

# TRANSCRIPT

## FAMILY AND COMMUNITY DEVELOPMENT COMMITTEE

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

Melbourne — 11 February 2010

#### Members

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#### Witnesses

Mr J. Blewonski, Chief Executive Officer,

Ms N. Horton, General Manager, Community Services,

Ms K. Walker, Manager Housing Services, and

Ms A. Tuohey, Research and Policy Coordinator, St. Vincent de Paul Aged Care and Community Services.

**The CHAIR** — Good morning, and welcome to this hearing of the Family and Community Development Committee. We thank you for your presence.

This is a parliamentary inquiry, it is not a government inquiry. All evidence taken at this hearing is protected by parliamentary privilege as provided by 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 this hearing will not be afforded such privilege.

We are recording these proceedings and you will be sent a copy of the transcript. You will be able to make minor adjustments to the transcript, if necessary. This session will be 45 minutes: probably 25 minutes for your verbal presentation, to be followed by our questions. Before making your presentation please introduce yourselves.

**Mr BLEWONSKI** — My name is John Blewonski. I am the Chief Executive Officer of St Vincent de Paul Aged Care and Community Services, which is a separate incorporated entity within the society. Sitting to my right is Netty Horton, who is the General Manager, Community Services within ACCS, and to my left is Karren Walker, who is the Manager of our community housing programs, and I will speak a bit more about that in a moment.

As I said, ACCS is an incorporated entity within the society responsible for the delivery of a range of programs which relate to community services and include aged care accommodation, including seven facilities offering both high and low care; homelessness and housing programs, including transitional housing; short-term residential programs; residential drug and alcohol rehabilitation programs; family violence programs; and disability employment services. Predominantly all of these programs are government funded.

The St Vincent de Paul Society welcomes the opportunity to respond to this important inquiry into public housing. The Society is dedicated to responding to disadvantage in the community, and therefore we see the provision of housing for people on low income and disadvantaged Victorians as a necessity and as part of a broad continuum of support, so that people can have the best opportunity to achieve successful outcomes.

I took up the appointment as Chief Executive on 1 February and to that end I have my colleagues either side of me — Netty Horton and Karren Walker — to provide some of the detailed background in terms of our submission. I would like to point out that Karren manages the St Vincent de Paul Housing Services which service both the northern and western regions of Melbourne. This service is the DHS-identified primary housing provider for the two regions and manages approximately 200 transitional housing properties and receives approximately 15 000 requests for housing-related assistance per annum.

Both Ms Horton and Ms Walker have been involved in the preparation of our submission today. This, together with their day-to-day work within the Society over many years, ensures that they will be well placed to respond to this committee's questions. Before handing over to them, I would like to make a few points in relation to our submission.

Firstly, the St Vincent de Paul Society believes that public housing is an essential foundation for people in need. Therefore in our view there must always be a commitment from government to provide housing for people who for a range of circumstances otherwise would not be able to access housing. Our submission discusses the contribution of both public and community housing, but emphasises that governments must have an abiding commitment to public housing to ensure that essential services are provided to the most disadvantaged. In dealing with the most vulnerable, the Society's experience has been that these people are less likely to be successful in accessing community housing.

Our submission also outlines some of the difficulties the Society experienced in its attempts to be registered as a housing association emanating from the unnecessary requirement imposed by the State Government for associations to sign a winding-up clause that potentially put their assets at risk — effectively, in our view, a means of compulsory acquisition should the association be wound up. In the Society's case this would have involved a risk to assets accumulated through donations from members of the public to support a myriad of programs other than those directly related to housing.

As outlined in our submission, this caused delays while the Society introduced an artificial separation of its community housing functions to protect its assets from possible government seizure in the eventuality that the registered company was wound up. These delays resulted in a missed opportunity for the Society and for government to utilise available resources, including our existing assets, to provide housing for the disadvantaged, therefore restricting the capacity of the Society to develop community housing for those most disadvantaged.

Secondly, I will make some comments in relation to the specific groups. The Society believes that there needs to be consideration given to fast-track processes for women and children escaping domestic violence in order to access appropriate and safe housing. Seniors need to have their rights respected in relation to housing choice. We see community aged care packages as an effective means of enabling the elderly to remain in housing longer and believe they should be extended to this group who are socially disadvantaged.

In relation to refugees, we believe that the housing provided should be considered on the basis of providing the best opportunity for successful integration rather than where the stock is. Therefore the type, social mix and location are important considerations for this group.

Finally, we believe that the needs of the highest priority clients — segment 1 — should be met. That is at the forefront. I will now hand over to Netty and to Karren to follow up on that.

**Ms HORTON** — My name is Netty Horton. I am the General Manager of Community Services at St Vincent de Paul Aged Care and Community Services. I want to elaborate a little bit on our thoughts over and above the submission that you would all have received.

When we are dealing with the numbers of people who come through our community services, public housing is the best we can hope for for most of our clients and residents, because it offers generally affordable accommodation, generally safe accommodation and generally long-term accommodation. I suppose from the point of view of our staff, who see hundreds and thousands of people coming through our services every year — John has already told you 15 000 contacts are made with our housing service each year requesting housing assistance; we have 600 single men staying at Ozanam House each year in our crisis accommodation — we see tremendous changes in them if we can provide them with housing that is long term.

We can show you people who have been sleeping rough. If they are given the opportunity to access long-term accommodation and with appropriate support, they can do quite well in the community and can more fully participate in that community and can cost the general community a lot less.

If there were other options available to people that held the same attractiveness as public housing for those reasons, then we would obviously be looking at those, and I will talk a little bit about that in a moment. But I just want to stress that in our case management — and most of the clients and residents coming through our services are required to have or are offered case management — 90 per cent of those at Ozanam House, for instance, would have public housing as being a goal in their case management plans. I do not have to tell you how case management plans are worked out, but just be aware that they are very much driven by the client. That is what they are seeking.

Only 3.3 per cent of the people we see at Ozanam House each year are able to access public housing directly. That is almost always because they are elderly, and for a range of reasons we are able to access that accommodation more readily than other accommodation. For all of the other men we then have to find other accommodation — and I am sorry to be talking about men; we happen to have a men's crisis facility, but I can also talk about our family violence services. We are funded to accommodate people for around six weeks at Ozanam House. Given around 80 per cent of those people have drug and alcohol issues and about 70 per cent have mental health issues, and obviously many people have had a range of other issues, it is a lot to sort out in six weeks; it is impossible. Generally we keep people longer than the six-week period anyway.

Generally we have to transfer people out of Ozanam House and into other forms of accommodation prior to their being able to get into public housing. We are able to put some of those people into transitional housing. It varies, but it is generally of good quality, it is certainly affordable and it is generally safe. We put around 25 per cent of people — possibly a little higher — into private accommodation, much of which is very inadequate. The problem for us is that the time to get onto the waiting list for public housing, even if you are a priority, is

significant, and if you are in inadequate accommodation, it is very difficult to be able to address the underlying issues of your homelessness. Whether it is drug and alcohol issues or mental health issues or whatever, it is often frustrating for the resident, and I have to say for our services, because we can see the gains people can make in a short time, but then when we have to wait so long to put them into something that is going to be permanent it creates a lot of issues.

In terms of the segmented waiting list, I think our view at Aged Care and Community Services is that it has worked well for the people we work with because in a sense it guarantees priority of access for that group of people. I think the thing we all feel very strongly about, and hopefully it is very strongly presented in the submission, is the importance of not just providing housing for people, but if we are to make that work, we need to provide the appropriate supports for people in that public housing. We talk a lot about social inclusion, and I think where we do it well we can see the benefits of involving people more meaningfully in the community.

I want to give you a couple of examples which illustrate how this has not worked. At St Vincent de Paul we have soup vans — you may be familiar with the soup vans. They have routes each night, and they go around and supply people with soup and a meal and essentially with contact. Twenty years ago those soup vans were focused primarily on people sleeping out, perhaps in squats and perhaps in some of the substandard rooming houses. Today — tonight — some of those soup vans will be visiting people in public housing who presumably have entered it through segment 1. There is nothing essentially wrong, and in fact I am glad people are accessing soup vans for social support. St Vincent de Paul is really happy to provide that. But I think it is a really strong illustration of the sorts of difference in the needs of people who are now entering public housing as opposed to perhaps in other years.

I also think that if you look at some of the St Vincent de Paul conferences — the Collingwood conference for instance — there is a lot of work with public housing tenants. Again, it is great they are able to access St Vincent de Paul, but I think we would hope that there would be more structural support and more formal support put in place. St Vincent de Paul is a voluntary organisation. We think it is a very good organisation that can provide all sorts of services, but we are not talking about paid, professional staff, and I think there is a place and a role for those sorts of programs as well to properly support those people.

I think in our homeless services very often we see the great results we can get by appropriate participation opportunities for people in the community, so recreation and employment and training opportunities have to be part of those supports as much as counselling, drug and alcohol and allied health supports.

Finally, I just want to touch on the issue that again is very strong in the submission and that John has already mentioned, and that is around the issue of housing associations. There have been some significant difficulties for large organisations in registering as a housing association because of the existing resources held by many of the large organisations which they have been reluctant to put at risk. However, as the general manager responsible for the services, the major frustration is the lack of access by people coming in through our services to housing associations. In the 15 000 contacts that Karren's housing services had last year, only two applications were successful. There are a range of reasons for that, which we can explore if you want to, but I think we have to say that at the moment and to date the provision of housing association accommodation for our client group has not met that need.

We note that because of the new eligibility for anyone on the public housing waiting list to now also be eligible for access to housing associations, letters have been sent to all our clients or residents who are on the public housing waiting list — and if they have seen us, hopefully they will be — inviting them to apply for access to housing associations. We are engaged in a fair flurry of activity at the moment, and we would hope to see some improvement in access from that, but it has been a real issue for us. That is probably all I need to say at the moment.

**Ms WALKER** — I am Karren Walker, the Manager of St Vincent de Paul Housing Services. I am probably going to say a few words that underscore what Netty and John have already mentioned and perhaps just speak from the experience of the service. Housing Services office is in Glenroy in outer Melbourne. We operate a range of services from responding to people who walk in from the street and have nowhere to sleep that night, through to the provision of transitional housing management support, and a suite of services that run the gamut from 'nowhere to sleep tonight' to transitional housing. The thing that is constantly reinforced to us is the impact that long-term transience and churning through the homelessness service system has on increasing the

complexity of need and the difficulty of then engaging clients and getting them to be able to trust the service system again.

We put a lot of work into making a transparent commitment to trying to stay with the clients, from our initial engagement with them right through until some outcome can be achieved. In the main, that outcome will be public housing. So the engagement that we are trying to achieve is over a very long period of time, and working with a range of other services in the outer north-west corridor to cobble together enough of a support response or a housing response to keep people safe until such time as a housing offer comes through.

Over the last 12 months we have been able to respond to only about 5 per cent of the demand for transitional housing, which means that an awful lot of people, particularly women and children in the instance of our service, are spending time in rooming houses, hotels and motels with no cooking facilities, or moving between family and friends, which often has a displacement effect on the children in their schooling and also inhibits the adults' ability to engage in employment, education and a range of other opportunities.

Public housing remains the main opportunity for our clients to engage in community. The importance of place cannot be underestimated and the opportunities that come from being invested in a place cannot be underestimated. I am more than happy to respond to any specific questions that you may have.

**Mr SCHEFFER** — Yes. I want to come back to the point you raised about housing associations. Some of our previous witnesses have suggested that one of the ways to get around the difficulties with the segmented waiting list is to have a common list. You would not agree with that, I gather. Could I get you to comment on that? The other thing I want to throw in there is that, as I understand from the current state budget at any rate, out of the \$500 million that has been allocated to this area, \$300 million is tagged towards the housing associations for 1500-odd units and \$200 million is to build 800 public housing units. Clearly there is a budgetary separation there that I gather you support. In the context of that could you comment on the list?

**Ms HORTON** — The key issue is that housing associations in Victoria are required to contribute 25 per cent equity to each project, and most of those housing associations have to go out and borrow that money. In order to service that debt they have to have a guaranteed level of income from their tenants. What we are finding is that that really restricts the number of, particularly single, people on a Centrelink benefit or pension who the housing projects are able to accept, because simply they are not going to make the projects viable. In order to talk about one common waiting list, that may work if we could guarantee that the people who we are seeing would have access to that housing.

**Mr SCHEFFER** — Could I just break in there? They say they cross-subsidise?

**Ms HORTON** — Yes, they do say that they cross-subsidise, and I am quite sure and I know that housing associations take in some numbers of people who we are referring to. We can only give you the benefit of the information that we see at our services, and I have to say I think 15 000 contacts and 2 successful applicants really speaks for itself.

I think there is an issue. After a period of time our staff are probably not applying for every single person who comes in from housing associations, because it has been a pointless exercise.

I would like to add something here, and John might want to comment on this. I was just going to say that the frustrating thing for St Vincent de Paul is that had we been able to register as a housing association, we have land and assets that we would have been happy to develop into housing projects, and we would not have needed to go out and borrow money. Our entire focus for becoming a housing association was, if you like, to accommodate what is a sort of niche market of homeless single people, so that has been a major source of frustration for us.

**Mr BLEWONSKI** — That was what I alluded to; this is a very particular vulnerable group of people who missed out because of the way we have had to restructure to accommodate the legislation.

**Mrs POWELL** — Could I ask why you have not been able to register as a housing association given your experience and skills in that way? Why were you not able to?

**Mr BLEWONSKI** — We have had to establish a separate company to register as that association, so that company does not hold the assets. What we were concerned about from all the legal advice we had was that was the only way we could register as a housing association — that company — but that is quite separate and independent as a legal entity from St Vincent de Paul and St Vincent de Paul Aged Care and Community Services.

**Mrs POWELL** — Is that to your benefit or to your disadvantage?

**Mr BLEWONSKI** — It is a complication in terms of process and governance, firstly; and secondly, it is a disadvantage to the client group because, as an example, the economic stimulus money that was provided by the commonwealth government — \$300 million — through the machinations of our legal process we were not registered in time to access it. That is an example of that as a hindrance.

**Mrs SHARDEY** — Perhaps I can turn to some of your recommendations. We have heard almost every single organisation that has presented to us over the last two days describing a system in somewhat of a crisis and saying that public housing net stock has declined over time, particularly in relation to the population growth, and that what the sector would like to see is more diversity in the type of clients who are accepting public housing accommodation so that you do not get enclaves of highly disadvantaged people.

The other thing that has been talked about is people being offered a choice as to where they want to live. We have the three broad-band areas, which obviously makes that difficult, but to accommodate all of this with a broader base of eligibility in terms of income, of course, you would have to have a far bigger stock of housing — much bigger than we have today — and the rate of increase would have to be quite strong.

We have just spoken to the aged housing group about private rental and subsidies from the commonwealth government for private rental, and they were concerned that that rent assistance might be pushing up rents. I see here that you have got a recommendation that the state government start a scheme for rental subsidy. Just painting that picture, which I know has taken a little time, perhaps you could tell us how that would fit in, and would it release some of the pressure that is obviously on the system?

**Ms HORTON** — The intention of that proposal is really to try and keep people in their housing, because — exactly as you are saying — the pressure on all forms of housing that is available is so great. Essentially it is a fairly small proposal which works on the same basis as the utilities grant scheme, whereby if the state were prepared to put funds in to assist people to stay in their housing — and Karren could give examples of where she sees people who basically cannot pay their electricity bill or who have had a car problem or something like that — and if we could have a fund that was available just to keep people in that housing, for some people that would keep them out of homelessness and then keep them out of wanting other forms of housing. Karren, would you like to add to that?

**Ms WALKER** — The people presenting at our service run the entire gamut, as I referenced earlier. For some people it is an issue of lack of secure income. They have been sustained in private rental for years and years and years, and something will happen — a catastrophe will happen — which means that their private rental tenure comes under question. We have some small housing establishment funds which are DHS funded which give us some opportunity to try and keep people securely housed in private rental when these issues occur. It is nowhere near adequate to meet the need.

What we do see, because we do not have sufficient funds to keep people who can usually afford to stay in private rental there in that tenure type, is them falling into homelessness, and once they have fallen into the homelessness service system, to try to get them into private rental again becomes an incredibly difficult job.

**Mr SCHEFFER** — John moved on a bit more rapidly before. When you were talking about the difficulties posed for you by the conditions that are set for the establishment of the housing association, you pointed out you would have had to transfer the assets from St Vincent de Paul into the new company, the new entity, that would have become the association.

**Mr BLEWONSKI** — Not, that is not quite correct. In order to protect the assets of the St Vincent de Paul Society — those, as I mentioned earlier, which had been accumulated over many years through public donations and the like — from the potential of the winding-up clause, we established a new separate legal entity

to work as our community housing association model. In that way the idea was that should that company fall over for any reason, then the winding-up clause would not affect the society.

**Mr SCHEFFER** — So that measure then disqualified you from becoming a housing association?

**Ms HORTON** — We were able to register as a housing provider but not as a housing association, and in registering as a housing provider there were two things: one was that the sort of flood of money that came in, if you like, through the economic stimulus funds and though some government funds were predominantly made available to housing associations, not housing providers. But the other issue was that for the reasons we talked about — the leverage issue — we wanted to develop assets that we already owned, and St Vincent de Paul was not prepared to put those assets into the new company under the winding-up provisions that are required by the Housing Act and are required by government. I have to say that this is an issue that has been going on for three years, probably, and we have had many discussions with the department at all levels, but we have not been able to reach any sort of conclusion, and we are not the only organisation affected.

**Mr SCHEFFER** — I have been having difficulty understanding this. Are you saying therefore that the requirement that you have a certain level of assets is too onerous? What would the — —

**Ms HORTON** — No, there is no requirement that we have assets, but we do have assets, and we would like to use that land to develop housing projects so that we can accommodate homeless people. In order to access the funds, the 75 per cent from government, to develop those properties we have to be prepared to put that land into the new company that we have created. Essentially we are not prepared to put the land into that new company because the winding-up provisions of the company as determined by the Housing Act and as determined by government are such that it would mean that if the company was wound up, all the assets of that company would then be handed over to another housing association.

**Mr SCHEFFER** — I understand that, yes.

**Ms HORTON** — So for argument's sake we have a property and we have developed it. If in 15 or 20 years time, for whatever reason, that company is no longer going to operate, rather than being able to get any recognition of what we have put into that company or into that particular development we are not able to get any recognition of that, and that really is the nub of the discussions of the last three years.

**The CHAIR** — Without that do you reckon that you should be able to raise that 25 per cent to move ahead in building?

**Ms HORTON** — Sorry, are we able to?

**The CHAIR** — Without getting that land transferred as a contribution, do you reckon you will be able to raise that 25 per cent to move ahead and build houses or provide services?

**Ms HORTON** — Our view is that would be our 25 per cent — —

**The CHAIR** — Yes, but you are not happy to transfer that into the new entity.

**Ms HORTON** — No, we are not putting that into the new entity because — —

**The CHAIR** — So for the new entity you have to raise 25 per cent?

**Ms HORTON** — We would have to raise 25 per cent, and even then I think from the society's point of view they would have some reservations about putting 25 per cent equity into a project without actually having any of that recognised. It is very different for the larger organisations that have a number of assets and properties from what it is for organisations that have become housing associations. They were primarily transitional housing providers in the first instance, so they have sort of been created with a different history.

**Mrs SHARDEY** — What is the solution; what would you like to see?

**Ms HORTON** — It is pretty easy, I reckon. From our point of view I think they could just make some exclusion. You could just reach an agreement on a project-by-project basis. There may well be some projects where we would say, 'Okay, we are happy to put that one in', but there will be other projects which the local

conference has raised money to buy 50 years ago through lamington drives that we are not happy to put in. That is the easy solution. The slightly more complicated solution that is possible is that we just get to a reasonable leasing arrangement. So it would be agreed that we could lease at a reasonable level and that would be recognised as at a reasonable level of equity. But at the end of the day there has not been huge interest from the government side.

**Ms KAIROUZ** — Moving along from this topic, sometime last year — I do not recall when — there was a huge project in Frankston that the government was supporting for social housing and affordable housing. You are probably more on top of it because it is out your way, Jude. We had the Minister get up in Parliament and defend this project because some people in the community did not like the type of people that were going to live there. The Minister pointed out that people from both sides of the house grew up in housing estates — and look where they are now. One of your recommendations is to establish a community education campaign and getting the Minister for Respect to run with that. Do you have any ideas or would you like to elaborate on that?

**Ms HORTON** — In our services we encounter judgemental attitudes and prejudice all of the time, and the thing that is always a good example of that is when we take people to our community centre where we have up to about 190 people each day for lunch. When we take people from government or anywhere else in there for meal they sit down and have lunch and then the first thing they usually say is, ‘Oh, they look just like normal people’. I think there is a whole range of opportunities through community development exercises or through broader education where the general population can have a better understanding of who we are talking about. One of the big issues in the homelessness world has been around educating people that homelessness is not just about single men drinking out of brown paper bags in the park; it is about families and children. I think that has actually brought about a fundamental shift in community attitudes.

So broadly we were intending to build on some of our previous experiences in educating the community. There are lots of great housing projects that you can show people that are accommodating the sorts of people that they are really worried about having live next door to them, and they can talk to the neighbours in those areas and find out that actually it is okay and that that group of people can even contribute to the community.

**Mrs POWELL** — Can I make a point on that. There are some great examples of people that have lived in public housing for many years and really love the area. One of the issues that we find from time to time, particularly in the offices of members of Parliament, is if there is a complaint about a particular issue, it is not dealt with quickly enough and it escalates. That is one of the biggest issues. It is about the perception, but it is because the complaint has not been dealt with, so whether it is from the tenant themselves about a neighbour or whether it is from the neighbour about the tenant, the complaint that we get time and time again is that the Office of Housing, or whoever is managing it, just does not respond quickly enough and it escalates into a massive neighbourhood dispute.

**Ms HORTON** — Could I also just add to that. A lot of that is about the support, and a really good example is — I hope you do not correct me on this — we have very few complaints about our family violence services that we run in the Shepparton area, and we maintain that that is because in those programs and services a worker will visit the house, or the accommodation, certainly initially every day and even after that, every couple of days. If there is something going wrong, we are onto it and we can assist people. In public housing and supports that are available at the moment — and Karren sees that a lot in her transitional housing — the supports are not always available when they are needed. That results in major problems. Sometimes if it is too late — you know, the neighbourhood fatigue — there are breakdowns. But I like to focus on the positives and say, ‘Look, we actually know when the supports are there; we can do it quite well’.

**Ms WALKER** — Certainly we need the support, and in addition to that is the nature of the tenants in property management that go along with it. Within the transitional housing that we manage, we are trying to actively engage with neighbours and with other key stakeholders around the areas that the houses are in so they know who we are before a problem arises, so at the first sign of any problem we are in there. We see our role as trying to negotiate a good outcome for all. It is a different role from the tenancy and property management role that often sits in the Office of Housing where it is about compliance, rent collection and less of that customer focus.

**The CHAIR** — I think we have to wind up there. Thank you very much for your presentation, and thank you for coming along. We appreciate that.

**Witnesses withdrew.**