





















*“...our compassion can only last so long. We are established as ‘social businesses’. Our staff wages are paid by rent collected. The Newstart situation is affecting our sustainability and viability.”<sup>22</sup>*

Additionally, many people in need of housing have multiple and complex needs. Sometimes, this means that they may fall in to rent arrears or exhibit anti-social behaviour from time to time.

Most community housing providers do not have the same financial capacity as the Victorian Government and rely much more directly on rental income for their operations. As a result, they cannot afford to be as tolerant landlords as the Government. This means that when a person who lives in community housing falls in to rent arrears, their landlord is less able to work with them in order to re-establish payment and may need to move through the evictions process significantly quicker.

More often than not, an eviction from a social housing tenure means an eviction into homelessness.

Relying on community housing solely will not address homelessness in any community. Public housing must always be the central pillar.

Other differences also point to public housing as being the most appropriate form of tenure for addressing homelessness. In particular, this is relevant to the different methods of calculating rent between public and community housing, and also the rules about how properties are allocated in each form of tenure. The following examples are taken from the Victorian context.

#### Calculation of rent

Rents in public housing are capped at 25 per cent of household income. People who live in public housing therefore pay the lower of:

- Market rent, or
- 25 per cent of household income (called rebated rent).

People who live in public housing are not eligible to receive Commonwealth Rent Assistance.

Rents in community housing are more expensive. Community housing providers charge at least 30 per cent of household income as rent, with many providers charging more. Additionally, people who live in community housing are required to claim Commonwealth Rent Assistance, with this payment going directly to the community housing provider.

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<sup>22</sup> South Port Community Housing Group Inc, Submission to the *Inquiry into the adequacy of Newstart and related payments and alternative mechanisms to determine the level of income support payments in Australia*, pg 6.

This means that the person receiving Commonwealth Rent Assistance does not directly receive the benefit of this supplementary payment.

### Allocation of properties

Although both public and community housing applications are held on the Victorian Housing Register, the rules about how properties are allocated to those who have applied for housing are different for each tenure type.

Public housing allocations must always be made to the person with the greatest need for whom the property is suitable. If that applicant, for whatever reason, does not accept the property or cannot be contacted, the property is offered to the person with the next greatest need for whom the property is suitable.

This ensures that those with the most urgent of needs are placed as soon as possible.

Community housing providers have more discretion when offering properties, this can result in allocations being made to people whose need is less urgent than others and allows the provider to choose the tenants who are likely to be easier to manage, or more desirable.

Community housing providers must make 75 per cent of their allocations to people who are on the 'Priority Access' section of the Victorian Housing Register. However, when we consider that the 'Priority Access' section makes up more than half of all applications<sup>23</sup>, it becomes clear that this is still a very wide discretion.

Further, the remaining 25 per cent of allocations into community housing do not necessarily need to be made from the Victorian Housing Register at all.

The discrepancy in allocations rules is a key reason why we believe the existing proportional split between public and community housing stock levels must be protected – and that public housing must grow.

The nature of the allocations rules means that the only way to ensure that those with the greatest need are housed at the first opportunity, is to create growth in public housing.

Our experience, working with social housing residents provides a number of case studies in which, despite living in social housing, many community

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<sup>23</sup> Victorian Housing Register and transfer lists by local area, accessible at Victorian Housing Register, <https://www.housing.vic.gov.au/victorian-housing-register>, (accessed 19 December 2019).

housing residents are struggling to make ends meet, and cannot afford to pay rent.

## Recommendations

We applaud the Government's initial plan to invest in maintenance of 15,000 properties, upgrades to a further 2,100 and construction of 110 new public housing dwellings in Reservoir as an important first step.

We urge the committee to solidify these policies, by further recommending the Government:

1. Commit to construction of 6,000 new social housing properties every year over the next ten years, as recommended by the Housing Peaks Alliance.
  - a. In particular we believe that two thirds of these properties should be traditional public housing properties, and that a further 300 should be set aside as Indigenous Housing.
2. Publish a 10 year strategy that sets out how the Victorian Government will achieve the construction of these properties.
3. Immediately seek to develop public housing on suitable, vacant public land.
4. Ensure maintenance is undertaken on uninhabitable properties to ensure existing public housing stock is fully utilized.
5. Consider ways in which overcrowding can be urgently addressed. This could include through consolidation of the 'mutual swaps' register, to seek to re-house existing residents who wish to downsize and others who are seeking larger properties by facilitating swaps, and through the use of Director of Housing 'head leases' to take advantage of slack in the private rental market.
6. All Government Departments to update emergency management plans to include a specific response for public health emergencies which includes avenues for quick and meaningful community consultation.
7. Greater oversight of maintenance and cleaning contractors employed by the Department of Health and Human Services to undertake work across the public housing portfolio.

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