

# TRANSCRIPT

## FAMILY AND COMMUNITY DEVELOPMENT COMMITTEE

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

Ballarat — 2 March 2010

#### Members

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#### Witness

Mr A. Mactier, executive officer, Advocacy and Rights Centre Ltd, Bendigo.

**The CHAIR** — Good afternoon, Mr Mactier. Thank you very much for appearing before the committee for its inquiry into the advocacy and future directions of public housing.

All evidence taken at this hearing is protected by parliamentary privilege as provided in the Constitution Act 1975 and further subject to the provisions of the Parliamentary Committees Act 2003, the Defamation Act 2005 and, where applicable, the provisions of reciprocal legislation in other states and territories. Any comments you make outside the hearing will not be afforded such privilege. We are recording the proceedings and you will be sent a copy of the transcript. You will be able to make minor adjustments to it, if necessary, at that stage.

I would invite you to make a verbal submission of not more than 20 minutes, so that it can be followed with questions. At the outset please introduce yourself with your terms of reference so that can go into the transcript.

**Mr MACTIER** — My name is Alex Mactier. I am the executive officer of Advocacy and Rights Centre Ltd in Bendigo. We are a small, not-for-profit organisation that believes in giving vulnerable and disadvantaged people a right to a voice, a right to be heard and a right to be supported. In doing that, we are funded by the Department of Human Services, through the Office of Housing, to do support and advocacy for people in public housing. We are supported by the Department of Justice to provide vulnerable and disadvantaged persons support through VCAT for residential tenancy issues or consumer issues, and we also have a community legal centre called Loddon Campaspe Community Legal Centre, which is funded through Victorian Legal Aid and back through that to the Department of Justice as well. We have some private philanthropic funding as well to keep some employees involved through the organisation, but basically we are here today representing our organisation, and thank you for asking us along.

Through our involvement with the Office of Housing and our involvement in dealing with public tenants in public housing, we advocate for approximately 400 to 500 tenants a year in our region out of a region of 5000 public housing properties in our region. We are the only advocacy service for people in public housing in our region and we cover the area from Gisborne through to Kyabram, through to Echuca, through to Mildura. We cover a large area of Victoria, which is the Loddon Mallee region under the DHS area.

I believe we have a good working relationship with the Office of Housing and a good working relationship with the government and their philosophies in general as to where they are trying to move to. However, I believe we can always improve, and there are always things we can look at to improve how public housing is done. That is where we really start off.

I have presented a paper that I will not go into in detail because I think that is there to be read at a later date, but there are about six themes I want to talk about today. I am not going to take too long because I think you have heard a lot of this before. Other organisations that we deal with I know have come before you, so I do not want to keep repeating things, but I thought I would mention the three themes which will not cost any money but might change the philosophy of public housing a bit.

Firstly, to change the words from ‘public housing’ to ‘social housing’ is not a big change, but it is a philosophical change. Social housing is more about ensuring that people have community support, services that can help them, whereas public housing to me — and this is personal — is a building. It is, ‘We’re the landlord; you’re the tenant’. Therefore the first thing we would ask the committee to look at is just changing terminology.

That goes broader. If you look right through how public housing is being provided in Victoria, you see that over the past few years it has changed dramatically. If we can start changing some terminology — like the Office of Housing people are not landlords any more; they are providers of housing — and how we look at tenants, I think that would improve how we look in the future at public housing or what I would like to call social housing.

The second thing is that our organisation believes in the charter of human rights and that everybody should have a place to call a home. It is a hard thing to take on. At first when I joined the organisation, I said, ‘Oh, surely not. That’s pretty tough. We can’t afford to that as a society’. I thought about it for a while and I realised that we can afford to do it as a society, but we need to grasp the concept of housing and homes being part of the human race.

The example I use is that now we do not think about education as not being a right of all Victorians. Sure, way back when we had the discussion about public education versus private education and we still have a discussion

about it, but in the main we do not have a debate in Victoria in which it is said that people should not get educated and we do not have a debate in which it is said that there should not be schools out there, primary schools and high schools, for people to be educated in. They should be funded by the public purse.

If we had had this discussion when we first came to Australia, and said, 'Housing should be something that everybody gets', and started the conversation, we would have had the debate and at the start of the day said, 'Everybody should have housing, including public housing'. If that was done even 100 years ago, we would probably be sitting here now, saying, 'Well, everybody has a house, either public, private or whatever' — and we would not be having a debate about whether we can afford it or not. From our point of view, if we are trying to make ourselves a better society, and as we are a lucky society — and a rich society in general terms — we really should look at the right of people to have a home. From that it spreads through to a lot of areas, like the right to not be expelled from your home or evicted from your home when you have to be homeless afterwards. There are a lot of challenges. I want to go into that sort of thing a little bit later.

They are two things with which I feel that without any real extra expenditure we can change the culture and how we look at society. It would mean a slow progression to improve how we do things in the future.

The third one is a little bit more specific and comes from my background of being an accountant, I must admit. I moved from health into this area. One of the first things that struck me was that at the moment the Office of Housing is revenue and expenditure tied. In the regional area that we work in, the Office of Housing has to gain the revenue so that it can spend the money on improving properties or expanding the number of properties we have. In my view — and it is a personal view — it has created a challenge in the fact that gaining the rent is vital for the Office of Housing. It is a KPI, it has to do so; therefore it chases the rent. All these other social issues arise, holding and recognising that people owe money for years on end.

A simple thing even without spending more money, I think we could say if we broke the nexus — and it is a challenge, because Treasury would have to do it — between revenue and expenditure, even if the expenditure was the same amount as it is now, over a period of time you may change the culture on what public housing is about. You could then talk about what we need to do for public housing or social housing and what it will cost, and then as a discussion determine whether we can afford to do it. At the moment we do not have that discussion.

We say, 'Here's the revenue and this is what you can spend. The revenue is what you earn and Treasury has said you can spend only what you earn'. I believe it has also created the issue of the fact that we have to chase revenue, we have to chase tenants for money. We evict people for \$1000 if they have not paid their rent. The reality is that if you then put them into homelessness, it costs us well above \$1000 before they come back into public housing — and they will come back into public housing. The logic of having the rent and the expenditure together I think is causing an issue that probably should not be there. Even if you say that we cannot afford to spend any more money, at least you have changed the philosophical nexus between the revenue and expenditure in public housing and social housing.

Those three themes together are about trying to change how we look at what we are trying to provide. It is really social housing. There is a need for a group of people out there who will always need social housing. Our society will never be at a point where we can say that everybody should be put into private housing — it just will not exist. They are the first three philosophical points I would like to look at and you to think about.

I have gone around the region and talked to a whole lot of CEOs before I put in my submission. I went around and asked the local community services CEOs what are the things we should do, from a practical point of view of public housing. These are tougher because they all cost money.

The first one for the Loddon Mallee region — and I have to say it or I will be crucified by all the tenants and every other service — is air conditioning. We have got to a point in Mildura where we have over 40 degrees of heat on I do not know how many days per month. Public housing does not have air conditioning. It causes a whole lot of social issues. It causes antisocial behaviour. Because people are hot and they cannot stay in the house, they go outside to sit, and that causes problems with their neighbours because they are interacting where they may not otherwise. It causes health issues, because you are sitting in a house that may not be at a perfect temperature or a reasonable temperature to live in during the day. A lot of people who are unemployed are having to live in houses on those days.

It creates a whole range of continuing issues for community. Another example is that it creates family violence. I suggest — without any facts at all, I admit — that would decrease if people had air conditioners at home. You would not come home and get hit by the heat — and they do get hit by the heat in these properties — and get frustrated. It is never acceptable, but if you had air conditioning in the house, it might reduce the tension inside that household and therefore family violence may be reduced, which would therefore reduce a whole lot of other issues for society.

That is the first one, and I do not know how you do it; it is expensive. It is not so much the air conditioners that are expensive; I believe the actual maintenance of the air conditioners is one of the main concerns of the Office of Housing. But you have to look at either having a line somewhere across Victoria and saying, 'Above this line it is unacceptable to not have air conditioning in a house', or making a statement that every person in public housing should have the same respect to have heating and cooling in their house as anybody would expect in their properties — what we would expect in private housing across Victoria — or have better built houses, that allow for breezes and light and all the other things. I went to six agencies in Mildura, and that was the first statement. Every single agency's CEO said, 'Air conditioning, Alex, is the biggest problem we have in this region'. Even if we started off with Mildura, it would be a great start to improving the adequacy of public housing.

The second one, which is like the elephant in the room, is that there is just literally not enough public housing. We are doing a lot with the federal government at the moment on affordable housing. That is fantastic. I would always like to commend the government for doing that. My personal belief, though, is that we will always have a section of society that will need to be supported and therefore will need public housing rather than affordable housing. The affordable housing model allows for a property to be built and, so long as you charge less than 75 per cent of the property rent, you will then get a subsidy from the government for tax purposes and for loans et cetera. The risk factor with that for the affordable housing associations is that if you have a tenant who smashes up the property or does damage to the property, there is no mechanism for them to be able to repair that property without making a loss. Therefore there is a risk factor for those affordable housing organisations, and they will say, 'Let's try to choose clients or tenants who will not do this type of damage'.

Therefore they choose the better clients who are living in public housing or who come from private housing and who are not going to be as challenging to go into those areas. I say that on the basis that I believe 50 per cent of people applying for public housing at the moment have one or more risk factors like alcohol abuse, gambling, violence, antisocial behaviour — all of these things. Fifty per cent of people who are asking to go into public housing, or now the affordable housing realm, are going to need extra supports to survive in their properties. The affordable housing market, from my personal point of view, will be challenged to take on those clients.

Even though I think it is terrific that we are getting a lot more affordable housing — in our region we are doing extremely well, and I commend Loddon Mallee Housing for doing that — we are still going to have to back it up with public housing and have public housing there for those people who present more of a challenge to us as a society to maintain their residences for them. That is probably the second thing: we need more public housing in its own right. Again, it is a little bit against the flow at the moment, but I believe that is true.

The third one is that for this 50 per cent of clients who are now coming in with challenges like alcohol, drugs, violence et cetera we have to put supports in place. We can sit as a society and say, 'We have given them a house. Fantastic! It is better than they deserve. What more can they ask for?'. The reality is there are a lot of people in our society at the moment who need support, and as a society we should be supporting those people; therefore — and our organisation does this, so I am a little biased — we support people in public housing to maintain their tenancies and have successful tenancies.

We need as a group to expand the concept of social housing and where people need support to offer them that support to survive in public housing. This will all come back to my last argument in a minute, which is about evicting people from public housing. We need to offer supports. It is costly, but we need to be able to offer the people supports in public housing. Some 80 per cent of our clients have issues with paying rent. It is a challenge for them. They are on pensions or earning \$400 a fortnight. Sure, they are only paying 25 per cent of that to the Office of Housing, so the rent is cheap, but they have got to survive. They have to pay for their children, they have to pay for internet support, they have to pay for food and they have to pay for everything else. Being able to manage their lives is extremely challenging on the amount of money they have.

I know there has been extra funding in the last 12 months, but I did a survey probably a year and a half ago of how many financial counsellors there were for the Loddon Mallee region. It was 1.8 financial counsellors, and that included for the gambling services that the state government put in. For our personal referrals for people in public housing we could use up that 1.8 in referring our clients to that service, which in reality we could not do. We need to look at being able to put in extra resources. Again, it is uncomfortable. We need to put in extra resources for gambling, we need to put in extra resources for domestic violence, we need to put in extra resources for the group in our community who will always struggle if we do not support them to succeed in their tenancies and in public housing.

That theme is to support people. There is a group that, unless we can educate them, give them futures, give them skills and give them directions, will always be a challenge in our public housing sector. Those people will have antisocial behaviour issues, they will have gambling issues, they will have debt issues and other things, so we need to be able to put in — when we can and when we can afford to do so — extra support services as part of the social housing model that I am suggesting.

That brings us up to my last point. Sorry; I feel I am lecturing, and I am sure you do not need to be lectured. Our organisation, and I personally, think it is abhorrent that anybody who is in a public house or in a government-funded facility can be expelled into homelessness. It really is the opposite of what we are trying to do as a society in Victoria I believe. This is happening all the time.

We have clients who have mental health issues who have a problem with their neighbour, the neighbour complains to the local member, the local member says, 'I will do something about it', the local housing operation goes in and says, 'Yes, there is a problem there; this person has got mental health issues and is not being appropriate', so they get evicted. They get evicted into homelessness. They are then sleeping, with children, on neighbours' floors, friends' floors et cetera. There is no housing in the public area for that person to be put into. But as a government organisation we evict them into homelessness. I think that is a basic error that needs to be corrected, and it happens to a large degree. We still evict people.

The opposite of that argument is, 'There are people who deserve that property more. We have got a huge waiting list. Lots of people need to be publicly housed'. The reality is that, sure, that is true — that is why we need more public housing; however, what are we saying when we evict people into homelessness? What is happening when we evict people into homeless? If it is a single male, they will either get angry and therefore go out and do things in the public area, which will send them into jail and cost us \$1000 a day or whatever it actually costs a day to support someone in jail, or if they have got mental health issues, they will end up in our acute wards in a public hospital, which again will cost us \$1000 a day to support them in the public health system — as we know, there are bed blocks all the way through those systems for them to get support — or they will get put into jail because they are being antisocial in public areas because of their mental health issues.

If it is a family with children, it causes stress for the family. Kids have to leave the schooling they are in; they have to go and live in some other place where the kids will not then reconnect with the school. The multiplier of the costs is phenomenal compared to the supposed benefit of evicting that person out of that property. From our point of view, and my point of view, one thing we have got to consider as part of our philosophy is that we should never evict someone into homeless.

It is a challenge and a half; I accept that. What do you do with a person who comes out the back door and is swearing at his neighbours continuously and making their lives hell? Everybody will tell you that everybody else should have the right to a quiet existence in their property, so this person has to be removed for the greater good of all. But the reality is we still have to look after that person who is causing the trouble. Re-educate, retrain, try to engage — do something — but I do not think just evicting them into homelessness is the solution. There is a lot of justification for why it is a good solution, but I just do not think it is correct.

That is pretty well where I wanted to get to. I think the challenge from my point of view is how we support people when a lot in society say, 'They have had their chance'. I was discussing last night what should happen if someone comes and breaks up the house — and these were all social workers — and they all said, 'They should be held accountable'. I said, 'That's true; so what do we then do?'. They said, 'Make them pay it back'. I said, 'Well, how much can they pay back on a pension?' They can pay back \$2 a week or \$5 a week maybe — that is about it — without sending them into other problems. They said, 'They've got to be held accountable,

Alex'. I said, 'Okay, so you evict them. That's what you end up saying'. They said, 'No, we can't do that'. I said, 'Do they come and live next to you?', and they said, 'No, we can't do that'.

It is a challenge, and I think it is a hard challenge, but we need to look at it in a global sense and really try and challenge ourselves so that in the future we never allow anybody to be evicted into homelessness when they are part of a government system. We can understand why private rentals do it, but we cannot see why public rentals do it. That is my preaching to you, and I apologise for that. I am open to questions.

**The CHAIR** — Thank you very much. I have a question for you. You mentioned in your submission just then that for some tenants 25 per cent of their income is too much. What do you suggest? Do you have any recommendations for how that could be managed?

**Mr MACTIER** — It is a hard one. Again, there is a benefit to all people to feel as though they are contributing to their own life and being able to pay. No-one wants charity in itself in that sort of sense. I think the formula is as best we can probably have it. We can tinker around, and we can say it is 20 per cent or 30 per cent or whatever.

However, I think the step is that when that person gets into debt issues, that is when we should ask whether it is fair for that individual, rather than changing the rule up-front. For example, if we have a client who misses one rental or two payments, it is probably \$150 or maybe \$200. To get them to pay that back, when their pension is \$400 a fortnight, is challenging for those people to have to sacrifice, and it has a snowball effect.

We get clients who have \$9000 worth of debt and they get \$400 a fortnight, and the department says, 'Well, we've got to evict them. It is a huge debt for this person.' The reality is that we have to sit there and say, 'They are never paying it back'. So they get evicted. Twelve months later they come back and say, 'We want another public house', and the department says, 'Yes, you qualify for that now, but you have a debt. Okay, you have to pay that back'. We put a \$10 a fortnight agreement in and they pay it off. But what have we done to that person by saying, 'That debt is following you, and that guilt'?

Every time they talk to the Office of Housing they know they have that debt. It is that feeling that we are punishing people for not being able to handle their affairs correctly, when from my point of view we should have supported them to do better in the first place. We should have given them some counselling, given them some education or something else to support this person before they got into the debt.

Society, after they have the debt, says, 'We need to punish them.' But that debt will be with them for 50 years if they stay in public housing. If they got it when they were 25, when they finally move out of public housing, from an older person's unit into an aged-care facility, that debt still will be on their books saying, 'This person owes money.' Is that healthy for society to have to brand someone with that?

We now have antisocial behaviour agreements that we have to put in place. We understand, from our organisation, that people need to understand that they cannot continue with antisocial behaviour. We accept that fully, but are we using it to brand the client as having antisocial behaviour or are we using it to support them to improve in the future? And language, again, is very important in that case. We have a lot of clients who say, 'I'll just sign it. They just don't like me; they hate me. I can't ever change, because I've kept this antisocial behaviour brand. I did something five years ago. My husband was violent; just before I left home he smashed up the house. I have escaped the domestic violence, but because I was the tenant named on the lease that amount of money now goes along with me, so I am now branded as having antisocial behaviour'.

It is about trying to support people afterwards. I personally do not like punishment as a way of change in society. I do not think it is effective. I am not overly a fan of gaols as a continuous form of punishment either. There are other ways to improve society. Yes, we need to protect society, but we use it to far too great a degree. It is not so much about saying that the 25 per cent figure is an affront; it is about how we deal with it when the issues occur.

**Mr NOONAN** — Thank you for your submission today and your written submission. You have obviously put a bit of work into it. You started your verbal submission today by going to some of the philosophical views that you hold, and one of them is obviously the right for people to have a home, and you have concluded your verbal submission by talking about how governments should not evict people into homelessness. Clearly you have followed this issue pretty closely and have done for quite some time.

Obviously as a committee we are following this issue with a degree of intensity as well, and you might have noticed a couple of weeks ago that Michael Perusco, who is the chief executive officer of Sacred Heart Mission, wrote a piece in the *Age*. Clearly the piece went to whether or not, if there was a change in government at a national level, the alternate leader would have a view as to whether we should continue to invest in building dwellings for people who are homeless. I do not know whether you saw the piece?

**Mr MACTIER** — Yes, I did see the piece.

**Mr NOONAN** — So obviously the response was no, and the reasoning for that was that the poor would always be among us; so I suspect that where we are going with this is that we might actually have that public debate, and I just wonder what your response generally is to that, particularly given that commonwealth and state governments around Australia are working in partnership to provide more dwellings, and you have referred to that in your written submission. I just wonder what your view is about that sort of statement and how this can be explained in simple terms to the greater populace, because undoubtedly it will be, as it always is, a political issue in the lead-up to state and federal elections.

**Mr MACTIER** — I think our organisation would always — and it is how I talked about it at the start — try to change the language to what we all need to have. Of course I have come from an accounting background, therefore I was trained to be methodical in accounting and everything has to balance up with revenue and expenditure — I understand all of that — but it is about bringing people around on a whole lot of social issues and getting the language, firstly, clear. For example, if you choose to live as homeless, you are not homeless, which is a reality. If you are choosing to be homeless because of circumstances that have not allowed you to do anything else, that is not choosing; and if you have not chosen to be homeless, you are definitely homeless.

So I think there is some challenging wording there that needs to be addressed, and I think we should have a public debate to address that and get people in the room together and say, ‘Why did you say that?’, because I think there are statements that are true. Yes, there will always be poverty in our society unless we change to a socialist mechanism, which I am not guaranteeing would work either.

**Mr FINN** — It has not to this point.

**Mr MACTIER** — No. It is how we deal with the issue that we need to look at. In our organisation, from a community legal centre viewpoint, we are very vocal from that side as well, as we are allowed to be under Victorian legal aid provisions. We can be very vocal about human rights, and part of our agenda is law reform, so this is all part of a greater community emphasis to get the conversation out in public and this is about allowing everybody to understand the language and the issues as well.

**Mr NOONAN** — So in the current space there is obviously a substantial and some would say an unprecedented investment in building new dwellings. Is that the right approach?

**Mr MACTIER** — As I said before, if we are putting it into a balanced public housing and social housing perspective, it is an approach that we cannot say is enough. I do not think there are any social services that are sufficient; hospitals do not have enough services, education does not have enough services. I am always going to say that we need more public and affordable housing, so I am not saying it is a good approach.

**Mr FINN** — I thank you for making some points that get us thinking, but given the practicalities involved, I suppose the bottom line here is a question that I have fought with myself over a long period of time, and that is: who is eligible or ineligible? Who should be ineligible for public housing?

**Mr MACTIER** — Yes, that was one of the things I left in the final summary for myself to think about, because the criteria for entering public housing was one of the discussion points.

I left it there because the reality is, as I have talked about, one of the things my submission says is that having an outstanding debt to the Office of Housing from other previous public housing tenancies or bond loans is a criterion by which you may not get public housing. Another is having not been evicted, had rent in arrears or otherwise breached their tenancies in the last 12 months. We are dealing with a population that we have to support. That is what social housing is about.

**Mr FINN** — I am perhaps more referring to the person who has been in social housing — in public housing — for a period of time, and initially when they got a house they were indeed eligible and they fitted all the criteria; but now they have a very nice job, they have a hotted up SS Commodore in the driveway, they go to Port Douglas for three weeks every year and they are doing very nicely for themselves, but they are still living in public housing. Obviously there are other people who need that house. Where do we draw the line?

**Mr MACTIER** — I do not know many people living in public housing with those circumstances.

**Mr FINN** — I know a few.

**Mr MACTIER** — We have staff who have progressed through public housing and into the private rental market as soon as they have got themselves on their feet and have been acceptable enough to do so. I think the argument I would have there is that, yes, public housing should be for those who cannot afford to live otherwise; however, I also believe that there is another argument about having your own home. If you are in public housing and your circumstances are improving, that is where we are trying to succeed. The whole point is to let people succeed in public housing and then move into private rental markets at a later stage if they are able to do so — and there are a lot of people who do move.

If there is a person still in public housing who can afford to do all those other things, we have to argue whether that person has the right to maintain their tenancy, and then we have to look at what market rent is and real market rent. If they have got a hell of a high income, they should be paying market rent for that property, which should mean that we should be able to get another property for someone else, to give support.

**Mr FINN** — Where do we draw the line? As a government we need to make a decision about where the line is and where we cross it, if indeed we do. Where do you think we should be — —

**Mr MACTIER** — I do not think we should draw a line. It would be a natural progression for people to move out of public housing if their circumstances had improved, you would find. If there are a couple of people who want to stay in public housing because their kids are still at school, or whatever, we should look at saying they are allowed to maintain a property — —

**Mr FINN** — Then it is just cheap housing. I have known people who have lived in public housing whose personal situation has improved significantly, but they have not moved out because it is cheap housing and they are on a good wicket.

**Mr MACTIER** — However, the guidelines say they will be paying a market rate. That is what the guidelines say. Sure, in all circumstances, there are people who challenge the system. What is the percentage of those people who are challenging? It is certainly not when I go around Mildura or Eaglehawk or Long Gully in Bendigo. You do not drive around Eaglehawk saying, 'Everybody has got a better car or a better house than I do'. You might find, as you have examples of, that there is one person who does — or two or five. But the reality is out of the 5000 houses in our region, I would be surprised if it is more than 100 who have good incomes and are just living in it because it is cheap.

Again, what are we trying to do as a society? Normally people will move out when their circumstances improve, because if you are living on an estate, it is not the best place to live. If you can afford to do otherwise, you will try to do so. If there are a whole lot of other reasons about, 'I want my kids to stay where they have been educated, and I want them to finish schooling', 'We have a social community here which is strong, because I am Tongan and there is a large Tongan community in this housing estate', or something like that, you might find that they do not want to move out into private housing. But you can charge them market rent, and with that market rent we can house someone else, somewhere else.

I agree that it is one of those perception issues. We do not want it to be seen as though people are bludging on the system where they should not be, but there are other mechanisms: to let them transfer, rather than saying, 'Right, here is a blanket ban: if you hit \$10 000 worth of income, you have to move out of public housing'. You would set huge risks for people with children at school, socially or work-wise, because they may have to go and live 30 kilometres away, where they can afford to live somewhere else on a private rental and then have to do other things around it. That is probably my answer.

**Mr SCHEFFER** — I want to come back partly to the broader debate, but before I do, I thank you for your submission and your presentation, which I found extremely interesting and very challenging.

I come back to 'Increasing public housing' and page 3 under 'Affordable housing'. In that section you talk about the need, which everybody does, to increase public investment in public-social-affordable housing. You would know that in the last budget there was some \$500 million of state money, leaving aside the national investment that has come through, comprising \$200 million to public housing and \$300 million to housing associations.

On top of that, out of a state budget nudging up to \$40 billion we have significant investment in mental health, disability, education and it goes right through. There are a lot of calls on the budget, and at the same time we have this huge debate pressuring the government to lower taxes. It is a high taxing government, and we cannot go that way either, so you are in this jam. We need a broader debate about what our priorities are as a community. That is the situation we have.

To be fair, in your presentation you commended the government on the efforts it has made in this area, but you say here:

... the current funding model for affordable housing precludes the housing associations from taking on more difficult clients ...

which you referred to, and then you say:

Regionally there has been little impact on the homeless community even though there has been a significant increase in ...

that budget. Are you saying you are not seeing a lot of it here, or what is happening?

**Mr MACTIER** — I must admit I do not have the facts and the stats, all I can give is anecdotal evidence, to be honest, at this point in time.

Affordable housing is coming in, in droves in our area. There is good money coming into the affordable housing area and it is helping those — again, a broad definition — on lower incomes. It is not helping, exactly, those on low incomes which are what I would call the pensioner-social security type of base as much, partly because the rents are at a slightly higher rate. The argument is that if you take these people out of the market, therefore it lets everybody have more housing in the public housing sector because you move these people, who can afford to do so, out of public housing into affordable housing.

That will probably come but we are in the first, second, third year of this program and as a personal observation I am not sure it is. What I am really trying to argue is that we make sure we do not just put it all into the affordable housing basket, we have a public housing basket. I think that is the point I am trying to make, whether I can justify it well enough or not, I am not terribly good at.

**Mr SCHEFFER** — I think that has happened.

**Mr MACTIER** — But I think that is what I was trying to get across as the debate, because affordable housing is good, and so is getting more private housing in any format. We have rental issues in Bendigo, demands on the private rental market, housing prices are going up, and we are going to get another bubble in the future. We need to look at the group in society for who we are paying \$400 a fortnight, who need to be housed.

They are not all going to need a three-bedroom property or a one-bedroom villa unit, or whatever. I am not denigrating the affordable housing associations, but we still need to have a public housing sector for those who, if Office of Housing says that if you have had trouble in the last 12 months and you have got a debt, they will not put you up, why will an affordable housing association put you up? That is my question. If they are not going to put you up, what are we doing to that person in society? They are not going to be supported.

**Mr SCHEFFER** — Thank you.

**The CHAIR** — Thank you very much for your presence today.

**Witness withdrew.**