors are driving increasing pressure on the Victorian Housing Register. Unsurprisingly, these factors are very similar, if not the same, as those which lead to an increase in the number of people experiencing homelessness.

These include social drivers, such as an inability of mental health and alcohol and other drug programs to effectively assist people to maintain tenancies or independent living, a growing number of women and children seeking to leave violent domestic situations and the inadequate level of key income support payments and Commonwealth Rent Assistance.

They also include economic factors, such as; the ongoing casualisation of the workforce through the expansion of the gig economy, insecurity of work, growing levels of both unemployment and under-employment, stagnated wages and increasing costs of living – not limited to housing expenses, but including electricity, fuel and food.

With little being done to immediately address these social or economic factors, and more than half of the existing applications on the Victorian Housing Register already falling within the priority access category (27,231 of 51,551, or, 52.8 per cent)⁹, adding more public housing stock is the only way to address the level of serious need in Victorian communities.

The lack of available of public housing in Victoria has exacerbated housing insecurity and homelessness in the State.

This is because lack of availability has forced allocations to be made based on urgency of need. As a result, individuals and families must wait to be 'in crisis enough' before receiving housing.

The Victorian Housing Register in and of itself, however, is not a reliable indicator of the actual demand for subsidised housing in the State. It is simply an organised list of the individuals and families that have applied.

Many more who are eligible, have not applied. Often this is due to a belief that the chances of being housed are so remote, completing the application is wasted effort, or a wish to avoid the stigma associated with living in a social housing property.

It is estimated that more than one million Victorians are living in housing stress.

⁹ Victorian Housing Register and transfer lists by local area, accessible at Victorian Housing Register, <https://www.housing.vic.gov.au/victorian-housing-register>, (accessed 19 December 2019).

THREATS

Protecting Victoria's existing public housing stock, and adding to it, are both key to addressing growing levels of homelessness in Victoria.

To facilitate this, the State Government must stop transferring management of public housing properties to the community housing sector, as this directly reduces the housing options that are available to the most vulnerable people in our communities.

We are not against community housing.

We believe that the housing problems faced by Victorian communities are immense. Public housing alone cannot hope to deliver a holistic solution. Nor can community housing. Public and community housing must continue to exist and grow side by side, and a robust affordable housing sector must also be created. Only then, can we truly say that the structural foundations are in place for a public/private housing system where there is an appropriate and affordable option for every Victorian - a system that leaves nobody behind.

The financial and regulatory model of the community housing sector renders it fundamentally incapable of addressing homelessness.

The Victorian Housing Registrar requires that community housing providers remain financially viable.

In order to maintain financial viability, community housing providers are limited in the amount of people they can house who receive an Allowance payment as their main source of income – such as; Sickness Allowance, Youth Allowance (either Student or Other), Special Benefit or Newstart.

This is because rent is usually charged as a proportion of household income, and the low level of these payments do not generate sufficiently high enough rents for the provider to balance their books sustainably.

Those who are the most vulnerable, and the hardest to house, tend to receive an Allowance payment - usually Newstart.

In response to the Senate Community Affairs Committee's Inquiry into the Adequacy of Newstart and related payment, the peak body for community housing in New South Wales wrote:

“One effect of a growing number of Newstart recipients in social housing is a reducing rental revenue stream to maintain properties and

provide vital services to tenants and people seeking housing. Without an explicit subsidy to meet the gap between rent collected and the cost of maintaining the system, the social housing model is financially unsustainable.”¹⁰

St Kilda based community housing provider, South Port Community Housing Group Inc, wrote:

“...our compassion can only last so long. We are established as ‘social businesses’. Our staff wages are paid by rent collected. The Newstart situation is affecting our sustainability and viability.”¹¹

Homelessness Australia has found that in the past six years, there has been a 75 per cent growth in the number of people accessing Specialist Homelessness Services who receive the Newstart payment, but in the same time period, the number of individuals receiving Newstart only grew by 28 per cent.¹²

Despite broad community outcry, there is no indication that the Federal Government will increase Allowance payments or take alternative action on this matter. As a result, community housing will continue to be unable to sustainably house people who receive these payments.

Additionally, many people in need of housing have multiple and complex needs. Sometimes, this means that they may fall in to rent arrears or exhibit anti-social behaviour from time to time.

Most community housing providers do not have the same financial capacity as the State Government and rely much more directly on rental income for their operations. As a result, they cannot afford to be as tolerant landlords as the Government. This means that when a person who lives into community housing falls in to rent arrears, their landlord is less able to work with them in order to re-establish payment and may need to move through the evictions process significantly quicker.

¹⁰ Community Housing Industry Association of NSW, Submission to the *Inquiry into the adequacy of Newstart and related payments and alternative mechanisms to determine the level of income support payments in Australia*. Pg 5.

¹¹ South Port Community Housing Group Inc, Submission to the *Inquiry into the adequacy of Newstart and related payments and alternative mechanisms to determine the level of income support payments in Australia*, pg 6.

¹² Homelessness Australia, Clear connection between homelessness and inadequate Newstart payments, says Homelessness Australia, <https://chp.org.au/media-releases/clear-connection-between-homelessness-and-inadequate-newstart-payments-says-homelessness-australia/>, 29 August 2019.

More often than not, an eviction from a social housing tenure means an eviction into homelessness.

Relying on community housing solely will not address homelessness in any community. Public housing must always be the central pillar.

Other differences also point to public housing as being the most appropriate form of tenure for addressing homelessness. In particular, this is relevant to the different methods of calculating rent between public and community housing, and also the rules about how properties are allocated in each form of tenure.

Calculation of rent

Rents in public housing are capped at 25 per cent of household income. People who live in public housing therefore pay the lower of:

- Market Rent, or
- 25 per cent of household income (called rebated rent).

People who live in public housing are not eligible to receive Commonwealth Rent Assistance.

Rents in community housing are generally more expensive. Community housing providers often charge at least 30 per cent of household income as rent, with some providers charging more. Additionally, people who live in community housing are required to claim Commonwealth Rent Assistance, with this payment going directly to the community housing provider.

This means that the person receiving Commonwealth Rent Assistance does not directly receive the benefit of this supplementary payment.

Allocation of properties

Although both public and community housing applications are held on the Victorian Housing Register, the rules about how properties are allocated to those who have applied for housing are different for each tenure type.

Public housing allocations must always be made to the person highest on the priority list with the greatest need for whom the property is suitable. If that applicant, for whatever reason, does not accept the property or cannot be contacted, the property is offered to the person with the next greatest need for whom the property is suitable.

This ensures that those with the most urgent of needs are placed as soon as possible.

Community housing providers have more discretion when offering properties, this can result in allocations being made to people whose need is less urgent than others and allows the provider to choose the tenants who are likely to be easier to manage, or more desirable.

Community housing providers must make 75 per cent of their allocations to people who are on the 'Priority Access' section of the Victorian Housing Register. However, when we consider that the 'Priority Access' section makes up more than half of all applications¹³, it becomes clear that this is still a very wide discretion.

Further, the remaining 25 per cent of allocations into community housing do not necessarily need to be made from the Victorian Housing Register at all.

The discrepancy in allocations rules is a key reason why we believe the existing proportional split between public and community housing stock levels must be protected – and that public housing must grow.

The nature of the allocations rules means that the only way to ensure that those with the greatest need are housed at the first opportunity, is to create growth in public housing.

Recommendations:

3. Victoria maintain the existing proportional split between public housing and community housing, being two thirds public housing, one third community housing.
4. The Victorian Government should reserve direct housing investment for the public housing tenure exclusively, to ensure public housing continues to grow.
5. All transfers of management of public housing to community housing providers should cease.
6. Legislation should be amended to mandate Inclusionary Zoning, to provide an additional growth avenue to community housing providers, in lieu of management transfers and grow social housing stock levels overall.

¹³ Victorian Housing Register and transfer lists by local area, accessible at Victorian Housing Register, <https://www.housing.vic.gov.au/victorian-housing-register>, (accessed 19 December 2019).

7. The Victorian Government continue to advocate to Federal counterparts for an increase in Allowance payments.

PROJECTED NEED VS PIPELINE OF PROJECTS

We acknowledge that the Victorian Government currently has a number of initiatives which are focussed on increasing the number of social housing properties in the State.

Renewals of inner-city public housing estates are taking place, with a minimum requirement that the number of dwellings plus 10 per cent, are replaced on the sites. Positively, sites where tenders have been awarded have all delivered in excess of the prescribed 10 per cent uplift. However, we are very concerned that all announced tenders to date also involve a transfer of management of the properties to a community housing provider. As stated previously, this is a serious concern for the housing prospects of some of Victoria's most vulnerable people, and also for existing tenants who could face a reduction in the rights and protections afforded to them as a result of this change.

Additionally, the 2019 Budget formalised a commitment to build 1,000 new public housing properties over the forward estimates.

While these initiatives are certainly welcome, they do not come near addressing the level of need.

If, as a community, we are serious about addressing homelessness, then we must do more.

In Victoria during the 2018-19 financial year, one in 57 people received assistance from a specialist homelessness services, this is a rate significantly higher than the national average which is one in 86. Each day during the same timeframe, specialist homelessness services in Victoria turned away an average of 105 requests for assistance.¹⁴

¹⁴ Australian Institute of Health and Welfare, Specialist Homelessness Services annual report 2018-19, Fact sheet: Specialist homelessness services 2018-19 Vic, accessed online 3 January 2020,

The 2016 Census recorded 24,817 Victorians as experiencing homelessness. The nature of Census data collection means that this is a point in time figure, and the number of Victorians who actually experience homelessness in any given year is likely to be higher.¹⁵

According to these same Census figures, the number of people experiencing homelessness in Victoria has been steadily increasing, from 18,154 in 2001 to almost 25,000 in 2016.¹⁶

Further, we anticipate that the number of people on the Victorian Housing Register will swell to 100,000 at some point in 2020.

Currently 3.2 per cent of Victoria's housing stock is social housing. To address current and future housing needs, we believe that Victoria needs to increase social housing stock to equivalent of 4.5 per cent of all housing – in line with the national average.

In order to do this, we would need to construct 6,000 properties every year, over the next 10 years.

We believe a portion of those properties must be allocated to Aboriginal Housing, and the significant proportion should be public housing properties.

Recommendations:

8. To raise the proportion of social housing in Victoria to the national average of 4.5 per cent, the Victorian Government should create a strategy to construct 60,000 social housing properties over the next 10 years. Of these properties:
 - a. At least two thirds must be Director of Housing owned and managed public housing properties; and
 - b. A portion must be allocated to Aboriginal Housing.
9. The Government should commit to maintaining the management rights of all new constructed public housing properties on Public Housing Renewal Program sites, where tenders have not yet been awarded.

<https://www.aihw.gov.au/reports/homelessness-services/shs-annual-report-18-19/fact-sheets-by-state-and-territory>.

¹⁵ Australian Bureau of Statistics, Census of Population and Housing: Estimating Homelessness, 2016, Table 1.1.

¹⁶ Australian Bureau of Statistics, Census of Population and Housing: Estimating Homelessness, 2016, Table 1.1.

ATTAINING AND MAINTAINING TENANCIES

In the 2017-18 financial year, 8.1 per cent of people accessing homelessness support were already living in public housing. At the end of a support period, 12 per cent of people who had accessed support were living in public housing.¹⁷

This emphasises the importance of the role public housing can play in addressing homelessness.

It is critical that tenancies are supported where necessary with appropriate interventions and assistance, so that they can be maintained. Effective programs to assist people maintain their tenancies already exist – but are over stretched.

Tenancy Plus contracts are held by a variety of Not-for-Profit organisations, which vary from region to region.

The Tenancy Plus program provides support to people in social housing whose tenancies are at risk, to get their tenancy back on track so that they can stay in their home. This support is provided as time limited case management, and in some areas, there are long waiting times before a case manager can be assigned. This causes situations to escalate and become worse before support can be provided.

Additionally, time limited case management is an ineffective way of addressing some underlying issues which may be the root cause of tenancy problems, such as trauma, drug or alcohol dependence, or other mental health issues.

Further, increasing demand for public housing over a long period of time, combined with stagnant stock levels, has led to a constant residualisation of public housing and its tenants.

The profile of the public housing tenant cohort has shifted significantly since public housing was first constructed in Victoria. A significant proportion of today's cohort of tenants tend to face more, and more complex, personal challenges which directly impact their capacity to maintain a tenancy.

¹⁷ Australian Productivity Commission, Report on Government Services 2019, Chapter 19, Homelessness Services, Table 19A.31.

This makes the job of Housing Officers more dynamic and demanding today than it was 50 years ago.

Some tenants require a higher level of support than others.

Currently, Housing Officers manage around 300 tenancies each. With this workload, it is not only difficult for them to provide the level of bespoke support which some tenants require, it is also impossible for them to do so whilst also managing the day to day needs of their other tenants.

The Department of Health and Human Resources already has a Support for High Risk Tenancies and a Multiple and Complex Needs programs which operate, but again, their capacity is limited.

We believe that extending these programs (Tenancy Plus, Support for High Risk Tenancies and Multiple and Complex Needs) would be beneficial to both Housing Officers and current and future tenants of public housing, including those who have experienced homelessness.

Recommendation:

10. Existing tenancy assistance programs; Tenancy Plus, Support for High Risk Tenancies and Multiple and Complex Needs to be extended, to assist at risk individuals to maintain their tenancies as needed, and to ensure Housing Officers can service all people promptly.

CONCLUSION

Thank you for the opportunity to provide this submission to the Inquiry. Please do not hesitate to contact us if you have further queries in relation to anything mentioned in this document, by calling 03 9481 4500, or emailing Manager of Policy and Communications, Katelyn Butterss on kbutterss@vpta.org.au.

Katelyn Butterss

Manager, Policy and Communications

On behalf of the Victorian Public Tenants Association

SUMMARY OF RECOMMENDATIONS

1. Victoria pilot a 'Housing First' response to homelessness, in recognition of the critical, foundational role that access to safe and secure housing plays.
2. Existing Government commitments regarding construction of new public housing be significantly extended in order to address current and future housing needs.
3. Victoria maintain the existing proportional split between public housing and community housing, being two thirds public housing, one third community housing.
4. The Victorian Government should reserve direct housing investment for the public housing tenure exclusively, to ensure public housing continues to grow.
5. All transfers of management of public housing to community housing providers should cease.
6. Legislation should be amended to mandate Inclusionary Zoning, to provide an additional growth avenue to community housing providers, in lieu of management transfers and grow social housing stock levels overall.
7. The Victorian Government continue to advocate to Federal counterparts for an increase in Allowance payments.
8. To raise the proportion of social housing in Victoria to the national average of 4.5 per cent, the Victorian Government should create a strategy to construct 60,000 social housing properties over the next 10 years. Of these properties:
 - a. At least two thirds must be Director of Housing owned and managed public housing properties; and
 - b. A portion must be allocated to Aboriginal Housing.
9. The Government should commit to maintaining the management rights of all new constructed public housing properties on Public Housing Renewal Program sites, where tenders have not yet been awarded.
10. Existing tenancy assistance programs; Tenancy Plus, Support for High Risk Tenancies and Multiple and Complex Needs to be extended, to assist at risk individuals to maintain their tenancies as needed, and to ensure Housing Officers can service all people promptly.