

T R A N S C R I P T

LEGISLATIVE COUNCIL LEGAL AND SOCIAL ISSUES COMMITTEE

Inquiry into the Redevelopment of Melbourne's Public Housing Towers

Melbourne – Wednesday 6 August 2025

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WITNESS

Sarah Toohey, Chief Executive Officer, Community Housing Industry Association.

The CHAIR: Welcome back to the next session of the Legal and Social Issues Committee inquiry into the redevelopment of the public housing towers in Melbourne. I am Joe McCracken, the Chair. We are going to go through and introduce the rest of our committee. I will go to Mrs Hermans first.

Ann-Marie HERMANS: Ann-Marie Hermans, Member for the South-Eastern Metropolitan Region. Hi.

Anasina GRAY-BARBERIO: Hi. Good morning. Anasina Gray-Barberio, Northern Metro.

Aiv PUGLIELLI: Hi. Aiv Puglielli, North-Eastern Metro.

Michael GALEA: G'day. Michael Galea, Member for South-East Metro.

Ryan BATCHELOR: Ryan Batchelor, Member for the Southern Metropolitan Region.

The CHAIR: And Dr Heath as well.

Renee HEATH: Renee Heath, Member for Eastern Victoria Region.

The CHAIR: Hang on, online we have also got:

Jacinta ERMACORA: Jacinta Ermacora, Member for Western Victoria Region.

The CHAIR: All evidence taken is protected by parliamentary privilege as provided by the *Constitution Act 1975* and further subject to the provisions of the Legislative Council standing orders. Therefore the information that you provide during the hearing is protected by law. You are protected against any action for what you say during the hearing, but if you go elsewhere and repeat the same things, those comments may not be protected by that same privilege. Any deliberately false evidence or misleading of the committee may be considered a contempt of Parliament.

All evidence is being recorded. You will be provided with a proof version of the transcript, and that will ultimately be made public and put on the website, but you will have an opportunity to make minor corrections as need be.

Just for the Hansard record, are you happy to say your name, title and the organisation you are appearing on behalf of. Thank you.

Sarah TOOHEY: Certainly. I am Sarah Toohey. I am the CEO of the Community Housing Industry Association of Victoria. We refer to it as CHIA Vic for short.

The CHAIR: Thanks very much for that. Now, I understand there is a short presentation. So I will hand over to you, and then we will go to questions. Welcome, and thanks for appearing today.

Sarah TOOHEY: Fantastic. Thank you. I am sure the committee did this at its opening, but I would like to start my presentation by acknowledging the traditional owners of the lands on which we are meeting today and pay my respects to elders past and present, and to note that Aboriginal Victorians disproportionately bear the brunt of our current housing crisis.

CHIA Vic is the peak body that represents the not-for-profit community housing sector in Victoria. Our members manage over 26,000 homes, including long-term social housing, crisis and transitional housing, affordable housing and specialist disability accommodation. For the purposes of today's presentation, when I talk about community housing, I will be referring to long-term social housing because that is the majority of the housing our members manage and that is what is most relevant to the committee's terms of reference.

Before I start about our submission, I want to take a minute to talk about community housing, because despite being almost a third of the social housing system in Victoria, it is not a model that is well understood. Community housing organisations exist to deliver affordable rental homes to those that need them. That is their

purpose. They are not-for-profit, and any surplus they make goes back into building more homes and delivering tenant services. That is the mission of these organisations, but it is also a constitutional and legal requirement as charitable registered housing organisations. Community housing exists to meet the housing needs of the community, whether that is the desperate housing need we see in the overall population or the specific housing needs of different groups like Aboriginal Victorians, women, people with disabilities and older people experiencing homelessness. One hundred per cent of long-term community housing vacancies are allocated to people off the Victorian housing register, and in the 2023–24 financial year 83 per cent of allocations went to households in the priority category.

Community housing organisations are dedicated to meeting the housing needs of vulnerable Victorians, and they do that job well. Every two years the Australian Institute of Health and Welfare publishes data on social housing tenants' satisfaction with their housing services. Consistently, community housing renters report higher rates of satisfaction than public housing renters. In the last survey 73 per cent of community housing renters were satisfied with their housing services, compared to 62 per cent of public housing renters. Community housing is a delivery partner that allows government to build more homes with the funding available. We reduce costs to government by co-contributing a mix of land, debt funding and equity, and often that is between 15 and 30 per cent of the project cost. We also reduce delivery costs by being GST exempt due to our charitable status. Finally, community housing renters are eligible for Commonwealth rent assistance, which means rents can cover the cost of tenancing and maintaining the homes.

In the most recent round of funding to community housing organisations under the Victorian government's Big Housing Build, the average cost to government was \$359,000 per unit. This compares to an average cost of \$645,000 a unit for government delivery under the social housing accelerator program. With any given quantum of government funding, community housing can build more homes. Community housing organisations are regulated under the *Housing Act*, with performance standards set by the housing registrar, the dedicated government regulator for community housing. They report annually on key performance measures like vacancy rates, vacant turnaround times and tenant satisfaction. There is also a whole performance monitoring regime that goes into the policies and processes of each organisation. Community housing organisations want to see more homes built. They are an integral part of the social housing system in Victoria, and they exist to address the housing needs of people failed by the private market. At the last census there were 146,000 people in Victoria who had an unmet housing need. They were experiencing homelessness or they were on a low income and paying more than 30 per cent of their income in rent. These households need a social housing solution.

So CHIA Vic's first recommendation to the committee is that the redevelopment of the public housing towers should be part of a much bigger and more ambitious asset management and growth strategy for social housing in Victoria. This strategy should aim to lift the proportion of social housing in the state to 10 per cent of all housing by 2051. Our written submission said 8 per cent, but we have had updated modelling on the projected need for housing assistance to 2051 since that time. In the next 10 years, to get Victoria back to 4.5 per cent of all housing stock, which was the national average in 2021, we need to build 7990 new social housing units every year for 10 years. Building new homes is an important part of the growth strategy, but we also need to maintain and renew existing homes because that is just as important to the overall housing stock we have.

From 2005–06 to 2023–24 the number of social housing properties acquired adds up to almost 30,000 homes, but for the same period the overall stock grew by just over 16,000 units. That suggests that around 13,500 homes were disposed of or otherwise lost to the social housing system in that timeframe. So any growth plan has to account for and, importantly, plan for the renewal and redevelopment or disposal of existing social housing stock. Having that plan is so important because it means that the state can plan for the housing stock it needs ahead of any renewal. In our submission we have suggested that there be a co-occurring investment plan to build new social housing in the areas surrounding existing social housing towers earmarked for redevelopment. This would allow for early engagement with residents on their housing needs and give them the opportunity to co-design their new homes, remain in their existing communities and minimise the need to move multiple times when a redevelopment is completed. We need a bigger plan and more ambitious investment, because the towers are just one part of an entire social housing system.

On the theme of ambition, we think that the Victorian government can lift its ambition for social housing uplift in redeveloping these public housing tower sites. A 10 per cent increase in social housing is not enough. The Victorian government has already demonstrated across the redevelopments of 13 public housing sites now, that

they can achieve an uplift of between 11 per cent and 110 per cent. On average across those 13 sites there has been a 49 per cent increase in social housing. We would like to see the minimum social housing increase required on these sites to be lifted to 50 per cent. It is something that has been done in other sites, and it can be done here. We need to have much higher ambitions if we are to address the housing needs of low-income Victorians. That is the end of my presentation. I am happy to take questions.

The CHAIR: No worries. Thanks very much for that. I will kick off. You talked in your opening about various definitions and that sort of thing, and I know it is one of your recommendations as well. The premise of that question is that there is uncertainty about the definitions, about what is affordable housing, essentially. I mean, you have put in your submission why it should be altered. Can you talk a bit about that, please?

Sarah TOOHEY: Yes. There is lots of terminology in this. Affordable housing is your umbrella catch-all term, and that can mean anything to anyone, really. There are about five different affordable housing programs running in Victoria at the moment: there is affordable housing as defined by the *Planning and Environment Act*; there is affordable housing as defined under the Homes Vic's affordable housing program; there is affordable housing under the national rental affordability scheme; and there is affordable housing being funded by the federal government under the Housing Australia Future Fund. All of those have different parameters. If you are someone who is looking for an affordable housing product – and this is completely separate to social housing – how do you know what it is, how do you know where to find it and how do you know if it is going to meet your needs? So one of the key recommendations we have made to this and other inquiries and to the Victorian government is that we need to have a clear single definition for affordable housing, as distinct from social housing, across government programs.

The CHAIR: So what do you think that should be then?

Sarah TOOHEY: Yes, it gets really technical.

The CHAIR: We will keep it at a higher level.

Sarah TOOHEY: No, we can go to it.

The CHAIR: What sort of parameters should it meet then?

Sarah TOOHEY: We think it is really important that affordable housing is a separate category to social housing. So social housing is targeted to people on the lowest 40 per cent of incomes. We think affordable housing should be targeted to people from that 40 per cent of incomes to the midpoint of the moderate income range, so that is to the 40 to 50 per cent of incomes. And that is because affordable housing interventions serve a different purpose. Social housing is absolutely necessary. It is about making sure that people are not in housing poverty, and that is critical. Affordable housing programs can do a different thing in that they can make it more affordable to live in locations that are more desirable. They can play a labour market function, because you need childcare workers and aged care workers and baristas to be able to live in close proximity to their jobs because they need to show up physically for them. That is where we think affordable housing should be targeted. I think having a clear definition of what you are doing, why you are doing it, who you are doing for and what the subsidy is makes it really transparent to know if that investment is meeting the outcomes that it is supposed to.

The CHAIR: What should that definition be then, in your view?

Sarah TOOHEY: I can come back with our written definition, and I think it might even be in our submission, but it is that residents there should be paying 30 per cent of the midpoint of the moderate income range as set in the *Planning and Environment Act*.

The CHAIR: Okay. So you use that?

Sarah TOOHEY: Yes. We use the income bands in the P and E Act to say where affordable housing programs should target. I guess the distinction we are making between affordable housing programs and social housing programs is that in social housing rent is set as a proportion of your income; for affordable housing programs we think that the rent should be a fixed rent, like it is in the private market, in relation to the number of bedrooms but also with reference to what moderate income earners are earning.

The CHAIR: So there are two tests essentially?

Sarah TOOHEY: Yes.

The CHAIR: Okay. That is fair enough. I have got 2 seconds left – my time has expired, so I am going to hand over to Mr Galea.

Michael GALEA: Thank you very much. Thanks for joining us today, Ms Toohey. Just to dive a bit deeper into that as well, I am wondering if you could explain how community housing providers allocate tenancies to people who are on the housing register.

Sarah TOOHEY: Yes. This will differ by provider because, as I flagged in the introduction, there are different providers that target different cohorts – so Aboriginal Housing Victoria will be looking at the Victorian housing register and seeking to find Aboriginal renters that match the property that they have got available. That is essentially the approach. Community housing providers use the Victorian housing register to find tenants and match them to properties that they have available. In the allocation process, some of our providers – say, with Mind people need to have an NDIS support package because that is part of the operating model; it has got 24-hour, live-in support in that program, so there will need to be discussions with people about what supports they have available so that they are eligible and able to live in that property.

Michael GALEA: Thank you. We have heard a lot of witnesses talk to us about the differences between community housing and public housing in terms of renters rights. Are there any differences, and what are they?

Sarah TOOHEY: There are not any differences. Public and community housing renters have the same rights under the law. I know that the charter of human rights is a common one that gets thrown up. There have been at least two VCAT decisions now that have clarified that members are obliged to comply with the charter of human rights, and they do in practice. The Victorian government had a regulatory review of social housing not long ago. One of the recommendations of that review was to clarify the status of community housing in relation to the charter, and CHIA Vic and our industry supported that recommendation, because it is something we do in practice. It would be very nice to have that cleared up so that it was clear and obvious to everyone.

Michael GALEA: To give that assurance to people?

Sarah TOOHEY: Yes.

Michael GALEA: Are you aware of any community housing providers who are members of your organisation who do not meet those standards?

Sarah TOOHEY: I am not.

Michael GALEA: Thank you. What about rents? Is there much difference between rents that people pay in community housing as opposed to public housing?

Sarah TOOHEY: Yes. There are different parameters around rents. In community housing, under the housing regulatory system, renters can pay no more than 30 per cent of their income on rent. That is the ceiling. There are providers that set rents lower than that to 25 per cent of income. There are also programs where community housing manages housing on behalf of public housing, so there are about 3000 units of stock that we manage as community housing but that are owned by government. In those dwellings, rent is set at 25 per cent of income.

Michael GALEA: Okay. There is a range then between 25 and 30 per cent, or is it one or the other?

Sarah TOOHEY: It is usually one or the other; I am not aware of anyone who has gone, ‘All right, 27 per cent is the number.’

Michael GALEA: Or 27.4 per cent or something. What are the proportions that apply 25 per cent and that apply 30 per cent in broad terms?

Sarah TOOHEY: Unfortunately, it is not a hard and fast thing that I can give you an answer to, because in any given organisation they will be running properties that they have developed and own themselves, which

may be 30 per cent of income, but they will also be running properties on behalf of the government, which will be 25 per cent. So it is not a hard and fast number that I can give you.

Michael GALEA: Sure. Thank you. I think my time is up.

The CHAIR: Thank you very much. I will now hand over to Ms Gray-Barberio.

Anasina GRAY-BARBERIO: Thanks very much, Chair, and thank you, Sarah, for joining us this morning. My first question to you is: are community housing providers required to take a set percentage of tenants from the Victorian housing register priority list?

Sarah TOOHEY: Yes, they are.

Anasina GRAY-BARBERIO: What is that percentage?

Sarah TOOHEY: I will come back to that because – well, first of all I think I mentioned in my opening that 100 per cent of our long-term social housing dwellings are allocated from the Victorian housing register. In the last financial year that there is data for, 83 per cent of those allocations were to renters in the priority category. The next thing to say about that is that in all new funding contracts that priority allocation category is a 75 per cent requirement. So our organisations are performing above and beyond what they are contractually required to do, because that is part of our mission.

Anasina GRAY-BARBERIO: Just to clarify, your members, as part of their funding contracts – the minimum is 75 per cent, but you are saying they are exceeding that percentage?

Sarah TOOHEY: I am.

Anasina GRAY-BARBERIO: Okay. Thank you. But is that the priority list?

Sarah TOOHEY: Yes, 83 per cent were off the priority list in the 2023–24 financial year.

Anasina GRAY-BARBERIO: Great. Thanks for clarifying that. Sarah, we have heard testimony from sector workers and also from the Multicultural Centre for Women's Health yesterday that women from migrant backgrounds are routinely discriminated against by community housing providers because they are in a lower income group and perhaps are not seen to be desirable for community housing providers to take on. Are you aware of this practice among any of your member organisations?

Sarah TOOHEY: No, I am not. I did not see the testimony, so I am not sure of the specifics of the cases that were raised before you. I think one of the challenges for migrant women – and particularly for family violence refugees where they have migrant women – is that some of them would not be eligible for public or community housing because of residency status. So that occasionally does come into play. That is not a discrimination issue; that is an eligibility challenge.

Anasina GRAY-BARBERIO: No, we have actually heard cases where they are on humanitarian visas or partner visas, so that would make them eligible. But my question to you is: are you aware of this practice of discrimination from any of your member organisations?

Sarah TOOHEY: No. Our members, like all organisations, need to comply with anti-discrimination laws. We have organisations who are dedicated to housing women. There are actually three specific women's housing organisations. I know that the YWCA does run a specific rooming house for migrant women as well. I would encourage that centre to raise it directly with the organisation where they have perceived discrimination, and they are able to complain to the housing registrar to have that reviewed independently as well.

Anasina GRAY-BARBERIO: Great. Thank you for that. My next question is: I understand that the community housing providers are able to set the tenant selection criteria for their organisation. What factors can a community housing provider consider when selecting tenants?

Sarah TOOHEY: Well, it has absolutely got to do with the organisation's mission. The women's organisations and Aboriginal housing have got exemptions that allow them, because of their mission being to allocate to Aboriginal Victorians and to women and to people with specific needs, to have exemptions around

those grounds. But in terms of allocations, organisations look at what the need is in that community and what the appropriateness of the dwelling is in terms of accessibility and things like that.

Anasina GRAY-BARBERIO: Do they consider tenants' income? Drug and alcohol use? Marital or visa status?

The CHAIR: I will just say your time is up, Ms Gray-Barberio, but I will let you finish this one.

Anasina GRAY-BARBERIO: Thank you, Chair. And do they consider medical and disability needs amongst all of that list?

Sarah TOOHEY: Yes. They are really important things to consider. I think medical and disability – again, is the dwelling appropriate? Can people enter and exit the building, for accessibility standards? They are really critical things to consider. Marital status: no, although with some of the women's housing organisations, it does need to be a female-headed household, because again that is the mission of that organisation. I cannot remember the other things on the list that you were asking me.

Anasina GRAY-BARBERIO: Drug and alcohol?

Sarah TOOHEY: Drug and alcohol issues do not factor into allocation decisions unless it is a dedicated drug and alcohol tenancy, where there are support services available.

Anasina GRAY-BARBERIO: Thank you.

The CHAIR: Okay, thanks. I am going to pass to Dr Heath.

Renee HEATH: Thank you. Thank you so much: I think that something you brought up was actually a critical issue, and that is an eligibility issue versus a discrimination issue. Could you speak a little bit more about that?

Sarah TOOHEY: Yes, sure.

Renee HEATH: Because you have not listened to everything like we have – we have heard a lot about discrimination where potentially what we are coming up against is an eligibility issue.

Sarah TOOHEY: That is entirely possible. I think the other thing that happens with social housing is that no-one can get in because there is not enough of it – so the feeling that you have been waiting for two years and 'Why isn't it me and why is that person who has only been waiting for one year in there?' There are probably lots of different factors about priority and appropriateness of the housing, but the general feeling is that people cannot get in and they feel like it has got something to do with them – people cannot get in because there is not enough of it. Now, community housing last year made about 2500 new allocations to people. That is about 40 per cent of all the allocations. So public housing is still the lion's share of the social housing system in Victoria, and that is because of the greater numbers – more people are going to get into the public housing system than the community housing system. So I think the perception can arise from that end. The perception can also arise, as you say, because of eligibility criteria, because there are some organisations that I have flagged, and Wintringham is a good example; they only serve older people who have experienced homelessness, so they are people over 50. You will not get housed with Wintringham if you are under 50. Women's housing –

Renee HEATH: Which is not necessarily a discrimination, it is an eligibility issue.

Sarah TOOHEY: It is an eligibility issue. Exactly.

Renee HEATH: Yes. Do you think the allocation procedure is generally fair?

Sarah TOOHEY: Yes, I do. Like I said, the main challenge with allocations is that we are not making enough of them.

Renee HEATH: Yes. And I guess you have got to have stricter guidelines if there are less houses that are available, if the house just is not there. I guess this leads me to another question: do you think that demolishing 44 towers is going to cause more issues in that area because there will be less housing stock to house people?

Sarah TOOHEY: Yes. I think that is why we have called for a bigger plan, because these 44 towers – and the ins and outs of whether they can stand or not is not something I can speak to. But we know that the housing stock is ageing. We know some of it is coming to the end of its useful life. We have known that for a while. We know that we need to be planning to replace that before we go and do the demolition. That is why we are calling for that asset renewal and growth plan – to actually be more systematically able to manage that without impacting people's time on the housing waiting list. That is a pretty critical factor.

Renee HEATH: Yes. Thank you so much. I have only got a few seconds left really, but just out of interest, you spoke about how community housing renters generally felt more satisfied than public housing renters. Were there any reasons why that were provided?

Sarah TOOHEY: Not in that survey. There are a couple of reasons I can think of, and one is that community housing organisations are smaller. We are more connected to the places and the services that are available to people. The other is about tenancy management practices. In public housing a housing service officer manages around 300 tenancies. In community housing that is 150 or under, so the housing services officers are able to be more responsive. They are able to work more closely with residents and support services to address residents' needs. They are the things that I can think of.

Renee HEATH: Thanks so much.

The CHAIR: Thank you. Mr Batchelor.

Ryan BATCHELOR: Thanks, Chair. Ms Toohey, thanks so much for coming in today. Do you think that Victoria can build the number of social homes we need to get to the 4 per cent benchmark, for example, without the community housing sector?

Sarah TOOHEY: Not without the community housing sector and not without the Commonwealth government as well. Historically, the funding split for social housing was for every \$2 that the Commonwealth put in, the state put in \$1. We do not have those matching arrangements anymore, and we think they are really important because –

Ryan BATCHELOR: So the \$2 is gone?

Sarah TOOHEY: And the \$1 is gone – it is both. It is having a shared commitment, because for 30- or 40-odd years that funding agreement stood, and it was abolished in 2009. Since then we have seen both levels of government retreat from that investment. It is a bit about investment, and it is absolutely about both sectors working together to grow the stock. The other thing I would note is that a lot of the community housing that has been built under the Big Housing Build in the last five years is on new sites, so we are growing the social housing sites in the community. A lot of public housing growth happens when it renews existing stock, so at the same time as you are building 10, you are taking –

Ryan BATCHELOR: So the growth in the social housing system overall has been largely, in terms of new sites coming on, driven by the community housing sector?

Sarah TOOHEY: Driven by the community housing sector, yes.

Ryan BATCHELOR: You mentioned in your opening statement that – and I think I have got the quote down correctly – for any quantum of government funding, community housing can build more homes. Why is that?

Sarah TOOHEY: It is a bit about government procurement requirements. There is a co-contribution requirement from government, and that means we bring to the table land. Some of our members are church organisations or they have partnered with local councils, so they have brought land to the table and that has reduced the cost for the development. They co-contribute through debt financing or through equity or through philanthropy. We can actually make a contribution to the development cost, and that reduces the cost to government.

Ryan BATCHELOR: I want to just come to this point about what the ambition for the increase in social housing should be on the 44 sites that this inquiry is primarily focused on. The commitment at the time of announcement was at least 10 per cent. Do you think it should be more?

Sarah TOOHEY: Yes. We think it should be at least 50 per cent, because the government has shown that it can do that level of uplift. 'Underpromise and overdeliver' I do not think should apply in these cases. I think we do need to demonstrate to the community that there will be significant increase and value created in these sites.

Ryan BATCHELOR: That 49 per cent average increase in the amount of social housing on recent redevelopment sites – is that across the things like the ground lease model sites, the public housing renewal project sites?

Sarah TOOHEY: The public housing renewal program, and the first two announcements.

Ryan BATCHELOR: Essentially the program of building an investment and increasing through redevelopment of existing sites largely has netted on average a 49 per cent increase in the amount of social housing that we are seeing here in Victoria.

Sarah TOOHEY: Yes.

Ryan BATCHELOR: So without those redevelopments we would not have seen that increase, it seems.

Sarah TOOHEY: I do not think so, no.

Ryan BATCHELOR: I think my time is up.

The CHAIR: No, it is not. You have got 10 seconds, but if you want, you can cede it.

Ryan BATCHELOR: No, I am okay – for once.

The CHAIR: Thanks, Mr Batchelor. I will hand over now to Mr Puglielli.

Aiv PUGLIELLI: Thank you, Chair. Hi. I might just pick up from where my colleague left off in terms of the questioning around selection criteria for community housing providers. Can I just confirm, whether formally or informally, that they cannot consider marital status?

Sarah TOOHEY: I am not a lawyer, but I believe that would be a protected category under anti-discrimination laws.

Aiv PUGLIELLI: Okay. Whether formally or informally, drug or alcohol use?

Sarah TOOHEY: Again, I think that is a protected category.

Aiv PUGLIELLI: Can I ask what prevents these factors from being considered formally or informally? Law?

Sarah TOOHEY: I think I answered – yes, the law. I am confused by the –

Aiv PUGLIELLI: But then how is it actually enforced, whether they are being considered or not as factors in applications for community housing?

Sarah TOOHEY: So is the question about what application forms are being used, or – just to clarify – is the question about if a tenant feels they have been discriminated against, what is their recourse?

Aiv PUGLIELLI: It is both, really. If we are talking about what are the selection criteria and what cannot be the selection criteria, how are we enforcing what is actually the case for these community housing providers? The flow-on is: how, then, is justice served for someone who is actually discriminated against?

Sarah TOOHEY: Yes. I am not an expert in anti-discrimination law, so I would probably have to park that piece. But I would say if a tenant feels that they have been discriminated against in an allocation process, they can complain to the service provider themselves. If they are not satisfied with the answer from the service

provider, they are able to complain to the housing registrar, which is the regulator for the community housing sector in Victoria, and have that complaint investigated.

Aiv PUGLIELLI: Okay. And is it the registrar that is to enforce these selection criteria, which may differ for each organisation?

Sarah TOOHEY: I would have to take that on notice. One of the performance standards is having allocation processes. To the extent that the regulator ticks off on them, I do not know; I would have to go and ask.

Aiv PUGLIELLI: If you could take that one on notice, that would be great. Thank you. Do community housing providers consider a tenant's income?

Sarah TOOHEY: Yes, they have to.

Aiv PUGLIELLI: They have to. In what way do they do so currently?

Sarah TOOHEY: For long-term social housing tenants there are eligibility criteria set on the Victorian housing register about income and asset limits, so to be eligible for social housing you need to be under those income and asset limits.

Aiv PUGLIELLI: Do community housing providers have to select the first available priority tenant from the housing register, or can they choose tenants from that list?

Sarah TOOHEY: They can choose tenants from the list.

Aiv PUGLIELLI: Okay. What impact do you think that has on the most vulnerable in our community?

Sarah TOOHEY: There are a couple of things to say about that. One of the reasons that they can select from that list is, again, this issue of targeting particular priority cohorts. If you are Aboriginal Housing Victoria, the person on the top of the list, and actually the first 15 people on the list, may not be Aboriginal, so you will need to go through that list to find an applicant who matches your organisation's eligibility criteria. That is kind of the upshot of what that looks like. I think that is what I have to say about that.

Aiv PUGLIELLI: You can leave that there if you wish to. Can pets and children be considered as a factor?

Sarah TOOHEY: Children would be considered in the bedroom allocations. There are guidelines, and it is the same for public housing, around how many people to a bedroom and the appropriateness of bedrooms. So, that is children –

Aiv PUGLIELLI: That is children. How about pets?

Sarah TOOHEY: Under the *Residential Tenancies Act* you are allowed to have pets.

Aiv PUGLIELLI: Okay. So it cannot be considered as a factor in deciding an application.

Sarah TOOHEY: No, I do not believe so, and actually our members often encourage people. If they have companion animals, that is an important part of being comfortable in their home.

Aiv PUGLIELLI: Just in finishing up my time, how about visa status?

Sarah TOOHEY: Sorry?

Aiv PUGLIELLI: Visa status as a criteria.

Sarah TOOHEY: Visa status is part of the eligibility criteria. For public housing, there are a range of visas that make you ineligible for public housing, and that applies for community housing as well.

Aiv PUGLIELLI: Thank you.

The CHAIR: Thanks very much. I am now going to hand over to Mrs Hermans.

Ann-Marie HERMANS: Thank you. Thank you so much, Sarah, for your contributions. They have been very helpful. I have got a few for you. I know that with housing providers, for instance, some focus on domestic violence and some focus on young people between a certain age, and there are different criteria. I know that from having worked in the industry. In terms of the Aboriginal community, you did mention at the very start that the Aboriginal community suffer from the least amount of housing or that they have the most issues with homelessness.

Sarah TOOHEY: They have the most housing disadvantage. Aboriginal Victorians make up about less than 1 per cent of the population and about 10 per cent of people waiting on the Victorian housing register. That is for a couple of reasons, one of which is that rates of home ownership in the Aboriginal community are much lower at about 40 per cent, whereas for the general population they are about 65, 70 per cent. That means there are more Aboriginal households who are renting and subject to the challenges of the private rental market and thus more likely to fall into homelessness. Rates of homelessness in the Aboriginal community are much higher as well.

That probably goes to the allocation question as well. Many of our members have committed to the targets in Mana-na woom-tyeen maar-takoort, which is the Victorian Aboriginal housing and homelessness framework. In that there is a target for 10 per cent of all allocations to go to Aboriginal households, and our members have signed up to that. So in looking at vacancies and looking at the allocations they have made over the year, they may prioritise an Aboriginal household for a vacancy because of that over-representation.

Ann-Marie HERMANS: All right. So it is not anything to do with the lack of housing provided to Aboriginal Housing Victoria then?

Sarah TOOHEY: Oh, yes, it is. The social housing shortage in Victoria affects all cohorts. Aboriginal households are hit harder because they have a higher reliance on the social housing system. I think in Mana-na woom-tyeen maar-takoort there is a target of 300 or 500 – I will come back to you on the exact number – new units a year to just keep up with demand in the Aboriginal community.

Ann-Marie HERMANS: What about domestic violence victims? I mean, obviously there are a number of other cohorts where there is a lack in the industry, and everybody cannot cater for everyone, so they specialise and have support services often to help that. What are the other areas – obviously there is a significant lack everywhere – where you are finding there is a high need in housing?

Sarah TOOHEY: Obviously family violence is huge. One of the challenges that women seeking to flee family violence face is the ‘Where am I going to live question’ and ‘What is going to happen to me and my children?’ And because wait times for social housing are so long, it is not an immediate solution for people. So that is a huge challenge. There are women’s housing providers because in general women face greater financial disadvantages – income penalties for raising children – and often end up financially worse off after divorce and things. The kind of economic disadvantage that women face means that there are female-targeted community housing providers as well. I think one of the other big ones is disability. Our members provide specialist disability accommodation funded by the NDIS, but the NDIS housing is a very high bar. There are people with less acute needs that will not kind of meet the threshold for SDA but will need slightly modified properties, and some of our members have grown out of meeting exactly those specific needs.

Ann-Marie HERMANS: Thank you so much for giving me that. I have just one very quick question, because I am out of time. At the very start you mentioned the 26,000 homes. Roughly how many beds or people are we looking at in terms of what the community housing industry is able to provide? That is different to homes, obviously.

Sarah TOOHEY: Sorry, beds, I could not tell you. It is not data that we collect or that is published publicly. For stock built in the last 10 to 15 years, which is a lot of the stock, it is predominantly one- and two-bedroom homes, because on the Victorian housing register about 80 per cent of demand comes from people needing one- and two-bedroom homes. If you think about the housing system and people trying to rent in the private market on a single income, it is virtually impossible. So that is where a lot of the demand lies.

Ann-Marie HERMANS: Thank you. That is very helpful.

The CHAIR: Thank you. I will now hand over to Ms Ermacora, who is online.

Jacinta ERMACORA: Thank you very much, Sarah. I really appreciate your level of knowledge, detailed knowledge, about the sector. Thanks for clarifying that eligibility system and how that works too, given some of what we heard earlier. Can I just clarify one other element to that. I think you mentioned that not all housing stock in the community housing sector is subject to the state government public housing waiting list criteria – is that correct?

Sarah TOOHEY: When you are talking about long-term social housing, that is subject to the Victorian government's criteria. Community housing also runs about 3500 transitional housing properties. That is a government-funded program. So we run that on behalf of the Victorian government. That has got its own eligibility criteria – same with any crisis accommodation we run. As I touched on at the very start, the affordable housing, depending on which program that has been funded through, could have any number of criteria. I think that one thing to add about affordable housing rents is that the rent cannot be higher than 74.9 per cent of market rent, or the organisation will lose the GST exemption for that property.

Jacinta ERMACORA: Thank you. I really appreciate that. I just want to go on to security of tenure. What security of tenure do renters have in community housing?

Sarah TOOHEY: For all long-term community housing, people are on periodic leases and can stay for as long as they need.

Jacinta ERMACORA: Right. Awesome. I guess I am interested too in what steps generally the community housing providers take to ensure that the housing is high quality and well maintained.

Sarah TOOHEY: We have had the absolute joy and privilege of building a lot of homes in the last five years under the Big Housing Build, and all of those homes are seven – is it stars? – NatHERS rated. They are at minimum seven NatHERS rating. All meet silver livability standards, and about 5 to 10 per cent meet gold livability standards. They all meet better apartment design guidelines, so that means there are minimum apartment sizes under BADS. I have had the joy of touring quite a lot of them, and they are quite fabulous. There is older housing stock in the system, like with the public housing system, that could do with renewal and redevelopment, so part of running community housing and part of tenants' rents is appropriately provisioning for long-term and cyclical maintenance, and they are things like new bathrooms, new kitchens, new carpets, painting et cetera.

Jacinta ERMACORA: Fantastic. Just lastly, I am interested in the governance structure of community housing providers. How does that work – are there shareholders or any publicly listed companies?

Sarah TOOHEY: No. They are charitable organisations governed by an independent board, so there is no shareholder dividend or profit returned. Any surplus made by the community housing organisation must go back into delivering more homes or maintaining tenants' properties.

Jacinta ERMACORA: Awesome. Thanks very much.

The CHAIR: Thanks very much, Ms Ermacora. We have got time for a few more questions, so what I will do is have just one question to start and we will see how we go. I will go to Mr Batchelor first –

Ryan BATCHELOR: Is it me first?

The CHAIR: Or is it Mr Galea? Mr Batchelor, then I will go to Mrs Hermans, then I will go. So, Mr Batchelor, over to you.

Ryan BATCHELOR: Thanks, Joe. We heard some pretty serious anonymous allegations made against community housing providers by some witnesses earlier today. What mechanisms are in place for residents who feel like they have experienced discrimination in the community housing sector to make complaints and have their status protected throughout that complaint-making process?

Sarah TOOHEY: Absolutely. As with all complaints processes, you have to go to the organisation involved first to have that complaint resolved. If that is not resolved to your satisfaction – and there are performance standards around that; they have to be resolved within 30 days – within 30 days, you can take that complaint to the housing registrar, who will investigate that complaint on your behalf.

Ryan BATCHELOR: For the purposes of the committee, who is the housing registrar?

Sarah TOOHEY: Justin Peysack.

Ryan BATCHELOR: Sorry. I meant what is the housing registrar, not who.

Sarah TOOHEY: Oh, sorry.

Ryan BATCHELOR: I am sure Justin is doing a fine job.

Sarah TOOHEY: He does a fine job. The housing registrar is the regulator of the Victorian community housing sector. They are appointed by government under the *Housing Act*. They are responsible for the oversight of the sector, so the key performance measures of the sector, the financial performance so that we remain financially viable and do not go under and lose people's homes, as well as managing complaints and systemic issues in the sector. They are the place where, if there were systemic issues, they would be surfaced.

The CHAIR: Thank you. We will now go to Mrs Hermans, and then I will finish off with Mr Puglielli.

Ann-Marie HERMANS: It is something that I did not get to ask beforehand, but I will tailor it a little bit more to your situation in terms of community housing. We are looking, obviously, at the situation of public housing supply, and you are overseeing community housing, which of course means that there is perhaps less pressure on public housing because you are catering to a number of different needs and people that are eligible within those needs. But if we, say, do not return people to our current public housing and refurbish and we have this period of this longer overlay of delays and we do not increase our numbers, do you think –

You have mentioned that there could be a significant increase, for the vision to be much bigger – increased by 50 per cent. If we do not increase and we do not meet the very minimum of nearly 8000 builds every year for the next 10 years, do you think that is possible that we could be moving towards having large areas of slums in Melbourne, as other nations have experienced when there have been high volumes of homeless people in desperate need?

Sarah TOOHEY: On the last part, I could not project, but what I can say is that homelessness is getting worse and that a contributing factor is the increase in the private rental market and the shortage of social housing. The challenge with housing building is that it takes a long time – 18 months go to whoa if everything goes well. Historically public housing sector building used to make up around 6 per cent of all development and building activity in Victoria. For the past 10 years, prior to the Big Housing Build, that had dropped to less than 1 per cent. Building that little over a decade has consequences that amass, that manifest now and in the coming years, so it is really critical that we do start to set a growth ambition, and particularly with population growth. Victoria is currently at about 2.9 per cent of all housing being social housing. Just to stand still on projected rates of population growth, so to maintain ourselves at 2.9 per cent, which we know is not enough, we need to be building around 2000 dwellings a year – to stand still. We are not anywhere near that.

Ann-Marie HERMANS: Two thousand?

Sarah TOOHEY: Two thousand, yes. Let me check those numbers and come back to you, but it is definitely in that vicinity. We are talking just to stand still and not even to address the crisis that we are in at the moment.

Ann-Marie HERMANS: Just to clarify, that would be on the assumption that there was not a larger intake of migration into Victoria?

Sarah TOOHEY: Yes. Current population growth projections are what that number is on. We do not suggest that government needs to do that alone. As per before, there does need to be a Commonwealth contribution, there needs to be a state contribution and we think there needs to be a contribution from the development community, because if you want to grow at the rate that housing is growing, you need to make sure a proportion of all that housing is social housing.

Ann-Marie HERMANS: Thank you.

The CHAIR: Thank you. Mr Puglielli.

Aiv PUGLIELLI: Thank you, Chair. Hi again. I just wanted to clarify a comment you made earlier regarding security of tenure in the community housing sector. In the comments you made you said that people are on periodic leases and they can stay as long as you need. So my question is: how do those two things go together? Because if a lease is periodic, it means it can end.

Sarah TOOHEY: No, it does not. Under the RTA you have got a fixed-term lease, but if you have a lease that has no fixed term, it is just called a periodic lease, so that is just probably a terminology issue. There is no fixed end term to the leases that people are put on when they enter community housing.

Aiv PUGLIELLI: And that is standard practice?

Sarah TOOHEY: Yes.

Aiv PUGLIELLI: Okay. So no end date to the lease is being provided in community housing?

Sarah TOOHEY: Correct.

Aiv PUGLIELLI: Okay. Thank you. Thanks, Chair.

The CHAIR: All right. That brings an end to the questioning. Sarah, thanks so much for your time today. I really, really appreciate it. You will be provided with a proof version of the transcript. From us, thanks very much, and enjoy the rest of your day.

Sarah TOOHEY: Great. Thank you.

Witness withdrew.