

# TRANSCRIPT

## FAMILY AND COMMUNITY DEVELOPMENT COMMITTEE

### Inquiry into the adequacy and future directions of public housing in Victoria

Melbourne — 9 February 2010

#### Members

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Research Officers: Dr T. Caulfield, Ms. T. Roy

#### Witnesses

Mr S. Nash, chief executive officer; and

Dr H. Holst, client services general manager, HomeGround Services.

**The CHAIR** — Welcome to the inquiry into the adequacy and future directions of public housing, which is being conducted by the Parliament's investigatory Family and Community Development Committee. I emphasise that this is a parliamentary inquiry, not a government inquiry. All evidence taken at this hearing is protected by parliamentary privilege as provided in the Constitution Act 1975 and further subject to the provisions of the Parliamentary Committees Act 2003, the Defamation Act 2005 and, where applicable, the provisions of reciprocal legislation in other states and territories.

Any comments you make outside the hearing will not be afforded such privilege. We are recording the proceedings and you will be sent a copy of the transcript. You will be able to make minor adjustments, if necessary. The session will be about 45 minutes. We will get you to make some opening remarks, followed by the questions from the panel. So please introduce yourselves and make your verbal submission.

**Mr NASH** — I am Stephen Nash, I am the chief executive officer at HomeGround Services.

**Dr HOLST** — My name is Heather Holst. I am the client services general manager at HomeGround Services.

**Mr NASH** — Thanks very much for the opportunity to submit HomeGround's input into this inquiry. You have received our written submission?

**The CHAIR** — Yes, we did.

**Mr NASH** — I have really just prepared a statement of that submission, a summary of key points to speak to today, and then to answer questions. Will I just commence with that?

**The CHAIR** — Yes.

**Mr NASH** — HomeGround Services is a not-for-profit organisation with a vision to end homelessness in Melbourne. HomeGround assisted nearly 10 000 households last year. Our work is focused on getting people housed and keeping people housed. This mainly involves trying to get them into public housing and supporting them to stay there.

HomeGround has had a really extensive relationship with the public housing system in Victoria over the past 20 years, so we have an in-depth knowledge of what we think works and what needs to be improved in public housing policy, design and management. The current interactions we have with the public housing system in Victoria include providing extensive assistance, helping people who are homeless get into public housing, providing support to help people settle into the public housing system, providing support to prevent people becoming homeless through eviction from public housing, and providing intensive support for people with complex needs who live in public housing to sustain that housing.

We manage a number of transitional housing properties that are on public housing estates, we are involved in various Housing Week activities, and we have a lot of dialogue with various people, creating policy and program guidelines from the minister down.

Previously we have been more involved in public housing through managing community facilities — that is, halls for bookings for things like birthday parties and funerals — and various community development activities in those spaces. We have managed community development programs on various estates and been involved in neighbourhood renewal partnerships in various estates. There are other things we have been involved in — for example, employing the first gardener in community gardens in public housing, which has now grown into a big program.

HomeGround is a strong supporter of public housing and we advocate its expansion and improvement. We think public housing has a really proud history in Victoria to build upon. Even though we have a low proportion of public housing compared to other states, we are seen as innovators in Victoria, and I think that places us well to face the challenges that are present today and into the future.

HomeGround is really calling for an affordable housing strategy to guide the future of public housing. We think public housing has been seen in isolation and has suffered from the lack of bipartisan support and investment. We think public housing is an important part of a variety of housing assistance options available for

governments to meet the future needs of Victorians, and we argue strongly that public housing should not be seen in isolation but should be guided by an overarching Victorian affordable housing strategy.

We think that strategy needs to articulate Victoria's future housing needs. We think it needs strong, bipartisan, long-term support and that it needs to coordinate and articulate the roles in public housing, community housing or housing associations, any private rental assistance, including state government subsidies going into NRAS-funded new housing, and housing available to homeless services, such as transitional housing and various private options like serviced apartments or head-leased private housing, and that the Victorian affordable housing strategy needs much more effective communication about the various housing assistance types. To make it clear: we need an overarching Victorian affordable housing strategy that considers all government housing assistance at the moment, and public housing is one key part of that.

We think what that means for public housing is that there needs to be a broadening of income eligibility; there needs to be a social mix in areas of congregation of housing, like estates; estates need to be redeveloped to improve the physical amenities; and there needs to be a better matching of need and stock availability — for example, household sizes — ideally offering people who are in family-sized stock and they are the only person left there, housing that is attractive to move into and freeing up that housing then for families.

There also needs to be a broadening of the neighbourhood renewal approach so it is not just specific estates that get fantastic attention and good outcomes, but broadening that approach right across the public housing system and other housing that is funded by government. Also there needs to be much more effective tenant participation mechanisms.

I cannot speak strongly enough about the need for much better communication. We need to have much more proactive communication so that instead of being reactive to the horror stories about the myths associated with public housing there is much better communication about the fantastic outcomes and things that are happening not just in public housing but in more overall affordable housing that is government subsidised.

HomeGround also strongly advocates that a supportive housing approach is adopted to providing any housing assistance to people in need who have been homeless or who are at risk of homelessness. That housing assistance needs to be coupled with support services to ensure that a person does not then become homeless again in the future. I will leave it there, and I welcome questions.

**Mr NOONAN** — Stephen and Heather, thank you for your submission. It has drawn together a number of the themes we have heard throughout the day. But we have also heard some personal stories of people who have lived and do live in public housing and the pride they take in that public housing as well. I note with interest on page 5 of your submission that one of the things you are suggesting is that there should be an ability — potentially — to purchase equity in public housing as an individual might increase their income and their capacity to do so. I will be interested to hear a couple of your thoughts there.

While I have the floor, the second part of my question is in relation to your suggestion, and yours is the only submission I have read so far to suggest this, that perhaps the state ought consider a homelessness commissioner. I am interested in your thoughts around both of those issues because I have not seen them in other submissions.

**Dr HOLST** — Can I just say something about equity purchase? People still remember being able to do that, and as tenants they talk a lot about that. In fact, I think under certain circumstances if you really ferret it out it is still possible. We are suggesting making that a much more forthright part of what we are doing, and coupling it with replacement of the stock too, because that is the risk as well — that purchasing the equity will diminish the overall stock. We do not want to see that sort of scenario. There are some very good models that could be researched and brought to bear on the current conditions.

**Mr NOONAN** — If you operate internationally, are there some we should be considering either somewhere else in Australia or around the world?

**Mr NASH** — It is not our area of expertise, but I know Victoria draws a lot upon housing association experience in the UK, and from what I understand there are many examples where housing associations have been able to effectively create options for people so they can choose to rent or choose to obtain equity as their circumstances change. Those relationships around renting and purchasing equity change, and that is fantastic.

I think in many ways we are a home ownership nation, and it would appear that if people have equity in their property, they will take a sense of ownership and really look to maintain that property and look after the community it is within. But as Heather was saying, the equity that is purchased needs to go toward creating more housing; it should not just disappear.

**Mr NOONAN** — And the second part?

**Mr NASH** — The second part was around a homelessness commissioner. We are quite perplexed about the implementation in Victoria of the Rudd government's objectives and targets. We really believe that halving homelessness is well within the realms of possibility. A lot of housing is being provided through federal government subsidies and a lot of state government subsidies, and there is a lot of support funding also being made available. We think the implementation is suffering through all kinds of things that are happening. Victoria had bushfires, and that had a big impact on its ability to really take on a new area like coordinating the provision of housing and support.

The homelessness commissioner idea is really drawn from the South Australian social inclusion example where an independent person reporting to the Premier is working hard with relevant government departments to ensure the Premier's objectives in certain areas are being met. That is the idea of a homelessness commissioner. Looking across various government departments a person with the authority dealing directly with the Premier ensures the best possible outcomes are being achieved in homelessness.

**Mrs SHARDEY** — Thank you for your submission today. When you were talking about the concentration of disadvantage in public housing you talked about the concept of broadening the income criteria to bring a better mix to public housing. In the first instance I suppose that would mean a big increase in public housing stock to accommodate, obviously, a larger group of people.

I also note on page 3 of your submission that you say you are concerned with the potential growth of housing associations at the expense of public housing through stock transfers and the lack of replacement public housing. One of the views that has been put to us today is that this mix could be achieved through the expansion of housing associations and even more public housing stock being transferred to housing associations, and that housing associations would then be obliged to offer placement to the more disadvantaged people in segments 1 and 2. But with that would come a need for some kind of government funding, I would think, as I mentioned before to the other group, in terms of support and in terms of maintenance because some of their stock is run down. Obviously there are different points of view about how to address this issue and how to try to get a break-up of this homogeneous group of disadvantaged people, which seems to cause so many problems. I would like you to address those issues.

**Mr NASH** — I think what we need is a long-term strategy so that creating a social mix in public housing may require a short-term injection of funds, but it will have long-term gains. If you get that social mix, then people who can afford to do that are more than paying their way and cross-subsidising the costs of those who cannot.

Our concern about transferring public housing ownership to housing associations is — and you mentioned the word 'obliged'; that they would be obliged to house people from segments 1 and 2 — as a homeless service provider we see very little evidence that that is happening or is of interest. It concerns us that if the stock does become controlled by housing associations that the obligations on them will not be clear or enforced to the degree that they need to. What we will be left with under that scenario is a reduced amount of public housing to try to get the people with the highest needs into.

I do like the idea of more clear obligations and support being placed on housing associations to assist people from the homeless service system, it is just that I think it will take some time to see that eventuate in Victoria. Until we see evidence that people are being housed in housing association stock, we will be concerned about that.

**Dr HOLST** — I will just comment that the effective operation of the common waiting list would be crucial. You would want to see that in place and highly functional to absolutely demonstrate that housing associations were taking hard people. I think there are interesting perceptions of who is going to be a good and a bad tenant too, and that does not always bear out at all.

But the other point I suppose about housing associations was to grow the stock portfolio and frankly it seems a little cheeky to take it from here and say, 'Look, it has grown'. The hard work of that needs to be done.

**Mrs SHARDEY** — Yes, I think at the beginning there was denial that stock would be transferred, but it has been found necessary to make it work.

**Dr HOLST** — They have not been transferred yet. Only long-term properties — —

**Mrs SHARDEY** — Yes, but it is in a long-term plan.

**Dr HOLST** — Excuse me. I meant long-term community housing tenancies have been transferred but no public housing yet, as I understand it.

**Mrs SHARDEY** — Sorry.

**Mr NASH** — What we need is an over-arching strategy that outlines the role of public housing and housing associations and that there is some matching of future community need with the level of supply across both of those. I do not think one should expand at the expense of another. We need to see an overall increase in supply, and ideally with a social mix so that it is not stigmatised housing, but it is a viable, sustainable housing model whether it is public housing or housing association stock.

I think the two can live really well side by side. Innovation can happen in both systems. The current system sees that public housing is used to house whoever comes through the door and gets prioritised on the list. The housing association sector is not yet used to that and there is some resistance to that; there are financial viability concerns that do not face public housing that housing associations need to consider at this point.

**The CHAIR** — Your submission notes that you support the Office of Housing proposal to change the application process for public housing to reduce the administrative burden to NGOs. When you suggest improvements to the allocation process, however, you suggest greater involvement of NGOs. Would this mean more resources? How do you get NGOs more involved without adding to the administrative burden?

**Mr NASH** — I assume there is a lot of administration of the waiting list now. I just do not know how effective it is, because when a vacancy comes up it can often take many offers to fill. People at the top of the list are contacted and may or may not exist or be interested any more in that property. Their needs may have changed; the need for housing type and size may have changed and it seems to be very reactive. Instead of proactively managing the waiting list and working with people constantly about their needs and the options available to them, it is a very reactive process. I think there are examples of independent management of waiting lists that Victoria may want to think about.

As a service provider, it would make a lot of sense for us to be involved. If somebody is on the list to be housed in a certain area, for example, those support links and the links to schools and all sorts of important things can start to be established far earlier than what happens now. I am not sure of the administrative burden of the current system versus systems that are managed independently.

**Dr HOLST** — Your question was about the administrative burden on community agencies in part?

**The CHAIR** — Yes, NGOs.

**Dr HOLST** — We would very gladly exchange the onerous application procedures for, at the end, sitting down with the person being offered housing, really tailoring what they need rather than that very high tension, 'If you don't take this offer, you will be bumped' sort of thing.

**The CHAIR** — Without extra resources? You do not need extra resources?

**Mr NASH** — A household may not even be allowed to look inside the property, so we end up driving them past and dealing with all the stresses of that. It would be much better if we could just be there and have a look through, show them around the community and introduce them to the schools. All those things that will make it work are a much better use of time than how it works now.

**Dr HOLST** — Each priority application takes a long time to draw up now and is very stressful and is done so far in advance of the offer it is a prediction only. As we said, that is why we support the change from that process.

**Mrs POWELL** — We heard evidence from one of the organisations that said there is the perception that public housing is not for mainstream, it is more for welfare recipients. I think in a way that is probably true because those that can get public housing are those who are chronically homeless, or with a disability, or whatever, and need the intensive services. There are other people who have said that there really needs to be the other criteria of low income, which is what it used to be many years ago. People on low income could also have access to public housing.

Given that there are about 40 000 people on the waiting list, this might exacerbate the problem by putting in people with low income, but for your organisation, if these people on low income do not have access to affordable housing, they will become homeless, then they do become a criteria for the waiting list. How do you see that working?

**Mr NASH** — To allocate more low-income earners into public housing?

**Mrs POWELL** — Yes.

**Mr NASH** — I think it needs to be placed in a long-term strategy context, so yes, there will be short-term investment required but having an understanding of the level of supply required across both public housing and housing associations 10, 20 or 50 years out and starting to work towards that, that is what we mean by an affordable housing strategy.

**Dr HOLST** — We understand about 30 per cent of offers continue to be made to so-called Segment Four, or just low income, regardless almost of the system that has adopted a prioritisation so there is that sort of state.

**Mrs POWELL** — Discretionary type?

**Dr HOLST** — I do not think it is discretionary. I think it depends on, because of where the properties are, what the configuration is, it is almost a magic number, that is my understanding, so it is quite strange.

**The CHAIR** — Thank you very much for your detailed presentation. We really appreciate that. If necessary, our secretariat will be in communication with you.

**Dr HOLST** — Thank you for the opportunity, and good luck.

**Committee adjourned.**