



Victorian Election Platform 2022



Who We Are

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

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

We believe all social housing renters deserve a representative voice, regardless of their specific tenure type.

While our work is in Victoria – we are the only peak body in Australia which exclusively represents public housing renters or people who live in social housing.

We undertake systemic advocacy and provide policy advice to the Victorian Department of Families, Fairness and Housing ('the Department'), undertake community engagement work and operate a free and confidential telephone advice service.

In the 2021-22 financial year we assisted more than 650 residents and applicants with in-depth advice and assistance and experienced a 30% increase in workload.

Terminology

Social housing' is an umbrella term, which refers to different types of long-term, subsidised rental accommodation. There are two types of social housing – public and community.

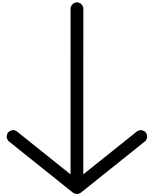
'Public housing' is housing that is managed by, and usually also owned by the Victorian Government. This is the traditional form of social housing, and renters pay either a rebated rent, or market rent, whichever is lower. In public housing, rebated rent is calculated as 25% of household income, plus 15% of child-related payments (such as Family Tax Benefit or child support).

Allocations in public housing must always be made to the household or applicant that is suitable for the available property that is in the greatest need.

'Community housing' is housing that is managed by a not for profit organisation, sometimes the manager of the housing also owns the properties, sometimes they are leased from the Victorian Government, and sometimes the homes are leased by a third party. Rent in community housing is also rebated, but each provider has their own method of calculating rebated rent – it is usually more expensive to live in community housing than it is to live in public housing.

Allocations in community housing are often taken from the priority section of the waitlist, but do not have to be made to the household in greatest need.

The proposals in this document, if implemented, will allow the 60th Parliament to:



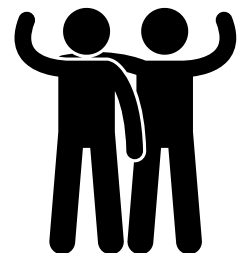
Rapidly shrink the existing waitlist, by introducing Housing Asset Bonds to house families and individuals **while the long-term work of planning for and building public housing takes place.**

Deliver expertly designed, sector approved reforms to improve social housing for all Victorians.



Provide up to \$535 in energy savings for public housing households every year, tackling cost of living pressures and **creating cleaner, greener, public homes.**

Ensure Victorians emerge strongly from Covid-19 together, with no groups left behind.



Entrench Victoria as Australia's leading jurisdiction in social housing reform by being the first to include the human right to housing in legislation.

Rapidly shrink the existing waitlist, while long term growth takes place

The \$5.6 billion commitment to the Big Housing Build in 2020 was historic. Nonetheless when that program is complete Victoria's total social housing stock will still fall short of the national average.

A long-term solution plainly requires greater access to affordable, long term homes that Victorians can live in with security and dignity – a significant expansion on the existing commitment that will grow public housing stock, community housing stock, affordable housing stock and culturally safe housing options for Aboriginal and Torres Strait Islander peoples by at least **60,000 properties**, of which a minimum of two thirds should be public housing.

In the interim period, a solution is still needed for the 100,000 Victorians - parents, grandparents, and children - that cannot wait four or more years for Government building programs to be completed.

On the most recent Census night, more than one million homes in Australia were vacant. Despite this, Victoria currently has in excess of 50,000 applications for social housing, and of these, more than half are considered a priority.

Head-leasing private properties is an approach that has long been used to bolster existing public housing stock, but these arrangements often only last for a short period of time. The Government could gain ongoing access to a portion of Victoria's vacant homes by creating a Housing Asset Bond (HAB).

Unlike traditional Government Bonds where investors provide cash to Government for a set period in return for an interest rate typically greater than inflation, HAB participants would agree to lease a vacant property to Homes Victoria for temporary inclusion in the public housing stock for a period of 10 – 15 years. Rather than receiving returns in the form of interest, Homes Victoria would instead pay participants market rent plus one per cent.

Market rent would be calculated alongside the existing public housing market rent desktop valuations which already occur every second year and adjusted as necessary.

Homes Victoria would set eligibility and selection criteria that ensure the HAB did not further fuel affordability issues in the property market, and that ensure value for money, such as:

- Requiring participating properties to be purchased by their current owner prior to the program announcement,
- Participating properties are compliant with the minimum standards in the *Residential Tenancies Act* prior to entering the program,
- Targeting property intake to align with the size and geographic requirements of applicants on the Victorian Housing Register.

In return for participating in the HAB, Homes Victoria would provide investors:

- Greater than market rent on their vacant property for the life of the Bond,
- The property returned to the owner in the state it was received, less reasonable wear and tear,
- Significant savings in terms of avoided expenditure on account of maintenance, management fees, time and effort of the owner, and risk of the property being vacant. The only ongoing expense to participants associated with the property would be Council rates.

The VPTA estimates that the average annual cost to Government per HAB property would be around \$11,000^[1], plus maintenance. The current recurrent expenditure per public housing property in Victoria is \$46,917, including capital costs.^[2]

The cost of HAB properties to Government would be offset by the rent charged by Homes Victoria.

These costs could be further offset by reforming elements of the Vacant Residential Land Tax. Options for reform of this tax include:

- Applying the tax to vacant residential properties in a broader area, it currently only applies in 16 Local Government Areas, or
- Removing voluntary notification of vacant properties, or
- Increasing the rate. Currently, the tax is one per cent of the capital improved value of taxable land. For example, a vacant residential property with a value of \$500,000 incurs a \$5,000 annual tax.^[3]

Tightening rules around this tax may also incentivise property owners to participate in the HAB program.

The HAB is not intended to replace investment in long term, Government owned, public housing construction. Rather, it is recommended as a short-term solution, until the required stock becomes available.

The VPTA continues to strongly advocate that Government commit to building an additional 60,000 dwellings, 6,000 each year over ten years to permanently grow Victoria's social housing stock, with an emphasis on the construction of publicly owned and managed properties.

While this work is in progress, the HAB proposal offers a viable lifeline to the tens of thousands of Victorian families living in insecure, and unaffordable homes.

A program similar to HAB, the Private Rental Incentive, has been operating in Tasmania and was recently expanded to include a larger number of properties. Additionally, a scheme to incentivise landlords to offer longer leases was considered in the 2017 AHURI Report, 'Australian Demographic Trends and Implications for Housing Assistance' and found to be viable. The key difference between these initiatives, and the HAB, is that the latter seeks to co-opt existing properties into the public housing stock portfolio, and operates over a longer period.

By implementing this recommendation, we could house those who need support today, while we get on with the job of building the permanent housing stock we need for tomorrow.

[1] See workings in Appendix

[2] Australian Productivity Commission, 2022 Report on Government Services, Table 18A.43.

[3] Victorian Government, State Revenue Office, 'Vacant Residential Land Tax', accessed online, 16 August 2022.

Deliver expertly designed, sector approved reforms to improve social housing for all Victorians

Government must implement the recommendations of the Social Housing Regulatory Review Panel, in particular:

- a. Introducing policy and practice reforms which do more to prevent evictions from social housing tenures into experiences of homelessness,
- b. Extend the role of the VPTA to ensure all social housing renters have equal access to independent representation,
- c. Introduce common regulations which level the playing field - lifting the rights and protections available to community housing renters to those which are currently available to people who live in public housing, and
- d. Introducing an independent dispute resolution body.

The Regulatory Review was announced alongside the Big Housing Build, to ensure that Victoria's larger social housing sector is properly structured and equipped to assist renters access and sustain tenancies now and into the future.

The community sector has engaged deeply with the expert panel appointed, and the Interim Report suggested a number of important reforms that were broadly welcomed. Notably, recommendations aimed at putting greater protections in place to prevent evictions into homelessness, and greater support for renters through advocacy mechanisms such as expanding the role of the VPTA to become the peak body for all social housing renters, and important steps to ensure greater equity for social housing renters across different tenure types.

The work of the panel has concluded, with a Final Report and recommendations having been provided to Government in mid-2022.

Despite the time, important nature, and expense of this process, the Government has not released the Final Report, or indicated which, if any, of the recommendations will be implemented.

These recommendations should be implemented as a matter of priority – it's an investment in the success of the Big Housing Build.

Cleaner, greener, and more affordable public homes

We have welcomed Government's commitment to including solar panels on as many new social housing properties as possible.

The fact that 500,000 Victorians households are already benefitting from rooftop solar panels is cause for celebration.[1] Existing public housing renters remain the last group of Victorians with no opportunity to access assistance for the installation of solar panels on their homes. This is despite these homes being some of the least thermally efficient housing stock[2]. Further, people who live in public housing spend more on energy than other Victorian households while also being the most at risk of experiencing energy hardship.

A 2021 survey conducted on behalf of the Independent Social Housing Regulatory Review found that public housing participants ranked the cost of heating and cooling their homes as one of the most important features of a property.

We estimate that there are 23,461 existing public housing properties that are suitable for installation of rooftop solar panels, which could save each household up to \$535.49 per year in lower energy bills.

This program would create an additional 1,118 jobs, at a cost of \$117,305,000. There is a strong opportunity to drive jobs growth and household savings by installing solar panels on some existing public housing properties, creating cleaner, greener and more affordable homes.

[1] Premier of Victoria, Victorians Embracing Solar at Record Levels, www.premier.vic.gov.au/victorians-embracing-solar-record-levels, 17 January 2021.

[2] Australian Housing and Urban Research Institute, Warm, cool and energy-affordable housing policy solution for low income renters, 2020, pg 5.

Ensure Victorians emerge strongly from Covid-19 together

One of the few silver linings of the Covid-19 pandemic, was that resources finally became available for services to connect with and assist traditionally hard-to-reach communities. Examples include the Homeless to a Home (H2H), and High Risk Accommodation Response (HRAR) program.

Despite showing promising outcomes, funding for these initiatives has begun to be wound back. Although there have been some short-term extensions, there is still no guarantee that these programs will continue longterm.

The VPTA spoke with a community engagement officer who had worked in the HRAR program. They described the funding as finally giving services the human capacity that had long been needed to create strong, trusting relationships with members of the community that are less likely to engage with services. Now that those staff are no longer available, that trust will have to be re-built.

They characterized the system pressures currently being experienced as leading to a situation akin to having an ambulance racing to the bottom of a cliff to pick up those who have fallen, and staff funded through HRAR as safety barriers, which prevent people from getting close to the edge.

Many community advocates credited the extra outreach staff funded through HRAR as being the reason that many people in their communities overcame barriers to vaccination, and have said they led to greater community participation overall.

The H2H program promised access to long term, secure housing, with support for people who had experienced homelessness leading up to the pandemic. Allowing the funding for this program to lapse potentially places these homes in jeopardy.

These programs, and others like it, should be made ongoing so that all Victorians emerge from the pandemic stronger, with no group left behind.

Entrench Victoria as Australia's leading jurisdiction in social housing reform

Momentum has been growing within this term of Government, with consensus building strongly around the need to provide greater clarity around the status of housing in the Victorian Charter of Human Rights and Responsibilities Act 2006 (Vic).

The Government commissioned Independent Social Housing Regulatory Review has called for the role of community housing providers to be clarified in the Charter.[1]

Additionally, the Legislative Council Legal and Social Issues Committee's Final Report from their Inquiry into Homelessness in Victoria recommended the inclusion of housing in the Charter,[2] as has the Victorian Ombudsman.[3]

The United Nations International Covenant on Economic, Social and Cultural Rights recognises housing as a human right at Article 11.[4]

That housing is a human right is uncontested. Our legislation should reflect this core truth.

The next Victorian Parliament should lead the way in Australia, as the first jurisdiction to include housing in human rights legislation. As the jurisdiction which during the pandemic made an historic investment in social housing construction, this is a logical and fitting next step.

[1] Social Housing Regulatory Review Panel, 'Social Housing Regulation Review Interim Report', December 2021, pg 12.

[2] Parliament of Victoria Legislative Council Legal and Social Issues Committee, 'Inquiry into Homelessness in Victoria – Final Report', March 2021, pg xxxv-xxxvi.

[3] Victorian Ombudsman, 'Investigation into complaint handling in the Victorian social housing sector,' 2022, page 98.

[4] Office of the High Commissioners, Human Rights, 'International Covenant on Economic, Social and Cultural Rights', <https://www.ohchr.org/en/instruments-mechanisms/instruments/international-covenant-economic-social-and-cultural-rights>.

Appendix 1 – Housing Asset Bond Calculations

Table 1: Household income and rebated rent amounts¹

	Household A	Household B	Household C	Household D
	Single person, 42 years old	Couple, 70 and 75 years old	Single parent, 1 5 year old, 1 10 year old	Single parent, 1 child, 16 years old, studying full time
Base Payment	Jobseeker	Age pension	Parenting Payment	Jobseeker
	\$642.70	\$1,358	\$863	\$642.70
Energy Supplement	\$8.80	\$21.20	\$12	\$9.50
Pension Supplement	n/a	\$109.60	\$25.20	n/a
FBT A	n/a	n/a	\$395.92 (assumes maximum rate per child, excludes supplement)	\$257.46
FBT B	n/a	n/a	\$168.28 for 5 year old \$117.48 for 10 year old	\$117.46
Total	\$651.50	\$1,488.80	\$1,581.88	\$1,027.12
Rebated rent (fortnightly) amount (25% of gross assessable income + 15% of child related payments)	\$162.87	Excludes pension supplement \$344.6	Excludes pension supplement \$218.75 + \$102.25 = \$321	\$163.05 + \$56.24 = \$219.29
Annual rebated rent	\$4,234.62	\$8,959.60	\$8,346	\$5,701.54

Table 2: Weekly median rent by LGA and property size²

	Shepparton	Brimbank	Melbourne
1 bed	\$190	\$260	\$329
2 bed	\$275	\$340	\$475
3 bed	\$360	\$375	\$725

¹ Assumptions: Pension Supplement is excluded from gross assessable income, families receive maximum amount of FBT A and FBT B, families receive no child support, household has no rental or maintenance debt, excludes FBT supplement amounts.

² Source – DFFH, Tables from Rental Report March quarter, <https://www.dffh.vic.gov.au/publications/rental-report>

Table 3: Total annual cost to Government, per property type³

	Shepparton	Brimbank	Melbourne
1 bed	\$9,978.80	\$13,655.20	\$18,907
2 bed	\$14,443	\$17,856.80	\$24,947
3 bed	\$17,279.08	\$19,695	\$38,077

Table 4: Total annual cost to Government, per household type and location⁴

	Shepparton	Brimbank	Melbourne
Household A	\$5,744.18	\$9,420.58	\$14,672.38
Household B	\$1,019.20	\$4,695.6	\$9,947.40
Household C	\$8,933.80	\$11,349	\$29,731
Household D	\$8,741.46	\$12,155.26	\$19,245.46

Average cost per home, per year⁵: \$11,304.61 (plus responsive maintenance costs)

³ Annual market rent, +1%

⁴ Property size determined by public housing allocations guidelines. Annual cost to Government = annual market rent + 1% (per table 3) less the amount of rebated rent charged to the household (per table 1).

⁵ Assumes owners continue to pay rates, but meet no other expenses.