

# TRANSCRIPT

## FAMILY AND COMMUNITY DEVELOPMENT COMMITTEE

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

Melbourne — 17 February 2010

#### Members

Mr B. Finn

Ms M. Kairouz

Mr W. Noonan

Mr J. Perera

Mrs E. J. Powell

Mr J. Scheffer

Mrs H. Shardey

Chair: Mr J. Perera

Deputy Chair: Mrs E. J. Powell

#### Staff

Executive Officer: Dr J. Bush

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

#### Witness

Mr C. Chaplin, acting executive officer, Community Housing Federation of Victoria.

**The CHAIR** — Welcome. Thank you for your time in appearing before the committee. This is not a government inquiry; it is a bipartisan parliamentary inquiry, as you may be aware. 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 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 to it if necessary at that stage.

This is a 45-minute session, so I invite you to make a verbal submission. If you could, please restrict it to less than 20 minutes so that it can be followed with questions from the panel. At the outset, introduce yourself with terms of reference so that can go on to the record.

**Mr CHAPLIN** — My name is Chris Chaplin. I am the acting executive officer of the Community Housing Federation of Victoria, which is the peak body for all community housing organisations in Victoria. Our membership includes every one of the 40 registered housing associations and housing providers in Victoria.

I would like to start by acknowledging the Wurundjeri people and the Kulin nation as the traditional owners of the land we are meeting on. I pay my respects to their elders past and present and to the wisdom that has been passed down through the ages. I also pay my respects to any other cultural elders.

I thank the committee for the opportunity to appear before you and the opportunity to put in a written submission. My first point on the written submission is I apologise for its brevity.

**Mrs SHARDEY** — No, we did not think it was too brief.

**Mr CHAPLIN** — It is not the high level of submission that we would normally want to put in, but we are somewhat challenged in resources at the moment while we are awaiting the start of our new CEO and we have staff on leave. I thank my own staff for the work they put in under some pressure to get it to you. We felt that it was better to get a 70-per-cent-good submission to you than none at all. I want to cover just a couple of the key points in that submission, but there are a number of other areas that were not covered in that submission that I will talk to this morning as well.

One of the key things we wanted to make the point of was about growth providers. These are the vehicles for further expansion of social housing in Victoria. In particular we sought to emphasise that they operate without funding or subsidy. They are highly regulated, and they have very tight operating margins. There is little room for them to move, and they perform a very important role in the community. In fact they perform more or less the original role that public housing was set up for and is no longer able to provide — that is, providing both affordable housing for low-income earners as well as meeting the demands and needs of people with high support needs.

One of the things we emphasised in the paper was — —

**Mrs SHARDEY** — Sorry, you are not talking about housing associations; you are talking about not-for-profit organisations.

**Mr CHAPLIN** — No, particularly housing associations.

**Mrs SHARDEY** — You are talking about housing associations.

**Mr CHAPLIN** — Yes.

**Mrs SHARDEY** — Very good.

**Mr CHAPLIN** — We emphasise the importance of continued new government investment in new social housing through capital funding of housing associations in particular. There are two main reasons for this. There is the growing undersupply of affordable housing in Australia, which has been emphasised by reports by the National Housing Supply Council, and another report is due, I believe, in about a month's time. That will show that the situation has continued to worsen. The crisis in affordability has deepened, and in particular there is an issue about not merely the availability of affordable housing but access to affordable housing. Some of the

research that the housing supply council did last year showed that even though there may be moderate availability of affordable housing for the second quintile of incomes — the people on 20 per cent to 40 per cent range of incomes; the households in that group — in fact they were not able to access that affordable housing because people on higher incomes were already dropping down and taking that up. Of the housing available to that income group, only a third of those properties were going to that group. This will continue to worsen unless there is substantial increased supply in social housing — housing across the board.

The private market is supplying something like 150 000 to 180 000 new dwellings a year nationwide. The demand is probably something like 30 000 dwellings per year more than that. There is no capacity for the private market to meet that extra capacity, and in fact they are probably well below 150 000 a year at the moment in construction.

One of the other issues we touched on was the whole issue of leverage. Leverage is a difficult issue for our members but not an impossible one. The most important thing to say is that the higher the leverage required for our members to provide further growth in social housing the more constraints there are on the diversity of tenants who can then be housed. The reality is that leverage is a cost impost. The greater the leverage the less room there is to be able to house people who cost you more.

**Mrs SHARDEY** — That is the 25 per cent?

**Mr CHAPLIN** — The 25 per cent. If we put it the other way, the state government provides 75 per cent capital funding and requires the housing organisation to come up with the remaining 25 per cent. I think the original expectation was that there would be a lot of non-borrowing provision in there — philanthropic donations of land or assistance. I think the philanthropic community is probably already fully targeted, so there is little capacity to reach that, so most of that 25 per cent has actually been taken up by pure bank borrowing — finance.

Another important issue we want to emphasise is that community housing began as an alternative to public housing. It has operated as an alternative to public housing from the start, and in particular it met the needs of those people that public housing could not address. It cannot be seen as a clone of public housing. Community housing needs to be a viable alternative with different models and a diversity of different models. An attempt simply to have community housing operate under the same rules and guidelines as public housing would condemn it to failure.

We spent some time in our submission talking about risk. The biggest risk to community housing organisations and to housing associations in particular is the unpredictability of government policy. That applies to all sectors of course but the private operators can factor this into their pricing. Community housing is unable to do so. It does not have the capacity to increase prices or increase rents for its tenants simply to factor in the potential risks of changes to government policy. I know I am rushing through these points — —

**Mrs SHARDEY** — Are you going to make these points available to the committee?

**Mr CHAPLIN** — I am summarising — —

**Mrs SHARDEY** — I know it is going to be in the Hansard transcript, but is there an opportunity — —

**Mr CHAPLIN** — Yes, I would be happy to leave this — —

**The CHAIR** — You can get a copy of the Hansard transcript.

**Mrs SHARDEY** — I understand that, but if the gentleman wanted to put it in writing as well, could we incorporate into our written records?

**Mr CHAPLIN** — At the moment I am just summarising what I have already put in writing.

**Mrs SHARDEY** — All right. Thank you.

**Mr CHAPLIN** — But if it is okay, I will send Janine a copy of this.

**The CHAIR** — Sure.

**Mr CHAPLIN** — We referred to the common waiting list, and I will just briefly say that the Community Housing Federation looks forward to working in partnership with the state government and the Office of Housing in developing a common waiting list system or a common housing register that improves access for the public to social housing, and we would also note in passing that the option of choice-based letting, while it is a difficult one and may not be practical in the early stages of a common waiting list, is something that is worth investigating.

We also mentioned in our submission the Chapel Vision research by SGS Economics and Planning. We feel this was a bit critical bit of research that showed in Chapel Street, Prahran, just one particular example, the value of the public housing residents to the commercial community in Chapel Street. We feel that there certainly needs to be much more research into the economic benefits of social housing.

There are some areas that we did not cover in our submission, and I want to address them now. One of the issues is opportunities for growth for small community housing providers. Housing providers in general are shut out from the growth opportunities for the obvious reason that the government has created housing associations as the vehicle for growth. However, there are important reasons for smaller providers to be given some access to growth, one of which is that it improves their viability as organisations themselves and strengthening them strengthens the community housing sector overall.

The main option for them to grow is not through transfer of title or through capital funding but simply for them to be given an opportunity to manage existing public housing properties — a tenancy management. This already happens. In fact the majority of community housing in Victoria until a few years ago and the creation of the housing associations was precisely that. It was public housing properties being managed by community housing organisations. That was done prior to and continues to be done under the housing provider framework.

With the recent funding under the Nation Building social housing initiative for a further 4500 properties in Victoria in social housing, about half of which will go to public housing, there is certainly ample opportunity for a small proportion of those properties to be made available to be managed by small community housing providers, and this would improve the viability of those organisations and the sector overall.

One of the other things that shuts out those small organisations is that where there is an opportunity for them to put in a tender application for actual capital funding it is a competitive tendering model, and where a tender may cost anywhere between \$10 000 and \$100 000 to prepare, for a small organisation that is simply impossible to finance. The competitive tendering model itself needs further investigation. Is it appropriate to apply a model that is suitable and appropriate for the private market to a not-for-profit sector? Every dollar that is spent on a tender that is unsuccessful is a dollar that has gone out of the community housing sector. There is no opportunity to recoup that through profits because we are a sector that does not accrue profits. The issue of competitive tendering as a government policy for the not-for-profit sector does need investigation.

I had the pleasure of making a presentation to this committee during its inquiry into supported accommodation, and one of the recommendations from that inquiry was the idea that there should be a quota for housing associations to house a certain number of people with mental or physical disabilities. The federation would oppose the idea of a blunt quota. We believe it is important for community housing organisations to retain discretion over the selection of their tenants. One of the things we would point out is that housing associations are already moving towards, in effect, a quota system under the eligibility framework that they are required to operate under. The current arrangement — —

**Mrs SHARDEY** — Is that the 50 per cent?

**Mr CHAPLIN** — That is that 50 per cent. Of that 50 per cent currently there is no specific requirement to be proportional in taking applicants within that 50 per cent from public housing from the different segments of the waiting list, but part of the framework is that there is an intention to move towards proportionality. Public housing allocations under segment 2, which is the segment for people with supported accommodation needs, in 2007–08 were 2.8 per cent. I would think across the community housing sector we house far more than 2.8 per cent, and even taking housing associations as a whole they would already house and continue to house more than 2.8 per cent in allocations to new vacancies. If there is an intention to look at quotas, perhaps it would be appropriate for the Office of Housing itself to operate under a quota.

The other thing to make a point of, and in my presentation to that inquiry I specifically focused on this, is the need for further housing opportunities for single households — single households being overrepresented in terms of mental health issues in particular. Just recently I was advised of an important statistic from the recent \$300 million growth strategy for community housing in Victoria, which is almost all now implemented and built. To date, 68 per cent of vacancies under that strategy have gone to singles housing. It is clear that the community housing sector overall, and housing associations in particular, are already meeting a demonstrable need and are already addressing the need to house people with mental or physical disabilities.

Another issue that I want to briefly touch on is eligibility for public housing. The question for this committee to perhaps consider is the whole issue of a scarce resource being rationed when the resource itself is housing and housing is a human right. Is it appropriate to ration a human right? One of the things we would strongly support is the continuation of the Victorian policy of security of tenure for public housing tenants. We believe this is critical, and we believe it is a mistake to move away from that, as some other states have done. Security of tenure allows a person to remain in public housing, even if they improve their situation by, for example, increasing their income, finding a job. This assists in diversity of social housing communities, it provides a positive role model for others in public housing and, importantly, it provides increased revenue for the public housing authority itself by enabling it to charge full market rent.

I also want to briefly touch on homelessness and transitional housing, transitional housing being the pathway from homelessness into, in most cases, public housing but increasingly into community housing as well. I had intended to attach our submission on the Victorian Homelessness 2020 Strategy discussion paper; we put in a submission on that specifically addressing homelessness from the perspective of transitional housing providers and the community housing sector overall. I have provided that this morning really as a background document to our discussion. I will just note that in the submission we also make comments on supply, on tenancy management and on waiting lists. I recommend those particular sections to you.

The last point I would like to make is about workforce issues. Very briefly, there is a national pay equity case about to start for community service workers. We see this as a critical pay case. It comes on the heels of the Queensland decision where the Queensland arbitration commission found that community housing and community sector workers were systemically underpaid on the basis of gender inequity. It was seen that the work they do is women's work, and women's work is traditionally underpaid. In addressing the gender equity issue the Queensland decision was to increase the pay for community service workers by between 18 and, I think, 35 per cent — it may even be higher than that in some cases. That has led to the national pay equity case, which the commonwealth government is supporting.

For the community housing sector pay is a critical issue — pay and conditions both, but pay more so than anything else. Community service workers, community housing workers are underpaid for the skills that they bring to the position — chronically underpaid. This leads to great difficulty for many of our organisations to retain their good workers and it creates problems in terms of recruiting new workers. I believe there has been some research — I do not have access to it — by the Office of Housing into the issue of recruitment of new workers to the community housing sector.

Again I thank the committee for the opportunity to make a presentation and I welcome questions.

**The CHAIR** — Thank you very much. You mentioned that people with high incomes are dropping down to take over the houses allocated for low-income people. Can you clarify how the high-income people could drop down?

**Mr CHAPLIN** — I will give you a fictional example. Say a double-income couple on good incomes is renting and they cannot access home ownership at the moment because they cannot get the deposit together and finance is difficult and so they are forced to stay in the rental market. If there is a change to their circumstances — for example, their current landlord requires the property to be sold with vacant possession, they are given a notice to vacate and they then have to find another property — what they find is that they are competing against other people either in their own situation or people on even higher incomes, and it is a private market and the landlord will usually rent to the household with the highest income. Instead of being able to access the sort of property that they would normally think was appropriate to their income — and they could easily afford a fairly good sort of property — they are unable to access that because people on even higher incomes are taking those. So they need to drop down into a type of housing that they would normally not be

looking at because it is below the quality that they can afford. But there is no other option, so they take that. This means that those on particular incomes are all dropping down and those on low incomes have nowhere further to drop. This is just the reality of that.

I am told anecdotally that when a person on a low income goes out looking for private rental properties they will go to an open inspection and there will be BMWs and Saabs parked in the street and they know they have got no hope. That is just the reality of the private market. Why would a landlord be foolish enough to rent to a person on a low income when a person on a high income has applied for the property?

**The CHAIR** — That is simply the private rental market, it has nothing to do with the public?

**Mr CHAPLIN** — That is the private rental market.

**Mr FINN** — I will just probe that a little bit further the issue of access and security of tenure and so forth. I wonder how you can justify keeping somebody in public housing who has means, as it were — a good job and perhaps a good or reasonable, respectable income — when clearly there are a lot of people who are on waiting lists who could take that residence if they were to move into the private market?

**Mr CHAPLIN** — I would put it another way and say that no-one is keeping them there; they are choosing to remain there. Why are they choosing to remain there? It may be because they have nowhere else to go because they cannot access the private rental market. They may be trying to get out and may be unable to find a private rental property.

**Mr FINN** — I know of just one instance that strikes me. A friend of mine some years ago — a man who was on some \$95 000 a year — was living in a public housing flat in South Melbourne. It had a great view of the bay; he did not want to shift. My view was then and is now that people in that position should not be taking up the space that would otherwise be occupied by people who need public housing. Clearly somebody in that situation does not need — and I emphasise that word ‘need’ — a public housing place.

**Mr CHAPLIN** — The question would be: do they have somewhere else to go? If they were able to access the private rental market, I think your argument is very valid. In a situation where there is a crisis in the private market in terms of affordability, someone unable to access the private rental market would be made homeless if they were forced to leave. If that is the case, then you are simply creating the homelessness that you are trying to solve. The other thing that is important is that public housing runs at a deficit precisely because currently it is only focusing on housing those who have low incomes, very low incomes and statutory benefits. This makes it almost impossible for public housing to even maintain itself adequately, let alone grow. There is a benefit in having a proportion of higher paying tenants to help maintain the whole system. The other option would be to remove those tenants and then find some other mechanism of housing them, and the growth of the social housing sector is far too slow to meet that need. It is a vexed issue, and I know that some states have looked at other solutions, such as requiring those people to leave after a certain period of notice. I have no doubt that in many cases that would act as a disincentive for people to find work, and that is another issue.

**Mr FINN** — Given what you have just said, are there any groups of people who are accessing public housing that you believe should not be? There are enormous pressures on public housing — both space and places. Are there any income groups or other groups in the community that have access to public housing and are living in public housing who actually should not be?

**Mr CHAPLIN** — I am sure there is a small number of tenants who are engaging in criminal activities, and they should be removed. A process already exists for the department to evict them once those people are identified, and that is an appropriate process. Those who are causing disruption to their communities should not immediately be evicted. The first step should be to attempt to resolve their issues and provide the support for them to behave appropriately. But that would be another group about which I would say that if all measures have been taken to try to resolve those issues and they have been unsuccessful, then they need to be moved on. This creates a dilemma again, because where do they go? They become homeless, and the state has an obligation to house the homeless. So where are they housed? Back into the system. There is a dilemma about that.

I think the solution is for more resources to be put into support. I know the state government has already increased its funding of social housing through the SHAS program — the social housing advocacy and support program.

**Mr SCHEFFER** — Thank you for your presentation and also for the submission you have lodged with us. Can I go back to the points that you raised in relation to leveraging? I think you said the 25 per cent which the housing associations are required to raise was premised to some extent on the contribution that philanthropics would be making. That seems to have evaporated to some extent, so it is substantially borrowings that housing associations are now required to make to meet that ratio. Could you talk to us about how that might be adjusted? Could it be scaled or modified in some way that would make it a bit more flexible?

**Mr CHAPLIN** — I think building complexity into any system is always anathema to public departments, but complexity is necessary. It is important to be able to assess each case on its merits based on the capacity of the organisation to fund its borrowings, the target group that it is seeking to house and the relative cost of the development. A development in the inner city will cost far more than a development in the outer suburbs. A development focusing on housing people with property modification needs will cost more. There are other situations: for example, if there is a higher cost in tenancy management because you are housing people with higher, more complex support needs, again that will be a consideration.

The housing associations do manage that by trying to have a mixed portfolio, so that those on whom they can effectively make some positive revenue on the rental return effectively subsidise those that they are making a loss on, because of the lower rent that they are receiving. That may not happen in a particular development, but it will happen across the whole portfolio.

The trouble is that a flat 25 per cent constrains the options. There may be an ideal opportunity for a development in a particular area to meet a particular need. There are support organisations ready and willing to partner that opportunity, and there may be some philanthropic contributions available, but even with all that, 25 per cent may still be too high a leverage for it to be viable. Maybe 5 per cent would make it viable; maybe 10 per cent; maybe it needs to operate with full capital funding by government with no leverage at all. It is really about having the flexibility to be able to put in an application and say, 'Here are our needs. Here are the costs that we are likely to incur. Here is the leverage that we think we can wear'. Community housing organisations are not there to try to rip off the government; they are there to try to serve the needs of the community. So I think they are far more likely to be accurate in what they feel that they can afford.

**Mr SCHEFFER** — So you think that there could be, for argument's sake, an overall budget of 25 per cent to 75 per cent, but then for each individual housing association it could be negotiated on a case-by-case basis provided it fits within that envelope, for example?

**Mr CHAPLIN** — I guess if it was an overall 25 per cent, then that would mean that those who have less than 25 per cent would have to be made up for by those who are paying more, and I think 25 per cent is probably the absolute limit. I think really it is about flexibility within a budget.

**Mr SCHEFFER** — Lastly, how is the 25 per cent assessed? Is it annually? Over what sort of a time period are you talking about?

**Mr CHAPLIN** — To put it another way, if the development is going to cost \$5 million and the government says it will pay 75 per cent of that cost, the remaining 25 per cent has to be made up by the applicant or by the housing association or the consortium that is doing the development. It is the cost of the development itself.

**Mrs SHARDEY** — Thank you for your contribution, Chris; it has been very interesting. Firstly, I would like to note that Victoria has the largest waiting list for public housing, according to the Australian Institute of Health and Welfare, at 47 731. But I note from page 1 of your submission, in talking about housing associations which were set up to try to bring some private investment into the affordable housing sector, that housing associations receive no operating funds from the government, which was the original intention. However, under Nation Building and under Victorian government budgets, stock is flowing to that sector, and I note that 2400 houses will go to housing associations from Nation Building and some 1600 dwellings, I think, are supposed to come from the state government from its 2007–08 budget allocation over four years. I think that is what it is.

**Mr CHAPLIN** — Yes.

**Mrs SHARDEY** — So there are some houses going to the sector that were not part of the original idea, but that is nevertheless occurring. First of all, I would like to clarify the housing stock that has gone to community housing under housing associations and if any stock has gone to other community housing organisations that are not housing associations. Then I would like you to discuss further the financial viability of the community housing sector, because on page 4 you go into a lot of detail about the risk of the financial responsibility that this sector has to government and the rules, if you like, that are set for the operation of the sector.

**Mr CHAPLIN** — Regarding the stock, I am not aware of any stock — in other words, the title to a property — being transferred to housing providers as distinct from housing associations. I think there may have been a small number that were transferred as a result of some consolidation within the rental cooperatives sector, but I am talking of perhaps 20 to 30 properties at the most, and even then I am not clear whether that was a transfer of title or just tenancy management. Overwhelmingly the transfer of title has been to housing associations — if not exclusively.

**Mrs SHARDEY** — And before these large amounts became available through Nation Building and the \$500 million, what other stock had been transferred to housing associations?

**Mr CHAPLIN** — Off the top of my head I think about 1700 properties were transferred in total to establish and grow the housing associations.

**Mrs SHARDEY** — Will you take that on notice?

**Mr CHAPLIN** — I can certainly look that up. Certainly we would welcome a further transfer of stock. One of the reasons for that is that any given public housing property runs at a loss. The moment it is transferred to community housing — to a housing association, for example — that property can, first of all, be leveraged, the value of the asset can be borrowed against, which the state government does not do; and secondly, the tenants in the property become eligible for commonwealth rent assistance, and public housing tenants are not eligible for that. Rent assistance effectively becomes a landlord subsidy which increases the viability of the organisation so that it is not running at a loss, whereas public housing runs at a loss.

**Mrs SHARDEY** — So 25 per cent of income, plus?

**Mr CHAPLIN** — Plus 100 per cent of commonwealth rent assistance.

**Mrs SHARDEY** — The other area is the financial viability of community housing organisations, both associations and other organisations.

**Mr CHAPLIN** — The viability is in two areas. One is the financial viability. There is a large number of organisations that are absolutely financially viable and stable and prospering, but with very tight margins; there is little room for error, and government policy can make a dramatic impact on whether they remain viable. If a housing association has a business plan for 10 years relating to its stock and the government changes its policy and says, 'You are now required to house 20 per cent of people on segment 1 with high support needs', under the current waiting system, that may be a difficulty for that organisation.

It may mean that the organisation needs to consider whether it is able to still carry out its fiduciary duties as board members and as directors and whether they can accept that situation. It may be that they are no longer fulfilling their mission in housing certain target groups. That is one of the areas of viability. If there are impacts on a housing association or any community housing organisation that make it more difficult for it to manage its own affairs, that may lead to less attraction to be on the board, which leads to less viability of its governance.

**Mrs SHARDEY** — But are there any community housing organisations, whether they are associations or others, that are at financial risk currently?

**Mr CHAPLIN** — I would say all organisations have some level of risk, but there is none of concern. Everyone operates according to risk: if interest rates ballooned to 20 per cent, they would certainly be at risk; if funding arrangements to housing providers were changed, that would put them at risk. But at the moment there is no organisation that is of concern.

**Mr NOONAN** — Chris, you have obviously seen the terms of reference for this inquiry. It is all about public housing. We have had witness after witness come to talk to us about social housing and community housing, and I have been trying to establish the links in relation to our terms.

There are a couple of things that pop out in your submission. The first is the access to capital grants and the requirement for community housing organisations to take 50 per cent of the tenants from the current public housing waiting list; there is an obvious link there. The second one is the establishment of the national partnership agreement between the commonwealth and the states for a single, common waiting list that incorporates both public housing and community housing applications.

I have noticed that in Victoria in your sector there is not a current equivalent of a community housing segmented waiting list but there is work going on and there is — as it is put here in the submission — a process of implementing a common member pool in Victoria in the community housing area. Can you talk us through that process and provide the committee with any learnings, particularly given that other organisations have talked to us about choice letting and the like, and point out some of the flaws of the current segmented waiting list?

**Mr CHAPLIN** — There is already, in effect, a small version of a common waiting list. Aboriginal Housing Victoria houses people who, as applicants, can choose whether they nominate to be housed in public housing or through Aboriginal housing. That is, in effect, a common waiting list for that particular cohort. The community housing rental cooperatives in Victoria have developed a common pool with Common Equity Housing Ltd managing that common pool.

The particular reason is that to be eligible for consideration as a tenant in rental cooperatives the person must be assessed as being prepared to take on an active role within the cooperative — that is a requirement under the Co-operatives Act — a particular additional requirement that all other community housing tenure types do not have.

It was in the interests of the rental housing cooperatives in finding new tenants to have some sort of training program for people to understand what cooperative housing is about and what the cooperative philosophy is and, to an extent, winnow out those who would not be appropriate for that model. That, in effect, is another small pool that is operating across all the rental housing cooperatives to provide a pool of applicants from which they can choose their tenants.

Common housing registers, as they are called in the United Kingdom, are now common. I understand there are — I was just reading it this morning — something like 16 different common housing registers in Scotland, and in the UK it is now government policy to encourage common housing registers. They tend not to be nationwide, they tend to be regionally based, so there may be two or three or four local housing authorities in the UK that contribute to a local common housing register.

There is a single housing register, in effect, in Queensland — the One Social Housing System, I think it is called. Queensland has a number of stark differences to the Victorian set-up so it may not be readily applicable, but one of the features of that is they introduced a segment 5 within their segmented waiting list for applicants who are not eligible for public housing but are eligible for affordable housing — that slight gap in income.

In Victoria in three weeks' time we will have our first major members meeting to discuss the consultation process for the implementation of a common waiting list. As a federation we are committed to the introduction of a common waiting list and we are working with the state government — with the Office of Housing, in particular — on a process for full consultation and the development of a common waiting list, which we hope will be implemented next year. It is a major undertaking, certainly.

**Mrs SHARDEY** — Do you mind if I ask a little follow-up on that, just to clarify? Your submission here talks about that removing the discretion CHAs have over their tenant selection has financial implications, which obviously would come with a common waiting list?

**Mr CHAPLIN** — Not obviously; it depends on the rules within the common waiting list. With the common waiting list if there was a register and the IT system, the database that used that register, identified a vacancy or a vacancy was identified and the register popped out a single name and said, 'This person has the highest priority; they go into this vacancy', then there is no discretion at all for the community housing organisation on

whether that person — for example, if they are being put into a rooming house: are they a disruptive person who would, in effect, threaten the viability of the entire rooming house?

There are some people who would be best housed on their own rather than in a communal living environment. A rooming house, for example, would expect to have some degree of discretion over the kind of person — they may need an interview or a supplementary assessment on whether the person is appropriate for communal living. That is one example.

More likely we would have some degree of flexibility where, when a vacancy is identified, a short list of suitable people would be generated and the community housing organisation would then choose from within that short list, so they would have some degree of discretion. The devil is in the detail, though, about what generates the short list, what sort of parameters and filters are able to be put in there: is it fairly blunt or is it quite nuanced? The more nuanced it is the more — —

**Mrs POWELL** — You said that community housing began as an alternative to public housing and gave us the history. You said also that it cannot operate under the same rules as public housing. What did you mean by that, and what rules do you think you should or should not have that the Office of Housing has or does not have?

**Mr CHAPLIN** — Public housing is in effect a response to the state government's obligation to provide housing. Given that it is unable to provide sufficient housing, it is housing rationed according to need. Community housing operates in a very different way by identifying what community of need there is. It may be a geographic community; it may be people with disabilities; it may be people from a particular ethnic background who are unable to access the housing opportunities that they need. In that sense the community housing organisation is targeting its tenants in a way that the public housing provider does not. I guess community housing operates at a far more local level and is far more engaged in its community than a government department is able to.

The funding arrangements are different as well. Public housing authorities run at a loss — almost everywhere in the world they run at a loss. Community housing organisations cannot run at a loss. They are businesses. They may be not for profit, but they are not for loss as well.

**The CHAIR** — Thank you very much for your presentation. It was very informative and we really appreciate it.

**Witness withdrew.**