

Housing and Homelessness

Nothing is more closely associated with the notion of liveability than where one actually lives. More than just a physical location, housing is about a place to call home.

Ideally it is well located, affordable and accessible and a basic human right for all Victorians. The reality is that Victoria's liveability is being impacted negatively through a lack of affordable housing and the lack of a state plan to deliver that goal.

The Lack of Affordable Housing Continues to be at Crisis Point

Housing affordability remains a chronic problem for a significant number of Victorians. The March 2008 Rental Report confirmed a worrying trend - the combination of record rent rises together with tightening levels of supply.

This chronic lack of affordable rentals is having most impact on singles on statutory or low incomes, another trend that risks broadening social dislocation and disadvantage. The level of rentals affordable for those on statutory incomes fell by almost seven per cent to just 20.8% of all lettings in Victoria¹⁵⁰. The fact that those properties are likely to be more expensive to heat and cool, to be poorly located relative to public transport, employment and services indicates that even this level of "affordability" should be questioned.

Rising rents, reflecting historically high house prices, make it even harder for those on lower incomes to save for a deposit or even consider home ownership. Despite some recent



150 Rental Report, March 2008 quarter, page 1, as appears in: http://www.housing.vic.gov.au/_data/assets/pdf_file/0020/241508/rental_report_Mar_Q_2008.pdf

evidence of falls in house prices the reality is that annual growth in Melbourne is still in double digits¹⁵¹.

Regional areas, especially sea and tree change communities, are feeling the pressure just as keenly. Even with significant house price falls - which in itself would present a range of negative consequences - the prospect of increases in first home purchase among lower income Victorians would not improve.

High House Prices and Rents Push People Further From their Communities

Having a place to call home is an essential part of participating in the social, economic and cultural life of a community. Good housing promotes individual health and wellbeing and is also an essential precondition for the building of strong, healthy and vibrant neighbourhoods and communities. When someone is able to feel secure in their housing they can put down roots and move beyond tending to their immediate needs to engage more broadly with the community.

The positive outcomes of Neighbourhood Renewal and a range of place-based initiatives are testament to the benefits that flow from investing in community development activities. It would be much more powerful, however, if the Government intervened more directly in the housing and planning system to assist low income and disadvantaged Victorians to live in the communities in which they have a connection.

VCOSS recommends extending Neighbourhood and Community Renewal programs more actively into areas of poor private rental and engaging more directly with private tenants.

Lack of Coherent Government Policy Vision

While the Government has recognised the importance, and indeed necessity, of investing above and beyond its commitments under the Commonwealth State Housing Agreement (CSHA), it has failed to deliver that investment within a coherent policy framework.

In the 2007-08 State Budget the Government delivered a record investment of \$510 million over 4 years and has continued to invest in and champion, a vibrant community housing sector while maintaining a commitment to public housing. Unfortunately, it has limited its vision to that type of investment and has not sought to deliver increased affordability beyond stock it can itself own and operate or directly support.

Rather than build on its investment by regulating for and thus enabling the private sector to ensure many more Victorians are affordably housed, it has allowed the market to continue to

¹⁵¹ "Bargain Hunt changes focus in patchy market", Alex May, 10 June 2008, as appears in: <http://www.domain.com.au/Public/Article.aspx?id=1212863633079&index=nationalindex>

deliver unaffordable housing, while refusing to provide local governments with the planning authority that would require developers to include affordable housing in their developments.

The Government, in its response to the Audit of Melbourne 2030, missed the opportunity to ensure that requirements to deliver affordable housing were incorporated into the planning system or that targets for affordable housing were delivered. It also failed, once again, to regulate for universal housing design to ensure a greater supply of accessible housing. In not doing so, it has continued to shift to the most vulnerable Victorians the often significant costs of retro-fitting properties that are inaccessible rather than legislate for universally accessible housing.

In addition, the Government has continued to boast of Victoria's relative affordability while failing to generate any broader affordable housing framework, which would have a mainstream benefit.

This lack of strategic policy vision to encourage the development of affordable housing and reap the multiplier effect of such action represents a missed opportunity in which the recent housing boom could have also delivered privately funded affordable housing.

This 2009-10 Budget provides the opportunity for the Government to position Victoria for a more sustainable and affordable housing future by announcing an integrated set of measures, which include but are not limited to, funding for public and community housing.

An Integrated Housing Plan with a Housing Guarantee for Low Income and Disadvantaged Victorians.

VCOSS recommends that the 2009-10 Budget fund a whole-of-government housing affordability action plan to deliver accessible, affordable and appropriate housing for all Victorians.

The plan should recognise and address the issues on the housing continuum from homelessness, through social housing, to private rental and onto home ownership. Together with key organisations and housing consumers, this policy would implement the document *Towards an Integrated Housing Framework*.

A key plank of this policy should be a commitment that every Victorian on the public housing waiting list receive appropriate support from the state to ensure that they were not paying more than 30 per cent of their income in housing costs. This fills a significant gap whereby those eligible for public housing can remain in the private rental market in poor quality and expensive stock while waiting for limited public housing.

This policy would require the Government to commit to either transitional housing or a top up of Commonwealth Rent Assistance for every person on the list. This would be a key aspect of the 'housing guarantee' and would mean that having satisfied the criteria for accessing public housing, those on the waiting lists would not be forgotten but actively assisted both

financially and with appropriate support to stabilise their housing. It would also provide the Government with an incentive to ensure that funding for public and community housing was sufficient to meet the demand.

Ending Homelessness in Victoria

The Victorian Government has acknowledged homelessness as a significant issue in *A Fairer Victoria* and before this in the *Victorian Homelessness Strategy*.

Currently, the Commonwealth Government is establishing a blueprint to address homelessness through the development of a Homelessness White paper, which will set broad national policy directions regarding homelessness. This White paper will provide some resources and have implications for the implementation of homelessness policy in Victoria.

Over the past eight years, Victoria has committed resources to address homelessness, in addition to agreements it has with the Commonwealth Government. In order to respond effectively to people who are homeless and work to end homelessness, VCOSS believes that this tradition will need to continue.



On any given night in Victoria, over 23,000 people are homeless. In 2006-07, at least 38,000 people were assisted by homelessness assistance services¹⁵² and these numbers have been steadily increasing over the past decade.

To build on its record and to continue to act in reducing and addressing homelessness, a new *Victorian Homelessness State Plan* should be developed to direct policy over the next five years.

Essential to this plan will be investment in:

- public and community housing, accessible to those on the lowest incomes including people who are homeless;
- long and medium-term supported housing for people who are homeless through expansion of the transitional housing program and provision for longer durations of support;

¹⁵² Council to Homeless Persons, August 2008

- a workforce strategy for the homelessness service workforce addressing recruitment and retention issues;
- service partnerships between homelessness services and mainstream or other human services providers (e.g. mental health, drug and alcohol, primary health, corrections); and
- a transparent and effective funding model for Homelessness Assistance services.

Recommendations:

1. To address the challenges of housing affordability and homelessness, VCOSS recommends the following initiatives be included in the 2009-10 Budget:
 - funding the full cost of implementation, including administration and funding for program delivery, of an Integrated Housing Strategy;
 - implementing a 'housing guarantee' to ensure that Victorians on the public housing waiting list are guaranteed accommodation support and assistance. That support should be either in terms of transitional housing or top up in rent assistance to ensure that no-one on the public housing waiting list is paying more than 30 per cent of their income in rent;
 - maintaining Victoria's leadership position in the growth of public and community housing stock by committing to a minimum investment of at least \$200 million per annum above that required by the National Affordable Housing Agreement, in Forward Estimates;
 - committing to the development of a new Victorian Homelessness State Plan and through that funding the full cost of development and implementation of the Victorian response to the Commonwealth White Paper on homelessness;
 - committing to reducing the cost of living pressures on private renters by reforming the Residential Tenancies Act 1997. Measures should include:
 - reducing the level of excessive and above market rent increases by banning rental bidding;
 - reducing risk of moving costs through scrapping no reason notices to vacate; and
 - reducing the cost of utilities through introduction of legal minimum standards;
 - committing funding, through the Residential Tenancies Fund, to a significant information and education campaign focused on the rights of renters. Such a campaign should include training targeted especially at private landlords; and
 - funding VicUrban to increase its delivery of shared equity housing to more Victorians.