

SPC submission in response to Victorian Housing Enquiry 2012

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Social Policy Connections: who we are

Social Policy Connections is an independent, ecumenical organisation, motivated and informed by Christian social thinking. Our purpose is to expand awareness of social justice issues in Australia and overseas, and to influence public policy for the benefit of all people, especially the most disadvantaged. SPC is not aligned to any political party

Social Policy Connections is particularly concerned with issues of equity and inequity. It is this focus which motivated us to participate in this enquiry into social housing.

As a broad-based advocacy organisation, we have selected the questions we believe we can most appropriately answer.

What is the role of government?

Governments have traditionally had a role in providing housing for those people excluded from housing due to market considerations. Social Policy Connections believes that access to affordable, decent housing is a fundamental right which should be protected. Government must always have a role in enabling this access to become a reality for people who would otherwise miss out. We know that when people miss out on housing, they are likely to experience a host of other issues which entrench disadvantage and lead to considerable support and intervention being required, most of which comes from the government's funded services. It is neither a socially nor economically responsible path to limit the access of housing; it is one of the key enablers in a person's life chances.

The Housing Act clearly states that the government has a role to ensure that every person in Victoria has adequate and appropriate housing within his or her means. This is to be achieved, as set out in the Act in S6(1), by encouraging:

- i The provision of well-maintained public housing of suitable quality and location
- ii The participation of non-profit bodies in the provision of well-maintained, affordable rental housing of suitable quality and location
- iii The expansion and development of the role of the public sector in the provision of housing;
- iv The promotion of cost effectiveness in the provision of housing

Social Policy Connections considers access to public housing to be as important as access to education and health services. We therefore believe that government must continue to have a significant role in the provision and safeguard of an adequate supply of public housing.

When we consider the history of public housing in Victoria – and not all of it is positive – a narrative runs through it of government recognising it has a role as a provider of low-cost and, what would later be termed, affordable housing.

Definitions: 'Social housing' includes both Public and Community housing. Public housing is housing owned and managed by the State Government, while Community housing is managed by not-for-profit registered housing agencies and housing providers for affordable housing purposes.

In the early 1900s, Parliamentary enquiries, including a Royal Commission, into housing conditions in Melbourne exemplified the Victorian government's intention to take on this role of housing provider.

Political parties differed in relation to which tier of government should be responsible for the provision of this form of housing. The Liberals tended to see this as a responsibility of local government, with the ALP determining that it was the responsibility both of Commonwealth and of State governments.

It is important that government does not divorce itself from this role. There are many structural causes of disadvantage to which governments contribute, and governments must also commit to addressing demographic changes with appropriate policy measures. Governments do not have to be sole providers of housing: they can and should also provide guidance and incentives for others, such as housing associations and developers, in order to respond appropriately to housing needs which arise as a result of these changing trends.

A further consideration is that governments should have regard for community perceptions in determining roles that they will assume. Australians are not in the habit of wishing to see sections of the community grossly disadvantaged at the expense of others, and this certainly relates to access to housing. Housing is seen as a treasured fundamental right which all citizens should be able to exercise. That is why government should continue to have a role in contributing to fair distribution of housing resources, to ensure low-income and disadvantaged people do not miss out.

Importantly, government has a role in facilitating other agencies in providing affordable housing. Housing associations have been able to fill this role but will need to continue to be adequately funded to enable them to continue to grow the housing stock to meet increasing need.

Government should also ensure that housing standards are adequate, and that sub-standard housing and exploitative 'slum landlord' housing does not develop as a result of the unmet demand for housing. Thus, there is a regulatory role for government which should close any loopholes which allow the existence of this kind of inappropriate housing as soon as identified. Clearly, if there is adequate supply of affordable housing, the need for people to resort to inappropriate and exploitative forms of housing would not exist.

What should the future of social housing look like (including public and community housing)?

There should be a gradual and well-planned increase in the supply of community housing available, and a rationalisation of public housing stock. Such growth should incorporate decisions about the ongoing viability of some of the old less-desirable stock.

In the 1980s, the Ministry of Housing adopted a budgetary approach aimed at providing a percentage of additional housing based on waiting lists. This also applied to decisions about which stock was to be improved, in which time period. This systematic approach of, to some extent, matching supply and demand in a planned way, no longer appears to occur.

In relation to the future combination of public and community housing, comprehensive planning will need to take place, considering cost and other implications of potentially transferring, and /or redeveloping public housing and growing community housing stock. It is preferable that this occurs within a framework which considers need in particular areas.

There should be the opportunity to include innovative one-off models of social housing development which might involve partnerships with business and not for profit sector agencies, philanthropics and Church organisations, as well as housing associations. Allowing a level of innovation may identify other avenues for investment in social housing which currently do not exist. The expected contribution of housing associations towards provision of additional housing is making it increasingly difficult for these bodies to adequately 'grow' their housing stock. It is important that government encourages and enables the continued exploration of new avenues.

It is important that social housing continues to provide an array of well-located and well-designed housing. It is also important that housing planning takes account of demographic trends, in order to ensure there is an appropriate match of stock to need.

Social housing must also retain a strong emphasis on the wrap-around services and infrastructure which can provide the right level of community support to promote engaged, inclusive, and thriving communities.

Social Policy Connections wishes to emphasise that social housing is a fundamental building block in people's lives. Without an adequate supply of quality and affordable social housing, people will continue to miss out on a range of life-enhancing opportunities.

The Victorian Government owns and manages 65,000 properties. Should the Government own and manage such a large number of homes if improved services to tenants could be provided by other organisations?

Evidence suggests that, overall, improved management can be provided by the community sector, through housing associations and housing providers. Community agencies are in close touch with and tightly linked to a range of local support agencies, allowing for holistic response to housing and related needs.

The government does not have a proven track record in responding well to tenants' needs. Social Policy Connections supports a gradual transfer of public housing stock to appropriate community agencies. This recommendation is conditional upon these agencies being properly resourced to assume such increased workload, also requiring funding to ensure maintenance and improvement work, to ensure the community sector does not become a default manager of sub-standard housing.

We recognise that, today, the goal posts have moved too far ever to return to their original positions, and that government cannot be sole provider of all essential services. However, government must not abrogate its responsibility to citizens who traditionally have been the responsibility of, or have always received a level of support from, government, via income support, State-based concessions, or other supports. For this reason, we advocate that government embrace innovative means of enabling other sectors of the community, such as the not-for-profit and business sectors, to be incentivised to take on an increased commitment to this role.

We also wish to emphasise that, if government is to have a reduced management or ownership role in public housing, it must recognise that this transfer of responsibility can only occur if new arrangements contain adequate resource allocation to ensure improvement and successful change.

Due to the poor quality and design of much of the old public housing stock, Social Policy Connections is reluctant to support a wholesale transfer of public housing ownership away from government. A planned and gradual transfer of management is the viable option we would support.

Should community housing take on increased ownership or management?

We are concerned that, as discussed above, a transfer of ownership could result in a transfer of risk to another sector – community housing providers – potentially threatening long-term viability.

We support an increase in management transfers. We would also welcome transfer of ownership, where feasible development opportunities exist which could reap improved stock yields and housing outcomes. This, however, requires recognition by the government of the financial constraints in expecting housing associations to carry development risks. There would need to be adequate financial compensation for the transfer of this responsibility.

How can we be sure public housing is provided to those with the highest priorities, and that it meets their needs?

For some ten or more years, a deliberate policy direction has ensured eligibility only for those with multiple and complex needs and a considerable level of disadvantage. Unfortunately, due to short supply and consequent long waiting periods, there are many who would be considered a high priority, but who miss out.

In relation to ensuring public housing best meets their needs, it is important that support services which meet high-level complex needs are seen as integral to the provision of public housing. Participatory and community engagement models of supports need to be implemented, underpinning public housing as a way of countering the endemic isolation and social exclusion often a feature of public housing estates.

There are many partnership models which ensure tenants receive appropriate levels of support tailored to their particular needs. Common Ground is one such model, and Sacred Heart Mission has embarked on an intensive support model to ensure high-risk tenants retain their tenancies through appropriate support.

How can the public housing sector work effectively with other groups, such as community organisations, to meet the needs of tenants and the community?

It is critical that the Office of Housing promote and fund models of engagement to demonstrate the critical importance of public housing as part of a holistic response to a person's needs in life. It is only then that a deliberate effort will be made by a range of agencies to form genuine collaborative partnerships with shared aims.

Many such partnerships currently exist, but effort needs to be made to sustain partnerships as stakeholders change. Relationships are very important to the success or otherwise of these arrangements. It must be demonstrated that relationship-building is an important component of providing a holistic service in relation to tenancy and support services.

How can limited public housing stock be allocated fairly?

It is problematic to talk about making fair allocations, when the goods to be allocated is scarce and failing to meet demand. The only truly fair way would be to expand supply, so that an increased number of eligible people were able to access this form of housing. If 'fair' implies that the current system is unfair, we believe this is a largely untested claim.

Social Policy Connections acknowledges that tenants may be living in public housing stock which is not appropriate to their particular needs; for example, it may be too big, or in wrong location. Matching at the time of approval and allocation is important. Offering incentives to free up large under-utilised stock, and enabling tenants to move to housing which is more suited to their needs, are good ideas, in principle. The reality, however, is that there is a shortage of one and two bedroom units.

With this in mind, we believe that any future public housing should be planned with a focus on demographic trends . (We acknowledge the Office of Housing's efforts to date to increase availability of single-person accommodation as a response to this trend.) We also know that there are many large refugee families, and that there is very little public housing stock with three or more bedrooms or flexible floorplans.

Finally, fairness is open to interpretation, and confining all high-needs people to live only with this profile of tenant is in our view, quite unfair. It would be preferable if there was an effort. made to develop mixed-tenure and mixed-profile developments, which could provide improved role models and break down some of the stigma associated with many public housing developments.

Should public housing tenancies be reviewed from time to time (eligibility and length of stay)?

There is an inherent inequity in reviewing public housing tenancies when other housing tenures are not exposed to this process. A home for life or at least for as long as we choose to live there, is something to which most people aspire.

There is also the issue of whether, in a time when hundreds of public servant positions have been cut, this is an effective use of scarce public resources. We believe there is insufficient evidence to support undertaking such a review.

We recognise that tenants should be paying appropriate rent equating to their income. Our understanding is that a very high percentage of tenants are social security recipients, so, again, we do not imagine there is much income fluctuation in many of these households. We understand that the most common scenario is that when an adult child gains employment, a percentage of this income should be included in the rent calculation. Again, we are unsure whether the number of cases warrants the effort that would be involved in undertaking such a review.

How can Government support tenants to move from public housing into community housing or into the private rental market (eg bond assistance, rental brokerage)?

Again, we are concerned that tenants who may have resided in public housing for a number of years may be coerced into leaving this form of accommodation. Our understanding is that very few public housing tenants are successful at sustaining tenancies in the private rental market. Moving them out of public housing contributes to a vicious cycle, leading to tenants seeking public housing once again, only to be faced with a very long waiting period and the likelihood of homelessness or accepting accommodation far beyond their financial means.

The other reality is that there are very low vacancy rates in many areas of Victoria. Agents are able to pick and choose to whom they allocate private rental properties. In a highly competitive market, it is very difficult for former public housing tenants to compete.

We believe that short-term measures such as bond assistance are in fact perverse incentives likely to prove counter-productive.

Certainly, many tenants would be happy to relocate to community housing if there were stock available.

We believe this proposed move between sectors should only be pursued in situations in which there is clear advantage to the tenant in making the move. Our fear is that, in most cases, particularly in relation to transferring to private rental, this would be a retrograde step.

How could the public housing system be made more flexible?

If a tenant's situation changes, how can they be supported to relocate to housing suited to their changed needs (for example, helping a single person currently living in a large family home, to move into a smaller more suitable property)?

Social Policy Connections certainly supports people in exercising choice in where they live and which housing best meets changed needs or stages of life.

We also believe that, in relation to older people, most often people prefer to remain where they are familiar with their surroundings and community. It would be beneficial if the Office of Housing were thinking along these lines in relation to ageing-in-place options.

Where stock is under-utilised, such as when adult children leave home, the Office of Housing may be able to promote schemes offering tenants the opportunity to relocate to units of reduced size, with some assistance, such as relocation expenses. We believe this should be a voluntary scheme not a mandated one.

As Australia is facing a significant increase in the number of aging residents, we believe it is important that public authorities such as the Office of Housing commit serious thinking to long-term planning for aging tenants who deserve the sense of security many Victorians take for granted.

Should the existing rent policy be retained, whereby most tenants contribute a proportion of their income in rent?

Yes, we believe this is the fairest system.

Can you suggest ways to improve fairness in rent for public housing?

No.

Should there be a link between the cost of providing public housing and the rent paid by tenants?

We do not believe that a cost rent system is appropriate for public tenants.

How could tenure fairness be improved?

Should tenants who have the potential to become self-sufficient, through training or employment for example, be offered a reduced-term tenancy arrangements?

This question fails to recognise the importance in people's lives of a sense of security, particularly in relation to housing. Feeling secure contributes to people's capacity for self-sufficiency. We believe, therefore, that it is important that all public housing tenants be entitled to permanent security of tenure. Then, if and when their circumstances improve, it is their choice whether they exercise their right to move.

If limited tenancy arrangements were introduced for tenants who had the potential to move into other forms of housing, what length of stay should be offered?

We do not support limited tenancy arrangements being introduced.

How can public housing be made fair for tenants?

What measures could Government take to ensure tenants' involvement in work, education, or training is encouraged?

We recognise that, because of today's focus on high- and complex-care-need tenants living in public housing, there is a considerable degree of entrenched disadvantage and unemployment on many public housing estates. It takes a concerted effort to break down some of these entrenched patterns.

We believe, in the first instance, that it would be beneficial to open up public housing to enable increased diversity among tenants.

Initiatives would also be of assistance which actively engender and increase tenant participation in a range of work, training, and educational activities.

Some organisations have established social enterprises as a way of providing work experience and employment for unemployed residents. Initiatives of this kind are worthwhile, but need resourcing to enable adequate relationship-building and research.

Public housing estates also provide a number of 'work and learn' centres. We hope this number can be increased.

Recognition is needed that these sorts of initiatives take time to become part of the fabric of the community. They require a long-term commitment by government in partnership with other organisations.

Activities which may not appear to be work-related, such as recreation and social programs, are also a valuable first step in encouraging people to become involved in a range of areas which could lead to further education, training, and potentially to employment.

Should the allocation of a public housing tenancy recognise a tenant's short-term needs, such as education and training?

It would be beneficial if consideration were given to a tenant and household member's education and training needs in relation to identification of the best housing stock available and allocation policy. It is also very important that longer term needs are also considered particularly in the case of school age children. The benefits of children connecting to a community through attendance at a local school over a number of years is an important foundation for life opportunities.

How can fairness in public housing be enhanced for the Victorian community?

What obligations should we expect tenants to meet in return for living in public housing?

Rights and responsibilities of tenants and landlords are important considerations in ensuring tenancies have the best chance of success.

Public housing tenants should be expected to meet similar expectations to those of private tenants under the Residential Tenancies Act. These relate to ensuring their behaviour does not affect the amenity of neighbours; they must avoid causing damage and in the event that there is property damage, they must report this. A host of expectations is outlined in the Residential Tenancies Act which applies to all tenants, public and private.

Public tenants do have an obligation to advise their tenancy office of any changes in household circumstances which might affect their entitlement to rental rebate. This should continue.

It is important that due consideration is also given to the rights and responsibilities of both parties – the tenant and the landlord. The legislation has in the past been fraught with issues in which the balance is not right.

Are there any issues in the public housing system that would be a barrier for tenants to participate in education and training?

It is important that every effort is made to ensure public housing is allocated with consideration given to proximity to schools or training facilities. It is important that the public housing system sees itself as a partner in assisting tenants to achieve life objectives wherever possible.

In planning for public housing, it would be beneficial if consideration were given to any initiatives which would address the divide between facilities available to those who have access to the best and those who miss out. This could relate to items such as computer facilities, homework clubs, and the volunteer tutors.

Social Policy Connections recognises complex issues relate to this divide and opportunities to improve participation. It is still worth considering what practical steps could be taken to minimise this divide.

What could be done to encourage tenants' good behaviour, to encourage public housing tenants to keep their properties at an acceptable standard and act as 'good neighbours'?

As a broad-based advocacy organisation with no direct involvement in housing provision, Social Policy Connections does not have specific expertise to answer this question.

We do, however, believe that, when tenants are provided with quality accommodation, they feel valued and are likely to respect this property and their homes. The more tenants are involved in decisions affecting their homes and communities, the more likely it is that this will engender a sense of pride and responsibility.

How can the good behaviour of tenants, maintenance of property, and participation in the community be rewarded?

In the 1980s, schemes such as Gardening Week awards were a way of recognising tenants' efforts. We do not know if this or similar schemes still operate.

Introducing activities such as Men's Sheds or activity groups which inculcate a sense for tenants of working together as a community could assist in building a sense of community pride. Again in the 1980s, funded tenant groups built a sense of community. Tenants identified what was important for them, such as community gardens or meeting facilities, and funding was provided by the Office of Housing to assist in establishing these initiatives. We are not aware if these operate in any way today.

How can the supply of quality social housing be improved?

As governments have an ongoing policy not to borrow against public housing assets, there is some wisdom in transferring the title of some stock to housing associations which can then leverage funding against these assets. The aim should be to ensure provision of additional quality housing stock which does not present onerous risks for the housing association.

There should also be greater flexibility in arrangements with other organisations, such as religious organisations, which may have properties surplus to their requirements. If transfer of title is a problem, other arrangements could be negotiated, such as long-term leases. The important issue is to free-up well located land to enable the provision of much needed social housing.

In the past, governments have focused too much on constraints; with some lateral thinking, this could quite possibly be overcome. For example, in inner Melbourne and many suburbs, shop-top spaces may not be utilised. In the past, planning issues relating to separate access, and fire and safety considerations have impeded this potential housing opportunity. These sorts of initiatives are worth exploring further.