

TRANSCRIPT

FAMILY AND COMMUNITY DEVELOPMENT COMMITTEE

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

Melbourne — 11 February 2010

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Ms D. Salisbury, chairperson,

Mr J. Fiedler, tenancy advice/policy worker, and

Ms A. Bragg, program worker, assistance with care, Housing For the Aged Action Group.

The CHAIR — Good morning and welcome to this public hearing. This is a parliamentary 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. You will be sent a copy of the transcript and will be able to make minor adjustments if necessary. This is a 45-minute session. I will get you to make a verbal presentation which will be followed by questions, so if you could restrict the presentation to about 25 minutes, we can ask a few questions. Before you start please introduce yourselves so that can go on the transcript. Thank you very much.

Ms SALISBURY — I am Dalene Salisbury, chairperson of Housing for the Aged Action Group.

Ms BRAGG — I am April Bragg, one of the housing workers at Housing for the Aged Action Group.

Mr FIEDLER — I am Jeff Fiedler, a tenancy advice/policy worker with Housing for the Aged.

Ms SALISBURY — Thank you very much for giving us the opportunity to speak. I will not speak for very long. We have introduced ourselves, and I will just tell you about my passion for housing. I was a housing worker for nine years, and in that time the lack of housing for people with disadvantages of either mental illness, drug and alcohol problems or just being plain poor became quite tragic. I will hand over to Jeff and April to go through what they want to talk about.

Ms BRAGG — Perhaps I will say that our submission was really based on the terms of reference of the group that we represent and that we feel that waiting lists and the lack of public housing impacts on the most, which is older people. Apart from our submission where we have addressed most of the issues, whether they be the waiting list or some of the other issues about public housing management, we thought that one of the best ways we could demonstrate the impact was to actually show you older people's stories of what is happening to their lives while trying to get public housing.

We are a strong advocate for public housing. We think it is the best for people. It is equitable, it is open and it is accessible. When people are ageing it has the things that people need, like modifications. We have never, ever had any problem with any modifications for tenants that we do in other forms of housing, whether it be private rental, community housing or social housing. Through our outreach service where we provide assistance to older people who are homeless or at risk of becoming homeless — and they are generally private renters who are facing eviction — when we get them into public housing, which we do, and generally in a three-month period, it is truly like winning Tattsлото for them. It means they can sleep at night. They do not have to worry about a notice to vacate. It means they have quality of life in terms of having money left over to do the things they need to do. I do not mean extravagant things; I mean ordinary, everyday things like medication and food.

Later in the submission we would like to touch on the new housing forms as well as, I suppose, housing associations and some of those things and how that is impacting on our group of people as well.

Mr FIEDLER — Just as an introduction, I am not sure if you have been able to view our short film as yet, but the reason we decided to bring it along today is that it is something we have recently produced. It is a production we did with the University of Western Sydney and a particular academic there who has in many ways tried to match a lot of the statistics out there about homelessness and housing poverty with human stories. He was doing a lot of work with AHURI, the Australian Housing and Urban Research Institute. We have the people with the stories, so we decided to bring those two together to produce this 12-minute film.

Just to follow on from what April was saying, the bread-and-butter work of our organisation is helping older people out of housing poverty, and we aim to get as many of those people into public housing as possible for those positive reasons that April mentioned.

We believe there are about 40 000 older people in Victoria who are struggling in the private rental market. We have a basic philosophy that no older person should be forced to live in private rental housing; it has become that difficult for them. The vacancy rates have been below 3 per cent for the last five years in private rental accommodation right across the board, and generally 3 per cent vacancy rates are seen as a state of equilibrium. If there is a rate of 3 per cent or even better, then there is a reasonable amount of supply for the number of

people looking for accommodation, but if it drops below 3 per cent, that is when we get housing shortages. It also means that rents start to skyrocket because 15 to 20 people are applying for each private rental dwelling that might be advertised. Throw into that mix older people on aged pensions trying to compete with younger people on working incomes. We have even had the situation of rental auctions where the price of the rental property is bid up even before it is provided to someone. Older people and aged pensioners are just not in that market.

I have the latest rental report figures from the Office of Housing for the September 2009 quarter. They show that the vacancy rate was 1.5 per cent, half what would be a reasonable equilibrium level at 3 per cent. It was a similar rate about a year ago, and, as I was saying, it has been below 3 per cent for the last five years. That means that for the last five years rents have been skyrocketing and it has been very difficult for older people to access this sort of housing.

Just to give an example, the current aged pension is around about \$308 per week. With rent assistance that is equivalent to about \$364 a week in income. The average rent for a one-bedroom flat — not a house — in the Melbourne metropolitan region is about \$270 a week. That is an increase of about 6.5 per cent in rents across the board in the Melbourne metropolitan area in the past year. That means that on average a single older person is paying 74 per cent of their income in rent to live in an average one-bedroom flat in Melbourne. We see private rental for older people as being at absolute crisis point where it is not a sustainable option in any way, shape or form. We are often in this desperate situation of having to do whatever we can to help them exit out of that. Public housing is always our main aim but is not always achievable.

We have had some very distressing cases in recent times. A number of older people are saying to us that if they are evicted, they are seriously contemplating suicide; it has really got to that stage. I visited a man only the other day who showed me what he said is an illegal book in Australia. It is about assisted suicide and he was reading it from cover to cover. He was making preparations for his funeral. His particular situation was that his wife had died three months previously, he was in a great state of grieving and his landlord had given him a 'notice to vacate without reason' — as it is deemed under the Residential Tenancies Act. It was clear from the landlord's comments that he believed he could get a much higher rent by renting to people on working incomes. He was more or less waiting for this man's spouse to die before he would give the notice, because he had some level of compassion for their situation with her having a terminal illness.

April had a case just a couple of weeks ago which was a similar situation with someone who had lived long term in private rental housing, and that is another key element we find with older people. Private rental works for young people who can share houses where they might live for a couple of years at a time before moving on to the next stage of their life. However, older people always rent long term in private rental accommodation, and it is quite common for us to see people who are renting for 20, even 30 years. After that many years when they have all of their personal belongings and may be into their 80s it is an absolute disaster for them to receive a notice to vacate, which could give them as short a period as 60 days if, for example, the landlord decides to sell that particular property. It just does not work for older people in any way, shape or form.

Ms BRAGG — The problem with people remaining is that often when they get to that point and we look at what other options are available, some people may be on the public housing waiting list but they are waiting indefinitely. I had one housing officer say to me yesterday that one particular applicant had had an effective date of 1999 but just under segment 4. The housing officer said to me, 'That will be another 30 to 35 years', and that person was 69! It is the first time in a long time that I have actually heard that — usually I just get an indefinite answer.

It is not just people being referred to us or finding people at that crisis level, it is that the options we have are really limited. When you talk to people about that, that is when we often hear stuff like, 'I would rather die, and I am putting plans in place'. We were moving someone last week who had been in private rental for some 50 years, but because the options we had put to her were not good, when we arrived on moving day she had taken an overdose because she just could not imagine being anywhere else.

Mr FIEDLER — This is the pressure we are hearing about on a daily basis from people, and the statistics of our casework have been going up exponentially in recent times. It is quite extraordinary. Just to give you some of the statistics to go with this human face, AHURI shows that the number of older people in low-income households will more than double from 119 000 to 419 000 by 2026. Australian governments — —

Mrs SHARDEY — Is that Australia-wide or in Victoria?

Mr FIEDLER — Australia-wide, yes.

Mrs SHARDEY — One hundred and nineteen to — —

Mr FIEDLER — One hundred and nineteen to 419 by 2026. That is the number of older low-income households. It is up to us as a society to decide what sorts of households they will be — will they be in poverty, will we have forms of housing that do address the needs of that population?

Recent federal government figures from a lot of the good work that the federal government has been doing on homelessness show that there has been doubling of older people in housing stress just in the last five years, from 52 000 to 112 000. The Australian Institute of Health and Welfare in a recent report it produced showed that older private renters pay more of their income in rent than any other age group or tenure type. The particular contrast there is that the vast majority of older people who own their own homes, which is around 80-odd per cent, pay on average about 4 per cent of their income in housing costs, whereas an average older private renter is paying more than 50 per cent, so there is a stark difference between those who have been able to achieve home ownership when they have reached retirement and those who have not. We know there is a range of reasons, including family circumstances, employment issues, ill-health and a lack of superannuation, that have caused people to be in that situation. They have reached retirement and then found the chasm in front of them of, 'How am I going to find secure housing from now on?'. It is probably a good time to show our short film.

Ms SALISBURY — Has anyone seen the DVD?

Mrs POWELL — We have got it. I have not — —

Ms BRAGG — We want you to take it home and play it on the weekend!

Ms SALISBURY — That is your homework!

DVD shown.

Mr FIEDLER — We thought we would leave it there. There is a little bit of extra commentary, but with the limited time we thought we had better move on. There are a couple of important points there. It really just highlights the lack of protection that people have in the private rental market under the Residential Tenancies Act. As demonstrated by this DVD, older people are afraid to take action to get basic things repaired in their homes because the landlord can put up the rent to whatever the market will bear. They will often accept substandard housing so they can have rent that is somewhat more affordable than the market, so they will live in conditions like that.

Secondly, as in Ken's situation, there is nothing to stop a landlord serving a 60-day notice to substantially renovate the property — because obviously with a place like that you could not live in it with the amount of work that it requires — so they will just sit and not to make waves. We took a lot of action to try to get Ken to serve legal notices on the landlord to get work done, but he just continually refused.

There is another key point with the film, too. With Murray, the first person on there with the shower, we were not able to find him other accommodation. His health deteriorated further and he is now in residential care. We see that as a real failure on our part that he has now been forced to move into residential care, which is a much more expensive form of accommodation, because we believe if we could have found him public housing, with all its good design and aged-care services coming in, that he could have lived independently for much, much longer than he did.

The last one is that a couple of those people, Molly and Ken, have got a little bit of money over and above the \$30 000 asset limit to get into public housing. It means that they cannot get into public housing, even on a priority basis. It is something we have been campaigning for over a number of years — that is, to have the asset limit increased from \$30 000 to \$80 000, as in our submission, so some of these people can be eligible for public housing.

Ms BRAGG — I was just going to say, with Molly and Murray, one of the barriers to us, apart from being just over the asset limit with having savings for funerals and that type of stuff, was the broad-band system. It was really important to be able to keep them in a local geographical area but the housing that was becoming available on the shortest waiting times was way, way out of an area that was suitable for them. Murray obviously is an active RSL member; his RSL is in the area. There are all kinds of problems with getting him back to the area. But, more particularly, his wife Maree suffers from dementia and she has a routine that she follows every day about catching the bus down to the shopping centre and back, so taking her outside of that area was really difficult.

Also, as you can tell from Molly, who has lived in that Preston–Northcote area for a very long time and who is a real jewel in that community, taking her out of that area to a larger broad-band area was just not something that we could do.

Mr FIEDLER — We were able to find Ken one of the few independent living units run by the Freemasons, who were willing to be flexible with the asset limit. So after probably about five years of trying to assist Ken — and he was living in those conditions all that time — just in the last few months we have now been able to find a positive outcome.

One of our bottom lines — it is in our submission — is that we believe there should be the reintroduction of the automatic priority for older people when they reach retirement age. That was taken away about 10 years ago. It used to be Office of Housing policy and we think, just because of particularly the acute state of the private rental market, that we need that reintroduced and, as I said, the increasing of the asset limit to allow people who have a little bit of their life savings to hold onto that. They should be able to access — —

Mr SCHEFFER — What was the rationale for that?

Mr FIEDLER — For removing it?

Mr SCHEFFER — Yes.

Mr FIEDLER — I think it was just the fact that the waiting list was blowing out so much that they introduced the segmented waiting list.

Mr SCHEFFER — So it was with the introduction of that?

Mr FIEDLER — Yes. It removed the specialist category specifically for older people.

Ms BRAGG — The really odd thing about the over 75 is that in lots of ways older persons public housing is a special category in itself anyway, because it is about stock allocation. So people over 55 are only ever allocated into aged persons housing stock. I do not think it is too hard to introduce a new segment, given that that is how we actually allocate the stock. Logistically, I do not know how it would work on the system. Without that, and I suppose for all segment waiting lists, one of the biggest things is that it actually discriminates against active older people, whose issue is that they are only income poor; they do not have any of the other problems that they need to access segment 2 or 3. Particularly segment 3, with the \$1300 asset limit, people cannot hit that segment. So we are again requesting that that segment be removed and have a segment for income and eligibility.

Mr FIEDLER — A high proportion of older people are very fit and well, but we argue that their housing circumstances are causing ill health and forcing them into these difficulties and even costing society a lot more by having to provide aged-care services prematurely to these people. It does not make sense to have the system sort of upside down, the way it is now.

The Office of Housing used to have an older persons housing unit and that unit focused on their needs. That is why the design of the housing that is there in public housing is excellent. Basically, all older persons public housing has no steps at the front, wide doorways, ambulatory areas for wheelchairs and walk-in showers. All that design has been done really well, going back to the 1980s, when there was some money in public housing. There has been a 60 per cent reduction in public housing grants since the 1980s. So the housing stock is perfect for older people, if we could just get them into it.

Ms KAIROUZ — Could I just ask: where did you get that figure from, the 60 per cent reduction in public housing since the 80s?

Mr FIEDLER — Those figures I have seen produced by the federal government in recent months. I could forward that to you.

Mrs SHARDEY — If that could go to the committee, that would be very good.

Mr FIELDER — Yes, I am happy to provide that data. We have those figures of the reductions over that period of time.

Ms KAIROUZ — I just had a quick read before and that is why I am interested to find out. In *A Fairer Victoria — Achievements So Far*, this is what it says:

Since 2005, extensive government investment ... has created growth in social housing stock and improvements in the quality of housing stock.

In 1999 there were about 74 500 social housing units and in 2006–07 we are looking at about 77 500. So there has been an increase of about 200 properties a year over the past 10 years and you are saying there has been a 60 per cent reduction. Is that in terms of federal funding?

Mr FIEDLER — That is correct. I think the Victorian government is the only state government that has actually increased funding for public and social housing over recent years. With the old commonwealth-state housing agreement, the states were required only to match the funds provided by the federal government. There was an injection of an extra I think \$350 million from the state government, which certainly has helped stem the tide, but I am sorry to say that through the Howard years in particular there were substantial reductions in the federal grants. The states had the option of matching that reduction or putting in some extra, and the Victorian government did put in extra, but it is really just stemming the tide. There is increasing demand as well. In the 70s and 80s we had increases in public housing of tens of thousands a year, so if we are talking about only hundreds now, then it is really not meeting the need by any means.

Ms BRAGG — The other change in landscape in that is that if it is social housing, the criteria for access has changed, so it is not.

Ms KAIROUZ — I note that you have very strong statements in your submission. One of them, if I could read it out, is:

Overall the system reflects the failure to provide adequate supply of public housing and was a political act by government to distort the true need in the community by actively discouraging people from even applying for public housing.

Ms BRAGG — If you are told that you are going to be waiting 30 to 35 years, you walk out the door.

Ms SALISBURY — I worked there for nine years as a housing information and referral worker. When I first got in and started working for housing, I could get someone in seg. 3 within three or four months. In the end, there was no way. I think I got a couple of good ones, and they were older people, and I got in two — and I was the only one who could do it.

Ms KAIROUZ — Is it the segmented waiting list model, do you think, that is the problem?

Ms BRAGG — It is definitely the supply. We have a segmented system because there just is not enough housing, so you rationalise. That is our point: you have to go through these processes because you actually do not have enough housing. So you have the most deserving of the deserving of the deserving and then subsequent problems.

Mrs SHARDEY — You referred to commonwealth funding. Has the move to rental assistance meant that there is more flowing into the private housing market for older people? That is the first part of my question. Secondly, I note your comments on eligibility and on the segmented waiting list. Has any of the increased funding that has come from the commonwealth recently gone into the building of older persons units? I have some of those units in my electorate, and I can see that they are very helpful to older people. What has happened to the building of older persons units? I have two questions in that one.

Mr FIEDLER — To answer the first one, there has been a fundamental shift, again probably over the last 20 years, away from capital funds for public housing and towards the rent assistance program. There is more federal money going towards rent assistance than capital funds for public and social housing. Again, it has almost been a government philosophy over many years of believing in the private sector being able to provide for people through that subsidy rather than through capital funds for public housing.

Mrs SHARDEY — Does that help the older people you are talking about whose assets are too great for public housing but who need an income for rental? Has that been of assistance to those people?

Mr FIEDLER — There is a lot of evidence that rent assistance actually pushes up rents; it increases them because it tends to drive the market. I suppose in initial terms it provides something in that it means people are paying, say, 45 per cent of their income in rent rather than 70 per cent; it provides that benefit.

Ms BRAGG — It is age and savings as well, that inevitably leaves some — —

Mrs SHARDEY — Is it indexed? Do you know if rent assistance is indexed?

Mr FIEDLER — Yes, it is; it goes up every six months, I believe. Around \$55 per week is the maximum rent assistance at the moment.

Rent increases in the last couple of years we think might be related to the stock market crash. There seemed to be a real spike at that time. We do not know whether investors who had shares and also property lost on the share market so decided to push rents up to get something back from their investments. Molly, for example, had a rent increase notice of \$300 a month in one hit. Under the Residential Tenancies Act you can get an assessment done by Consumer Affairs Victoria to see whether that is excessive compared to the rest of the market, but the whole market was going that way so we did not succeed then.

Ms KAIROUZ — Particularly in Northcote and Preston and the area in which she wants to stay.

Mr FIEDLER — Yes, which were working-class areas. The wave comes over older people who have lived in these areas for decades. We had one chap in Brunswick who had a rent increase notice of \$600 a month in one go. He had lived there for 20 years. Those people just have to bail out at that point.

Rent assistance is good, but in the long term would it have been better to have invested that money into long-term public housing, because it gets eaten up by market rent increases?

Mrs SHARDEY — My other question was about older persons units. What has happened there?

Ms BRAGG — We are finding that more and more of them are under the social housing scheme. Every day our organisation looks at where building projects are happening, who is managing them and how people get access, and we are finding that those ones have further criteria on them. For example, I think I put in the submission — and they are always in small numbers like 12 or 15-unit developments — that some that were recently built just for older people in Point Cook had really strict criteria. The development was managed by social housing organisation but owned by the Office of Housing. The criteria was that you had to be over 75 and had to have ties to the area. I do not know who would have ties to Point Cook. We had two people who were 72, and one of them lived in a caravan park down the road in absolutely appalling conditions — he had been beaten and a whole range of things had happened — and we were told he was not eligible because he was just not old enough.

With the system for public housing the access is really good, except we are saying that the income and asset limits need to be raised. We have this new set of criteria now that is happening with the building of stock.

Mr FIEDLER — A further barrier we are finding is that housing associations — because they have to become self-sustaining with their business model and they are also borrowing funds to add to their housing stock, which is good — are trying to attract more people on higher incomes into their accommodation to get higher rents to get higher returns. Some housing associations may only be housing 20 per cent who are on low incomes. That has been somewhat of a restriction on the ability of older people, again, to access the new forms of social housing.

Ms BRAGG — And it is quite discriminatory as well, in the sense that if we have a couple and a single person in similar circumstances, we know that the couple will always be accepted before the single person just because there is more money being generated through rents that the housing associations need.

Mrs POWELL — Is one of the challenges we face as a society the perception of public housing? Public housing, in my understanding, is to support people when they need it, and then they move on into private rental. What we see, particularly for older people, is that you might have mum and dad and a couple of kids in a three-bedroom house close to shops, close to schools and close to public transport. As the children leave home and mum or dad dies, you have a single person in a three-bedroom home in one of the really good areas where that house is needed for a family. How do you move that person on? They believe that is their home. They have the knots in the door where the kids have grown up, they know the people around them, they know where the shop is and they know where everything is. How do you say to that person, 'We need that home; we have a number of families on our waiting list'? How do you move them out of there into alternative options? Do you have a solution for that?

Ms BRAGG — Both Jeff and I were tenant workers — 100 years ago! — on public housing estates. We would say that everyone has the right to stay if that is their home where they have raised their children. But we found in particular — and again it is a restrictive policy — that if someone like that is in a three-bedroom home, they are then allocated to a one-bedroom. Even simple things like going from a family stove down to a two-burner have an impact, particularly for women.

Often people want to move because they are not managing with their larger properties, but there is no option to say, let us have a flexible policy about the fact that everybody needs two bedrooms, so we are building two-bedroomed stock.

We know of lots of people who have approached the department about downsizing but there just is not anything, it is either a one-bedroomed or a bed-sit, and again, in a broad-band area, so I do not think it is people necessarily refusing to move, it is that the option is not there. That is where engaging the community comes in.

At the end of the submission we have put that we believe one of the future directions should be that tenant groups have appropriate funding so that they work with their communities to look at the needs analysis of those communities because there is no-one better placed for knowing who is ageing, what their circumstances are; there is a constituent, and it is about working with the Office of Housing and government to plan those future needs.

The standards that are in public housing came about primarily through the work that tenant groups did with the Office of Housing just through things like post-occupancy studies, upgrading studies and tenant groups really having an active role in that because they know their communities.

Mr FIEDLER — There are also a lot of opportunities for really creative ideas of blending independent living with aged care as well. I do not know if any of you have seen some of the models like Humanitas in the Netherlands where they are looking at creative new ways of providing independent accommodation for older people but linked to aged care services and where they also draw other people from the community into those establishments by having restaurants, cafes and other services there.

There is an organisation in New South Wales called the Benevolent Society, which is trying to develop a similar model which it calls Apartments for Life, in Bondi Junction. It is about to start developing that scheme there.

There was a development we were involved with in Northcote at Roberts Street, where there was some terrible old public housing demolished, and that has been rebuilt as public housing and as one-and-a-half bedrooms with some community facilities and community gardens, and things like that. Through our recommendations and what the tenants there, who have been relocated and will move back, have wanted is somewhere down that track of looking at these value-added aspects of housing for older people. It is really quite exciting if we could just have that level of policy development within government.

Ms BRAGG — The achievement of the 1.5 was a really big thing in future housing design.

Ms SALISBURY — I will also talk about Molly Hadfield who has been to different places and when they were building public housing, I think it was in Windsor or something like that, she walked in and said, 'What

about the stove? How can older people go to the stove?'. She was actually recommending, because it was still being built, some of the things that older people need, like the taps were not right for people with arthritis, they had the wrong taps; they had the wrong handles on some of the doors; and definitely the stove and stuff like that.

Really older people can actually help with design, and if you let people like Molly and others assist, they are quite marvellous in picking things out and making it so definite about what older people want.

The CHAIR — We are running over time. Thank you very much for your presentation. We really appreciate it.

Witnesses withdrew.