

Committee Secretary  
Senate Standing Committees on Community Affairs  
By email only: [community.affairs.sen@aph.gov.au](mailto:community.affairs.sen@aph.gov.au)

3 February 2023

Dear Secretary

Thank you for inviting the Victorian Public Tenants Association ('VPTA') to provide a submission to the Committee's inquiry into the extent and nature of poverty in Australia. This submission focusses exclusively on the inter-relationship between poverty and access to long term, safe and affordable housing.

#### Our work

The VPTA is Australia's only peak body which exclusively represents the interests of, and advocates for, people who live in any kind of social housing and people on the waiting list. The organisation was founded in 2000 by tenants of public housing, for tenants, and remains the voice of public housing in Victoria today.

The VPTA manages a free and confidential telephone advice line to assist renters and applicants resolve issues with their housing provider, as well as conducting outreach efforts across the State, providing policy advice to Government, advocating for improved conditions and services for existing and future public housing renters and also hosts the Aboriginal and Torres Strait Islander Tenant Advocate pilot program. This program is the only source of culturally safe, free and confidential housing advice for Aboriginal and/or Torres Strait Islander households in Victoria that is also independent from a landlord.

Renters and applicants most commonly seek assistance to resolve maintenance issues in their homes, or to discuss an issue regarding the housing waitlist (in Victoria, known as the Victorian Housing Register, or 'VHR').

Our team has seen significant increase in demand over time, and over the most recent calendar year in particular.

Time periods	Number of cases opened
<b>Calendar year comparison</b>	
2020	477
2021	582
2022	1,018
<b>Financial year comparison</b>	
2020-21	512
2021-22	666
2022-23 (1 July – 31 December)	644

Source: Internal data, unpublished

Although workload has drastically increased, the types of issues raised with the VPTA's Tenant Advocates have remained more or less consistent.

Year	Maintenance	Waitlist related*	Rent	All other issues**
2020	168	152	39	118
2021	210	216	41	115
2022	378	373	77	190

\* The VPTA's internal database for case management separates waitlist cases for existing renters and applicants into 'Transfer/Swaps' for the former, and 'Wait List' for applicants. This field combines the two.

\*\* The VPTA classifies cases as being one of the following; Maintenance, Transfer/Swaps, Wait List, Rent, Tenant Disputes, Breach, Information

Source: Internal data, unpublished.

### 'Wicked' siblings

Few would argue that housing has become more difficult to obtain over time – both to purchase and rent. Today, it is uncontroversial to say that Australia has a housing crisis. As a society, we are less willing to 'say the quiet part out loud' – that housing has become unattainable for so many everyday Australians because the system is working exactly as it was designed to.

Through the use of federal policy levers such as negative gearing and capital gains exemptions, Australians have been encouraged to view homes as tools for wealth creation, rather than what they are, shelter.

Homes are central to the wellbeing of the people who live in them. They are the keystone upon which everything else leans for support – health, nutrition, employment, education, access to the equality of opportunity that earned Australia the nickname of 'the lucky country'. When a stable, secure, and affordable home is removed from the picture the dominoes topple.

Poverty in Australia cannot be separated from our housing problem. They are ‘wicked’ siblings, each driving growth in the other.

The 2022 Report on Government Services showed this clearly – where in previous years around 45 per cent of households receiving the Commonwealth Rent Assistance (‘CRA’) payment were nonetheless experiencing housing stress, when income support payments temporarily increased in 2021, the proportion of CRA recipients experiencing housing stress dropped substantially to 29.4 per cent.<sup>1</sup>

However, it is not just the having of a home that is required – the quality and security of the home is likewise vital.

Security in this context doesn’t refer to surveillance (passive or otherwise), or alarms, but security of tenure. Having security of tenure means that residents are comfortable in the knowledge that their home will continue to be there to return to, and that it will remain affordable. It is confidence in security of tenure that allows those who have had traumatic experiences in the past begin to recover, settle, and take advantage of the launching pad that housing provides.

This is why the VPTA has always been in strong opposition to policies which seek to limit the duration of public housing tenancies or to periodically review household eligibility. Though we acknowledge that there is significant demand for the scarce resource that is public or community housing, policies which seek to review eligibility rob residents of the perception of strong security of tenure, and therefore discourage efforts to participate in labour markets, or other activities which could improve the households long term position. Rather than breaking cycles of intergenerational poverty, policies such as these entrench them.

The security of tenure offered by public housing has been considered by academics to be superior to any other housing intervention, and a key factor leading to avoidance of experiences 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.”<sup>2</sup>

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<sup>1</sup> Sam Nichols, ‘Nearly half of CRA recipients in housing stress’, online, <https://www.mortgagebusiness.com.au/economy/16438-nearly-half-of-cra-recipients-in-housing-stress>, accessed 2 February 2023.

<sup>2</sup> 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.

A quality home is one that keeps its inhabitants warm, cool, and dry. It is well-insulated, affordable to live in – and importantly, it doesn't make inhabitants sick through the presence of black mould, pests or other irritants.

Poor quality homes also impact the ability of residents to grasp the opportunities an affordable, long term home can provide. For example, a study completed by Mallee Family Care and the University of Sydney found that an inability to cool a hot home during periods of extreme heat has several severe impacts on residents, such as:

- Decreased ability to sleep,
- Poor or altered performance of prescribed medications,
- Increased incidence of violent crime and family violence,
- Poorer physical health outcomes generally,
- Lower school attendance, and
- Feelings of helplessness.<sup>3</sup>

Experiencing any one of these side effects regularly would have a considerable impact on the ability of a household to meaningfully participate in communities to change their situation.

### What is to be done?

Australia cannot become a more equal society until we reckon with our housing crisis. The scale of need is now so broad, that a similarly broad range of interventions will be required.

There is a place for schemes to assist first home-buyers that are well designed and avoid the common side effect of increasing demand in scorching markets. Likewise, it will be important to ensure that Affordable Housing schemes can be piloted and scaled where successful to capture key worker and low to moderate income demographics that have been priced out of housing within reasonable distances of the communities in which they work and learn.

For the Australians on the lowest incomes, Governments must build significantly more public housing and manage those properties themselves.

A side effect of the Australian communities obsession with property as the road to financial freedom has been an unchallenged expectation that it can, and must always be, profitable. Access to housing is a human right, and as such, Governments have the responsibility to be the provider of last resort. Moreover, public homes are vital community infrastructure.

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<sup>3</sup> Lander, J., Breth-Petersen, M., Moait, R., Forbes, C and Stephnes, L., Dickson, M. 'Extreme heat driven driven by the climate emergency: impacts on the health and wellbeing of public housing tenants in Mildura, Victoria. Report prepared for Mallee Family Care.'  
[https://www.malleefamilycare.org.au/MFCSite/media/PDFDocuments/PublicHousing/2019/MalleeFamilyCare\\_PublicHousing\\_Report\\_2019.pdf](https://www.malleefamilycare.org.au/MFCSite/media/PDFDocuments/PublicHousing/2019/MalleeFamilyCare_PublicHousing_Report_2019.pdf), pg 5 – 9, accessed 2 February 2023.

Australia has lauded universal access programs for health and education – we don't expect them to turn a profit or to break even. They are core public service delivery. Our mindset towards public housing needs to shift to match how we consider health and education.

In that vein, we cannot keep waiting for private enterprise, the market, institutional investors, or even not for profits to solve our housing problems for us. They haven't. They won't. Though third parties may prove helpful partners along the way, the work of housing Australians and of breaking intergenerational cycles of poverty lies squarely with Government.

To make progress, we must build more public housing and increase income support payments.

### 1. Build Public Housing.

Recent years have seen State and Federal Governments alike become more likely to invest in community housing managed properties rather than publicly managed, traditional public housing.

The VPTA is not opposed to community housing – any day that sees new social housing become available for people who need it is a day for celebration. However, we don't believe that the community housing industry has the capacity to resolve our housing and homelessness crisis on its own.

Community housing providers are valuable partners in the battle for more fair communities, but public housing cannot vacate the field. The public housing tenure is inherently better suited to housing those on the lowest levels of income support payments – such as Youth Allowance and JobSeeker.

In the study referenced earlier, Professor Johnson elaborates:

“Community housing on the other hand appears not to offer the same level of protection. These findings emerge despite community housing being affordable, however security of tenure is weaker possibly because providers are more dependent on rent revenue and therefore less tolerant of rental arrears.”<sup>4</sup>

This analysis is echoed by St Kilda based community housing provider, South Port Community Housing Group Inc:

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<sup>4</sup> Ibid, Johnson et al, pg 18.

“...our compassion can only last so long. We are established as ‘social businesses’. Our staff wages are paid by rent collected.”<sup>5</sup>

## 2. Review and Reform Income Support Payments

Income Support payments in Australia – especially allowance level payments – continue to sit far below adequate levels on any measure.

Time and experience has thoroughly disproven the bootstraps notion that forcing someone to exist at subsistence levels will be sufficient to see them enter the workforce. JobSeeker (formerly known as Newstart) recipients report being unable to afford housing, food, utilities, as well as the internet or transport required for them to both comply with the payment requirements and attend interviews.

Instead of providing motivation, the low level of allowance payments is limiting and demoralising.

Further, the low level of income support payments prevents recipients from accessing even community housing at times, as expressed by the peak body for community housing New South Wales:

“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 system is financially unsustainable.”<sup>6</sup>

CRA is playing a key role in keeping some Australians out of housing stress. There is a clear need to ensure that this is the most efficient structure, and that the amounts are adequate.

The VPTA would however caution against reliance on CRA (reformed or otherwise), as a mechanism to deliver wholesale change, as some have proposed.

Increases to the availability or amount of CRA will inevitably find their way to private interests and have the potential to increase rents in the private market by increasing the base level that renters can afford to pay. These increased rents will go to landlords who are operating the poorest quality private rental properties.

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<sup>5</sup> 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.

<sup>6</sup> 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.

The VPTA would instead propose that increasing the availability of public housing would remove demand for private rentals at the bottom end of the market, and therefore push prices down making these homes for accessible for renters on low incomes. This, coupled with residential rental reforms similar to those which came into effect in Victoria in 2021, would substantially improve housing outcomes for low to moderate income Australians who rely on the private rental market for their housing.

The VPTA would be happy to provide the committee with any further information, or clarification it requires regarding the matters addressed above.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Katelyn Butterss', with a stylized flourish at the end.

Katelyn Butterss  
**Chief Executive Officer**  
Victorian Public Tenants Association