



Community Change Alliance in the South East (CCASE) is a network of social service organisations, as well as local and state government departments, operating in the South East of Melbourne. We are committed to work together to take seriously the plight of some of the most marginalised in our community, exploring ways that they too may thrive.

Executive Summary:

- The workforce has changed radically in recent decades with more part time work and fixed term contracts.
- Housing is less affordable now making it harder for first home owners and investors to purchase property.
- Homelessness (in all forms) is increasing.
- There is an urgent need for Crisis Housing and Public Housing in the Greater Dandenong area.

Public Housing:

- is essential for people with little or no income
- is also needed for crisis accommodation
- should not be sold
- should be protected
- should be improved
- should be increased – 10% increase is vastly inadequate
- works better than any other type of housing for people at a disadvantage.

Community and Social Housing:

- whilst having some advantages, does not fulfil all needs
- Rooming Houses are unsuitable for most and are not a long-term solution for homelessness

Introduction:

So called “affordable housing” is a misnomer for many people. A wave of disadvantaged people are searching for affordable housing with little or no income. They are, to use a term coined by the Seaford Housing Action Coalition, the “Australian Home-grown Homeless Refugees” looking for shelter, disenfranchised from a user-pays society.

In the 1980's, Public Housing was around 17% of all housing, but today that is down to just 3%. Importantly, unlike any other type of housing, for most Public Housing tenants, rent is only 25% of household income.

A large percentage of Public Housing has been transferred to freehold titles for private owners, and is now proposed for private development. Public Housing tenants will be forced into Social Housing. Community and Social Housing take a higher percentage of income and generally have shorter leases. Social Housing providers are also able to select tenants or occupiers. They have not filled the gap in the safety net for people on low incomes looking for accommodation. If anything it may have exacerbated the problem.

Other seismic changes from the 1980's include:

the loss of full-time work for our unskilled and semi-skilled workforce, with manufacturing industries going off-shore and high-tech processing in the workplace, and continuing de-institutionalisation, loss of inner suburban rooming houses through gentrification and increasing number of people on government pensions.

It is not just people receiving Government assistance who are under stress. Wages have not kept up with the cost of living and housing accommodation. Many only have part-time work and are known as the working poor. ACOSS (Australian Council of Social Service) believe that there are three million people in Australia living below the poverty line.

Many people are forced into Rooming Houses. Some come from the closure of institutions and placed in the Community with limited support. Families, some with children, are now being forced into this type of unsafe and unsuitable accommodation. Residents are paying anywhere between \$160 and \$220 per week for a room, which takes most of their income. Communal areas, such as the kitchen and bathroom are shared with all of the other residents. They often live with people with complex issues and are not safe. Many fear eviction if they speak up for their rights. Some choose to sleep rough or sleep in their cars rather than stay in a rooming house. It is a shame that the rent that residents pay could support them in the private rental sector but are not able to access because they may be on a “black list” or are not able to provide references.

Regulation of Rooming Houses is in need of review.

Rooming Houses are a necessary evil in today’s rental market, however they would be best regulated by one authority and there needs to be a consistent and thorough process of information and education for potential investors.

The barriers to entry are clearly set high (for good reason). However a review of the legislative requirements under the Public Health and Wellbeing Act, Building Act and Residential Tenancies Act should be undertaken as a matter of urgency to streamline the application process and inspection regime whilst maintaining the amenity, safety and security of residents.

The number of registered rooming houses in Victoria has remained static since 2012. Consumer Affairs Victoria (CAV) annual reports outline such a situation. With the introduction of the “fit and proper person” test it is likely that there will be fewer rooming houses in the future, not more. As at 26 October 2017 only 486 licences have been granted to rooming house operators. There are over 800 rooming house operators in Victoria. A substantial percentage of operators have not engaged in this process.

Investors have every right to expect a financial return for their investment. This should be accompanied with a social responsibility towards the groups/individuals they provide for. We need to draw the right buyer/investor into the residential property market. Demand for higher income, to pay for mortgages and meet compliance costs etc. forces rents higher. There needs to be financial incentives to minimise rents such as tax breaks for responsible rooming house operators. This needs to be explored further.

There is no legal requirement for a Vendor to include on the vendor statement information about premises used as a rooming house and/or the premises are a registered rooming house and there are numerous legal obligations, including financial and registration, attached to such accommodation. A simple and practical strategy that could be implemented without delay involves including information/reminder on the ‘Due Diligence’ statement which is normally attached to a S.32 Vendor Statement and/or included with online property marketing materials in addition to such documents being available at Open for Inspections. The information could encourage potential buyers/investors to research what obligations come with running a rooming house. *“If I knew what was involved in running a rooming*

house I would never have bought this place". Comments by a vendor auctioning premises after purchasing it less than 18 months earlier – Cranbourne North.

Proposals:

It is necessary to recognise that what was affordable housing in the past, is not affordable today. Given the tiny remnant of remaining Public Housing and the massive waiting list for Public Housing:

- we strongly oppose the sale of any further Public Housing;
- If the proposed "Building & Improving" program was to proceed, a greatly increased number than the proposed 10% of "replacement" Public Housing units is required. The proposed 10% increase would only provide approximately an additional 250 homes (and these would be "Social", not "Public" housing);
- We would recommend that either a 50-50 split between private and public units in any development of properties, or at least 50% increase in the number of public housing units, whichever is the greater; and
- If it was decided that Public Housing will be sold, this should only be on condition that either:
 - The proceeds go to a Housing Trust for the provision of other Public Housing, or
 - The Victorian Parliament adopts a European Public Housing model, which provides for the rights and obligations of tenants (such as long-term leases and improvements).

Diversity of Housing:

Housing Diversity needs to be driven by the Community talking to Government Members on the issues around affordable housing to drive for change. All three levels of Governments need to adopt new housing policies. Government Planning Departments need to amend legislation and cater for different types of smart usage of space in design and site locations for affordable housing, with flexible standards to fit in with existing infrastructure and to fast-track approvals as in other States of Australia.

All three levels of Government and the private sector need to open up the development of secondary dwellings (which are self-contained units located on the site where a principal dwelling exists, for example "granny flats"). It can be within, attached or separate from the principal dwelling. This type of accommodation is well-established in other States of Australia.

Other ways to increase affordable accommodation would be the development of well-managed, self-contained Bedsit Units or Cabin/Caravan Parks on Crown land, on public utility easements (where appropriate) or on existing Public Housing sites due for development. A large number of units would ideally incorporate a Support Hub to assist residents with day to-day living enquiries or, if a complex issue came up, the Support Hub could refer people to appropriate support services.

There have also been significant advances in the design and manufacture of self-contained "Tiny Houses" over recent years.

We believe that if more safe, affordable, independent living accommodation was added to the housing stock, pressure would be placed on unscrupulous Rooming House Operators to conform to Council and Consumer Affairs Victoria Regulations. This would give Councils the option to close down unregistered Rooming Houses, which amount to approximately two thirds of Rooming Houses in some areas.

Sale of Public Assets - CCASE strongly submits that:

- The Victorian Government adopts a Housing First model of accommodation to address homelessness;
- It is the duty of the Government of the day to take control of Crisis Accommodation by using what is left of Public Housing sites. Many people are turning to (even unsatisfactory) Rooming Houses as a last resort for crisis accommodation;
- The few remaining Public Housing sites should be repurposed to handle Crisis Accommodation;
- There are fewer Caravan/Cabin parks available for crisis accommodation in Melbourne and Rooming Houses are not always appropriate
- Where Public Crisis/Housing Sites are developed (rather than spot-purchased sites), these should incorporate a Support Hub to handle the day to day issues that arise;
- Experience has shown that the Private sector is sometimes unable to manage Rooming Houses satisfactorily, let alone large sites like the Frankston Ambassador Complex;
- No Public Housing land should be handed over to the private sector;
- The Treasury should not have control of selling Public Housing sites for Government revenue. These sites should be under the control of the Housing Minister and the monies raised should be held in trust for those who need it for Public Housing;
- Excess or surplus State government property should be offered to social housing providers (as well as other State Government Agencies and Local Government) before being considered for sale on the open market; and
- That these properties be offered to social housing providers at no cost subject to delivery of social housing as agreed with the Government.

In Conclusion:

Major changes have occurred regarding housing affordability and in particular “Public”, “Social”, “Community” and “Crisis” housing over recent decades.

From our experience and observations at the local level, it appears that these issues are now at a critical point, particularly Crisis Housing.

The present proposal to substantially change the nature of the small amount of remaining Public Housing in Victoria is clearly a pivotal point - a crossroads. This would conclusively change the role of the State in the provision of what, until recent decades, has been regarded as “social infrastructure”.

This is a fundamental issue, evidenced by the range of issues raised in this submission. We submit that the issue is unlikely to be effectively addressed by a Parliamentary Committee. CCASE submits that a Royal Commission into “The Adequacy and Future of Public, Social and Crisis Housing in Victoria”, be held prior to a decision being made in relation to the proposed “Building and Renewing Social Housing Properties”.

On behalf of CCASE



Andre Van Eymeren
Facilitator

