



10-Year Social and Affordable Housing Strategy for Victoria

Submission by Tenants Victoria

23 April 2021

Tenants Victoria acknowledges the Wurundjeri people of the Kulin Nation as the traditional owners of the land on which we practise. We recognise that sovereignty was never ceded and pay our respects to their Elders past, present and emerging.

About Tenants Victoria

Tenants Victoria was founded more than 45 years ago to promote and protect the rights of renters in our state. We provide legal advice, educate renters about their rights and work for systemic social change, shaping new practices, and attitudes to renting and housing. We are working towards a safe, secure and affordable home for every Victorian renter in a fair housing system.

In recent years Tenants Victoria was a leader of the Make Renting Fair campaign in 2018 which resulted in landmark amendments to the Residential Tenancies Act, including the introduction of minimum standards for rental homes.

As the peak body for renters, we work in partnership with other community legal centres and housing sector organisations, and strategically with government to inform policy development and enhance service delivery. We have assisted more than half a million renters since our inception.

Tenants Victoria works to improve the rights of social housing and private renters, rooming house and caravan park residents. We also provide advice and assistance to those at risk of homelessness or dealing with housing insecurity. We advocate for improvements to tenancy law and practice to support the nearly one third of Victorians who are renters at any one time. Our experience as a source of advice to renters and to tenancy advocates puts Tenants Victoria in a position to see the effect of economic and policy changes over time on renters in all types of residential accommodation. We seek to use this experience to establish a fair legal framework for tenancy in Victoria.

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Safe, secure and affordable homes

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Executive Summary

Lack of affordable housing is a growing concern for Tenants Victoria, and we welcome the opportunity to help shape the 10-year Social and Affordable Housing Strategy for Victoria.

Affordable to whom? There has been a broad shift in both policy, and in market and household behaviour, towards the treatment of housing as a source of income via rent rather than a source of affordable shelter and security. This shift diminishes housing affordability for wage earners, and of course, the lower the wage, the greater the impact high housing costs have.

Universal housing: In Victoria we have universal health and universal education, but universal housing is missing. Universal access to housing should be as prized as is the universal access to health and education and inform policies. Government has a key role in resetting the public dialogue about housing, to establish it as a public good and to recognise it as infrastructure of equal importance to transport, hospitals or schools. We welcome recent changes that make rented housing more secure, such as the changes to the *Residential Tenancies Act 1997*. Further steps need to be taken, among them the application of the Human Rights Charter to community housing, to protect the rental security of tenants.

Value renters: Renting is increasingly the norm and no longer a ‘life stage’ for young people before buying a property. However, continuing negative perception of renters further stigmatises public and social housing tenants, marking them as ‘others’, not like the majority. The public conversation about social and affordable housing must change, so renters are understood to be both integral in and assets to their communities. This will help address some current barriers to social housing, such as ‘nimbyism’.

People-centred approach: Consultation and a transparent partnership approach should be embedded in social housing provision, using the ‘nothing about us, without us’ approach. Residents’ needs and wishes must be central to the design and management of the Big Housing Build program. This principle of the centrality of the consumer is often used in the health sector to improve, test and evaluate services’ performance, but not in housing. Greater investment in plain English communication, translated materials about renting, and incentives for housing providers to communicate openly with their clients will help to build resident partnerships. Allowing renters’ interest and pride in their homes to inform the Director of Housing and community housing providers will pay dividends.

Harness private sector: Demand for affordable housing is growing but community housing, as currently resourced, will not fulfil demand. We must ensure affordable housing is available through diversifying providers and increasing supply. Most housing in Victoria is provided by the private sector, which is essential to creating enough properties to meet demand – and this includes social and affordable housing. The sector is important not only

to ensure that the Big Housing Build can be delivered, but also to help create a development pathway for suitable build-to-rent properties.

Track benefits of social housing: Increasing the supply of social housing will require commitment from government to collect accurate information and forecast population-wide needs to set targets for growth. This is currently done through the 30-year infrastructure plan. Reassessment at shorter intervals of progress against these targets is needed. Commitment to growth can be achieved by addressing the economic benefits of a fully housed community, as well as the society-wide cost of insecure housing. This can be captured by a wellbeing index published in the state Budget, showing the broader effects of secure housing, and how this interacts with Gross State Product.

Measures to enable supply: Other mechanisms need to be explored to take up the work of providing housing. These include:

- Streamlining approval processes for planning and building permits
- Fast-tracking or prioritising public amenity and infrastructure upgrades to support additional housing
- Unlocking ‘lazy’ government land for social and affordable housing
- Government support for advanced manufacturing in the housing industry to take advantage of reduced build time and cost of prefab and modular housing.
- Inclusionary zoning and pre-approval processes for well-designed social housing
- Preferential zoning for co-operative housing schemes
- Funding deposits or ancillary legal costs for entrants into co-operative housing
- ‘Shared equity’ schemes, such as used in WA

Future investment: Appropriate and adequate housing supply also depends on increasing Commonwealth and State government investment in affordable housing. The Victorian government’s Big Housing Build is a welcome start to lifting the state’s percentage of social housing from 3.3 dwellings for every 100 households in June 2019, compared with the national average of 4.5. Public housing, in Tenants Victoria’s experience, is the most secure type of tenancy for low-income renters. While community housing is affordable, security of tenure is weaker. Because the current regulation of community housing does not ensure security of tenure for residents, nor access to housing for our most vulnerable citizens, investment in public housing is needed.

Defending tenancy – legal and other support: Other means to ensure that residents of social and affordable housing keep a roof over their heads are dedicated support and advocacy, including legal representation, for renters. Tenants Victoria’s experience is that renters face high hurdles representing themselves and fear appearing at the Victorian Civil and Administrative Tribunal. Expanded funding to guarantee support for renters’ representation is a small investment that will make social and affordable housing more secure.

Review supply targets: More supply is a key requirement for people to access affordable housing and to move between housing options as their needs change. The target suggested in Recommendation 73 of the Draft Strategic Plan is a goal, but early and sustained action to deliver those dwellings is required. The Big Housing Build cannot be a one-off. Further modelling is needed to determine the goals for new builds to supply social and affordable housing in the 30-year Strategic Plan window.

Appropriate design and siting: Low-income workers in the bottom quintile of incomes struggle to find affordable rental properties and face long commutes from homes in outlying suburbs far from jobs. To maximise the economic benefit of affordable housing created under this 10-year strategy, it must be well sited. Proximity to jobs and services are fundamental to the provision of social and affordable housing.

‘Tenure blind’ design: To maximise their local acceptance, new developments must look like, and be distributed among, market rent or private housing. This will demonstrate the town planning and aesthetic value of this form of housing in a neighbourhood and help minimise stigma and ‘nimbyism’ that have been barriers to social housing. High quality design and good planning in Big Housing Build properties will be seen to add value to the community.

Sustainable housing: Housing stress is commonly considered to occur when more than 30% of a household’s income goes on housing costs. A wider affordability lens should be used in the Social and Affordable Housing Strategy. Housing must be affordable and sustainable in all respects, including being energy efficient and environmentally sustainable. Housing must also be sustainable for residents as they progress in life and age. Using universal design principles to meet the needs of all people – including young and old and people with disability – would help maximise the usefulness and working life of properties built under the Big Housing Build.

Broader policy settings: Without a secure home, individuals cannot fully participate in their community, whether through employment, education or social activities. Declining housing affordability has not developed in a vacuum. Some significant policy settings have perverse outcomes that reinforce inequity. The Victorian government must continue to seek to influence broader national housing policies and taxation settings that have changed housing from a human right to a class of investment.

Recommendations

Pathways to housing - actions

1. A whole-of-government effort to assess housing should at regular intervals to establish the real need and enable appropriate planning for future housing provision and to balance supply with demand.
2. Engage the private sector to create build-to-rent properties to boost housing supply.
3. Victorian government advocacy to increase Commonwealth benefits and change taxation and other policy settings affecting housing affordability.
4. Urgently set a housing provision target with clear annual deliverables and the policy and bureaucratic processes to achieve these.
5. Invest in public housing to ensure the most affordable housing is readily available to larger families and to our most vulnerable renters.
6. The goal of achieving universal housing to inform all policy choices in this and future strategies.
7. Apply the Charter of Human Rights to community housing providers.
8. Require community housing policies that are consistent, transparent, and equal to the standard afforded to public housing renters.
9. Establish as a primary social housing aim that eviction is only used as a last resort and use evictions as a KPI to assess the performance of housing providers.
10. Establish a robust accountability mechanism for community housing.
11. Amend legislation to create a central Housing Appeals Office to oversee complaints by both public and community housing renters, that maintains and builds upon the standard of complaints-handling of the current Housing Appeals Office.
12. Require that the central Housing Appeals Office must provide a remedy to the renter if a complaint is upheld.
13. Enable both landlords and renters to apply to the Review and Regulation List of the Victorian Civil and Administrative Tribunal (VCAT) for merits review of decisions of a central Housing Appeals Office.
14. That the Victorian Government amend the definition of 'agency' in the Freedom of Information Act 1982 to include community housing providers registered under the *Housing Act 1983*.
15. Dedicated funding support for tenants' legal and housing advocacy.
16. Ensure multifaceted and flexible support (programs such as the Private Rental Assistance Program (PRAP) and PRAP Plus to ensure that where possible renters remain in their homes.

Pathways to housing – features of housing

1. Appropriate siting to deliver benefits to low-income workers to maximise the flow-on economic benefit of affordable housing.
2. Social housing must:
 - a. Be affordable to run: e.g., energy efficient

- b. Be comfortable
 - c. Be aesthetically pleasing
 - d. Provide an aspect and access to gardening and green space
 - e. Be designed using universal design principles
 - f. Be physically adaptable to renters through varying life stages, and degrees and types of disability
 - g. Minimise the need for renters to move home
 - h. Maximise community continuity.
3. Design social housing to include on-site or adjacent facilities for support organisations, or if this is not possible link support services to rental providers such as community housing for housing assigned to specific cohorts, e.g. family violence victim survivors, those with mental health challenges or young offenders.
 4. Allow any modifications made by a renter to any form of social housing during their occupation to remain if they leave the property, and refrain from charging additional bond for modifications.

Pathways to housing – finding an affordable home

1. Government should encourage a reset of the public dialogue about housing, to establish housing as a public good and as a form of infrastructure of equal importance to transport, hospitals or schools.
2. Establish for all arms of government service that there is no exit from any institution, such as medical, mental health, youth justice or justice facility, into homelessness.
3. Establish direct support for housing brokerage and additional head rental schemes.
4. Expand PRAP and PRAP Plus schemes to establish and maintain private tenancies to help reduce demand for social housing.
5. Institute planning changes such as inclusionary zoning, and pre-approval processes for well-designed social housing, to secure a pipeline of public and social housing. Work with local government to site housing where it is most needed.
6. Investigate further policies such as preferential zoning for co-operative housing schemes, funding deposits or ancillary legal costs for entrants into co-operative housing and consider ‘shared equity’ schemes used in states such as WA to add to housing supply.

Communities – strengthen social and affordable housing communities.

1. Undertake a major campaign on valuing diversity and social housing’s contribution to the community to change the conversation on renters and renting.

Growth – actions to enable and deliver growth

1. Use a wellbeing index in the state Budget, showing the broader effects of secure housing, and how this interacts with Gross State Product.
2. Collect accurate information to forecast population-wide needs and set short and long-term targets for growth.

3. Further modelling to determine the best goal for new builds to supply social and affordable housing in the 30-year Strategic Plan window.
4. Continue investment in and upgrading of housing stock to meet projected demand.
5. Establish a Cabinet committee on affordable housing provision to develop policy and manage progress.
6. Give consideration to hypothecation of a percentage of stamp duty and land tax to create a housing fund for new social housing.

Partnerships – strengthen partnership approach

1. People are at the centre of the strategy.
2. New engagement structures based on ‘nothing about us, without us’ approach to social housing residents and stakeholders, to put people at the centre of the housing system.
3. Greater investment in plain English communication and translated resources for renters about renting, so they understand their rights and obligations.
4. Regularly surveys of social housing residents to generate publicly available data on why renters leave and what can be improved in their housing situation.
5. Incentives for housing providers to communicate openly with their clients to build partnerships.

Section 1: Social and affordable housing is a key concern

Our aim is to create a safe, secure, and affordable home for every Victorian renter in a fair housing system. We work for renters across the state to make renting dignified for all Victorians. In addition to our legal representation of renters, rooming house residents, and caravan park residents, we advocate to improve renters' rights.

In our work for Victorian renters we find that low-income earners' ability to access to affordable housing is very limited; the lower their income the less agency and power they have, often settling for poor quality or unsuitable properties because this is their only option. Lack of affordable housing has been a growing concern for Tenants Victoria, and we welcome the opportunity to help shape the 10-year Social and Affordable Housing Strategy for Victoria.

Section 2: Pathways to housing

Making sure affordable housing is available: diversifying providers and increasing supply

The housing market reflects the law of supply and demand. High demand with limited supply results in high prices for the available housing stock. Victoria has a long-standing deficiency of affordable housing, as can be seen from a cursory glance at the rental properties advertised in Victoria, or over the longer term in the Department of Families, Fairness and Housing (DFFH) Rental Report¹. The high current demand also shows up in the 42,723 applicants on the Victorian Housing Register (at 30 June 2019), representing nearly 80,000 people who are waiting for housing². The Big Housing Build is therefore a very welcome initiative.

The Big Housing Build target of 9,300 new homes will contribute to improving supply, but a one-off investment will not be enough. In the Making Social Housing Work³ campaign, Tenants Victoria, together with all other Victorian peak housing organisations, argued that Victoria needs to build 6000 new properties each year for the next 10 years just to reach the average number of social housing properties in Australian jurisdictions.

Private sector providers

Demand for affordable housing is growing but community housing, as currently resourced, will not be able to fulfil demand. Most housing in Victoria is delivered by the private sector. The Social and Affordable Housing Strategy should recognise that this sector is essential to creating enough properties to meet demand. Finding ways to harness the private sector to deliver public good will be key to meeting the need for affordable housing.

Engagement with the private sector will be important not only to ensure that the Big Housing Build can be delivered, but also to help create longer term development pathway for suitable build-to-rent properties. We are keen to understand what engagement has occurred and parameters developed to enable commercial providers to contribute to growing Victoria's social housing stock. Further, Victoria reaching the Australian average of 4.5 social housing properties in every 100 does not guarantee meeting the need for social housing support. While the Victorian Housing Register is used as a proxy for demand measurement, it does not reflect the full extent of demand. A whole-of-government effort to assess housing needs at regular intervals would establish the real need, allowing appropriate planning for future provision to balance supply with demand. Clear publicly available data on the demand, and how it is being met will help inform the housing sector, investors, and the community, so they too can plan effectively.

Measures to enable supply

Other mechanisms need to be explored to take up the work of providing housing. Some of these enabling factors include:

- Streamlined planning and building permit approval processes
- Fast-tracking or prioritising public amenity and infrastructure upgrades to support additional housing.
- Unlocking 'lazy' government land for social and affordable housing
- Government support for advanced manufacturing in the housing industry to take advantage of reduced build time and cost of prefab and modular housing.

Recommendations

A whole of government effort to periodically assess housing needs at regular intervals would establish the real need, and enable appropriate planning for future housing provision, to balance supply with demand.

Engage the private sector to create build-to-rent properties to boost housing supply.

Affordable to whom? Insufficient income and the house as income earner

Housing is a source of profit as well as providing homes for families. The housing market has been surging in value, particularly in regional areas⁴, and the Melbourne market is predicted to grow by a further 7% in 2021⁵. A recent study of the Australian housing market stated that 'Real home prices across Australia have climbed 150% since 2000, while real wages have climbed by less than a third.'⁶ The study found 'a broad shift in both policy, and in market and household behaviour, towards the treatment of housing as a source of economic rent extraction rather than a source of (affordable) shelter and security.' This treatment of housing diminishes housing affordability for wage earners, and of course the lower the wage, the greater the impact of high housing costs.

It has long been known that renting is unaffordable for those on Commonwealth benefits. The poverty line (measured as 50% of median income) is \$457 a week for a single adult.⁷ Including rent assistance. A Jobseeker recipient on the single rate now receives \$620.80 a fortnight or \$310.40 per week⁸. Surviving on 68% of the poverty line makes rental housing unaffordable. The Department of Health and Human Services (DHHS) Rental Report for June 2020 showed that in metropolitan Melbourne for people on income support only 0.3% of 1-bedroom rentals and 1.4% of 2-bedroom rentals were affordable⁹.

I'm in an old home in a low-income area. There are some major repairs that need sorting, but I'm not game to push too hard to get them done as in the past I've been pushed out of rentals by high rent increases after repairs, or by the owners deciding it's too much hassle owning a rental and selling the place. I'm on disability, have severe chronic illness and live alone. To move at the moment would be a nightmare

and it frightens me. COVID has brought with it more expenses too as I have tried to self-isolate and cope with being hospitalised in the middle of it all. On top of that the rents in low-income areas are climbing due to the demand for lower rents at the moment due to job losses. Renter

Under Pandemic Pressure – how renters are faring, Tenants Victoria – March 2021

While the Victorian Government does not control Commonwealth benefits or the housing market, its continued advocacy on increasing benefits and changing policy settings to improve affordability is valuable.

Recommendation

Victorian government advocacy to increase Commonwealth benefits and change taxation and other policy settings affecting housing affordability.

Growing supply – housing investment

Appropriate and adequate housing supply also depends on increasing Commonwealth and State government investment in affordable housing. The Victorian Government's Big Housing Build is a welcome start to lifting the state's percentage of social housing percentage from '3.3 social housing dwellings for every 100 households in June 2019, compared with the national average of 4.5'¹⁰. We support the Draft Infrastructure Plan's recommendation to 'Immediately set a transparent social housing growth target to reach at least the national average of 4.5 social housing dwellings for every 100 households by 2031'¹¹, but as stated earlier, it is likely that this figure will not be enough to meet demand. A target based on a jurisdictional average, does not take account of Victoria-specific requirements such as addressing future population surges. In addition it may not be sufficiently ambitious nor address the effect of reduced investment by other jurisdictions.

Once a target is set, clear annual deliverables and the policy and bureaucratic processes to deliver the goal must be set urgently.

A large part of any investment must be allocated to new public housing. Public housing, in Tenants Victoria's experience, is the most secure type of tenancy for low-income renters.

Public housing has been widely recognised as the affordable long-term secure option. Johnson et al have noted it has 'the benefits of security of tenure commonly associated with home ownership. Community housing on the other hand appears not to offer the same level of protection. These findings emerge despite community housing being affordable, however security of tenure is weaker possibly because providers are more dependent on rent revenue and therefore less tolerant of rental arrears.'¹²

Elsewhere we argue that a priority is improving compliance in this sector to ensure that people in community housing have the same rights as those in public housing.

Public housing is also well regulated and DFFH is working to improve its role as a ‘social landlord’. Further, public housing renters have access to appeal mechanisms, and housing provision is supported by the Victorian Human Rights Charter. The rent charged is fixed at 25% of income, making it cheaper and more financially sustainable for public housing residents than community housing, where rents are 30% of income, not including Commonwealth Rent Assistance, and some service fees are charged¹³. In addition, public housing recognises family size, and in our experience, is the housing tenure most available to larger families on lower incomes, including CALD families and family violence victim survivors and their children. While the regulation of community housing does not ensure security of tenure for residents, nor access to housing for our most vulnerable citizens, preferential investment in public housing is also needed. These concepts are expanded below in the discussion of legal and policy reforms needed to sustain tenancy.

Recommendations

Urgently set a housing provision target with clear annual deliverables and the policy and bureaucratic processes to achieve these.

Invest in public housing to ensure the most affordable housing is readily available to larger families and to our most vulnerable renters.

Keeping a roof overhead

Legal and policy reforms to sustain tenancy

Universal housing is missing in Victoria, while we have both universal health care and universal education.

Universal access to housing should be as prized by the state as is the universal access to health and education. It is widely accepted that a good life comes from access to skills and resources, and this should include safe and secure housing. The goal of achieving universal housing should inform all policy choices in this and future strategies.

Studies of homelessness show that providing a home saves government expenditure¹⁴. The barriers to fully participate in the community through employment or education due to homelessness come with greater reliance on other social investments, increasing public hospital attendance, police time and court appearances, as well as contributing to lack of amenity of neighbourhoods where homelessness is common.

Tenants Victoria has advocated for mechanisms to sustain tenancy; for example the *Residential Tenancies Act 1997* (RTA) changes such as removing the ‘no reason’ notice to vacate, and making payment plans and a mechanism to access to financial counsellors as the norm for managing rent arrears. We welcome these changes to the RTA, which began on 29 March 2021.

Further steps need to be taken to sustain tenancies. Some of these will be considered in the concurrent Review of Social Housing Regulation. First among these is the application of the Human Rights Charter to community housing. Considering housing as a human right that should be impinged upon only in extreme circumstances will buttress housing security for tenants, and avoid needless rental churn or, at worst, homelessness. Using eviction as a last resort should be a primary aim of social housing under this strategy and a KPI to assess the performance of housing providers.

Residents of community housing also do not maintain their tenancy for as lengthy periods, and issues such as rent arrears and conflict lead to residents moving. A study of Unison Housing¹⁵ found that ‘residents leave their housing for both positive (what we call pull factors) and negative (push factors) reasons. However, most exits (59%) were due to negative reasons, such as rent arrears or conflict with neighbours. Reasons for leaving vary according to the duration of the tenancy, with positive exits increasing with longer tenures.’ A further interesting insight was that renters in community housing left more readily and turnover was higher for this group than those living in public housing¹⁶. While this study only looks at one provider, it does suggest that more effort needs to be made to help renters remain in their homes, and to reduce the need to move.

Community housing renters do not have the same protections enjoyed by Victoria’s public housing renters via strong protective policies and robust appeal mechanisms. People on the joint Victorian Housing Register waiting list (may be forced to choose between a longer wait for a public housing property to become available, and insecurity in community housing. This should be remedied.

Through the Tenants Working Group, comprising Community Legal Centres and other advocates for renters, suggestions were made to DFFS for improvements to social housing regulation – see Appendix on page 29, ‘Building better community housing regulation’. We will provide a more detailed account of the ideas in this paper to the independent Review of Social Housing Regulation in the coming months.

Recommendations

The goal of achieving universal housing should inform all policy choices in this and future strategies.

Apply the Charter of Human Rights to community housing providers.

Establish as a primary social housing aim that eviction is only used as a last resort and use evictions as a KPI to assess the performance of housing providers.

Require Community housing policies that are consistent, transparent, and equal to the standard afforded to public housing renters.

Establish a robust accountability mechanism for community housing.

Amend legislation to create a central Housing Appeals Office to oversee complaints by both public and community housing renters, that maintains and builds upon the standard of complaints-handling of the current Housing Appeals Office.

Require that the central Housing Appeals Office must provide a remedy to the renter if a complaint is upheld.

Enable both property owners and renters to apply to the Review and Regulation List of VCAT for merits review of decisions of a central Housing Appeals Office.

Amend the definition of ‘agency’ in the Freedom of Information Act 1982 to include community housing providers registered under the *Housing Act 1983*.

Defending tenancy – legal and other supports

Other means to ensure that those in social and affordable housing keep a roof over their heads are dedicated support and advocacy, including legal representation, for renters. Tenants Victoria’s experience is that renters face huge hurdles representing themselves, fear appearing at VCAT and will often, to their detriment avoid the Tribunal. Expanded funding and guaranteed support for renters’ representation is a small investment that will pay dividends in making social and affordable housing accessible. This investment should go alongside multifaceted and flexible support through programs such as PRAP and PRAP plus to ensure that, where possible, renters remain in their homes.

Our community is emerging from the economic effects of the COVID-19 shutdowns, and many renters have accrued rental arrears due to lost income in the past year. Renters burdened by debt are in no position to find new accommodation, and urgently need legal support. Our experience is that with the end of the pandemic eviction moratorium, property owners are turning to VCAT seeking to evict renters, with many seeking our help with notices to vacate. We expect disruption for renters and increase demand for affordable housing when some property owners seek to cash out their investment properties to make up for losses during COVID.

Recommendations

Dedicated funding support for tenants’ legal and housing advocacy

Ensure multifaceted and flexible support through programs such as PRAP and PRAP Plus to ensure that where possible renters remain in their homes.

Supply growth, review and maintenance

Enough supply is a key requirement for people to be able to access affordable housing and move between different housing options as their needs change. The target suggested in Recommendation 73 of the Draft Strategic Plan¹⁷ is a goal, but early and sustained action to deliver those dwellings is required. The Big Housing Build cannot be a one-off.

Further modelling is needed to determine the best goal for new builds to supply social and affordable housing in the 30-year Strategic Plan window.

Appropriate design and siting

The Australian Housing and Urban Research Institute (AHURI) recently examined the wider economic effects of lack of affordable housing¹⁸, including urban agglomeration productivity gains from shared infrastructure, deep labour pools and knowledge spill-overs. It found that the intense concentration of employment in city centres is enabling productivity, yet also spurs house-price inflation by increasing demand and land values in locations with high accessibility to employment centres. It considered these contradictions, together with the important economic role played by low-income workers in the bottom 40% of incomes. AHURI concluded that this important workforce struggles to find affordable rental properties, facing commuting burdens, settling in suburbs far from their work, and housing stress. To maximise the economic benefit of affordable housing created under this 10-year strategy, it must be appropriately sited to deliver benefits to these key workers.

Proximity to jobs and services is fundamental to the provision of social and affordable housing. Maximising synergy with the new Suburban Rail Loop projects will pay dividends, by ensuring that there are mandatory requirements for social and affordable housing around the rail alignment and stations.

Recommendation

Appropriate siting to deliver benefits to low-income workers to maximise the flow-on economic benefit of affordable housing.

Tenure-blind design

To maximise acceptance of new developments, they must look like and be distributed among market rent or private housing. Tenure-blind housing will help minimise stigma and 'nimbyism' that has stymied widespread social housing. It would help demonstrate the town planning and aesthetic value of this form of housing in a neighbourhood. A recent European example of this idea is the Vauban project, in Freiburg, Germany.¹⁹ Another example of good design maximising desirability flexibility is in Slovenia.²⁰

The zigzag facade of this social housing complex, designed by local firm OFIS architects, suggested its name, a nod to the classic 1980s computer game. The four-story building sits on the edge of a market-rate apartment community developed several years earlier. Because the building faces a major highway, the architects tilted the balconies and apartment openings 30 degrees. This also eliminates direct lines of sight to and from the building opposite. Only the shell of each apartment is structural, so that interior walls may be rearranged according to occupants' needs.

Tetris Apartments, OFIS architects, Ljubljana, Slovenia, 2007

Most important features of affordable housing

Require affordability in all its aspects, including meeting climate impacts

It is well established that paying more than 30% of income in housing costs is in housing stress²¹, but a wider affordability lens should be used in the Social and Affordable Housing Strategy. The housing provided must be affordable in all respects. It must be affordable to run, including being , energy efficient, and sustainable from an environmental perspective. It must comfortable and be a place where residents can flourish physically and mentally, providing good light, aspect and access to gardening and green space. A property with a positive effect on its residents will help create longer tenures These qualities will also help meet climate impacts, ensuring that housing is suitable despite increasing variability and climate extremes. Existing and new technologies that have positive environmental impacts, such as solar and battery installations, can also improve affordability.

Housing must be well sited, not only on the block of land it occupies to trap winter sunlight, but also relative to supporting services such as transport, schools and recreational facilities, amenities such as shopping, and community facilities such as medical centres and halls.

The Big Housing Build could use various housing modules that can be readily adapted to meet the changing needs of tenants – the ‘age in place’ approach. For example, a 3- or 4-bedroom house could be later internally divided into 2 dwellings – allowing tenants to occupy a smaller home in the same building and create a second dwelling that can be rented either as social housing or as market rent housing.

Housing must also be sustainable for residents as they progress in life and age. Using universal design principles²² as a basis for accessibility will help maximise the usefulness and working life of properties built under the Big Housing Build. Minimising the need to move through smart housing design will help residents save money, avoid disruption, and maintain community and family connection. The flexibility inherent in buildings designed using universal design principles will also support affordable maintenance by DFFH or the housing provider running the property.

Maintaining suitability can be supported by positive policy choices, for example, choosing to allow any modifications made by a renter during their occupation to remain if they leave the property²³ and refraining from additional bond requirements related to modifications²⁴.

As many public and community housing residents face challenges, or live with one or more vulnerabilities, ready access to support services is important. Designing for on-site or adjacent facilities for support organisations or linking support services to rental providers such as community housing should be considered for housing assigned to specific cohorts, such as family violence victim survivors, those with mental health challenges or young offenders.

Again, we must implement a framework that embeds universal access to housing in Victoria as we do for access to education and health.

Recommendations

Social housing must:

- Be affordable to run, such as energy efficient
- Be comfortable
- Be aesthetically pleasing
- Provide an aspect and access to gardening and green space
- Be designed using universal design principles
- Be physically adaptable to renters through varying life stages, degrees and types of disability
- Minimise the need for renters to move
- Maximise community continuity.

Design social housing to include on-site or adjacent facilities for support organisations, or if this is not possible link support services to rental providers such as community housing for housing assigned to specific cohorts, such as family violence victim survivors, those with mental health challenges or young offenders.

Allow any modifications made by a renter to any form of social housing during their occupation to remain if they leave the property, and refrain from charging additional bond for modifications.

Actions to support people to find an affordable home

Without a secure home, individuals cannot fully participate in their community, whether through employment, education or socially. Experiences during the COVID-19 pandemic

have demonstrated the vital health role played by secure housing. Our study 'Portraits of a Pandemic' showed how hard it was for individuals to maintain housing, and how vulnerable previously secure renters became when their housing was at risk.

I lost my job due to Covid-19, my roommate lost income. We both work/worked in entertainment, which looks like it may be a while before it comes back, so we could both be out of work. As soon as this happened to us in late March, we contacted our agent, who has since been unable to get hold of the landlord to arrange a rent reduction, so we are paying what we can afford, but we are gathering the difference in debt to the agent, which is worrying me a lot as I have no idea when I can work again, I am trying to find *work* but getting nothing. We just need help! Renter

Portraits of a Pandemic, Tenants Victoria, August 2020

Precarious housing is a health and employment risk – for example, a regional worker who loses their rental property is at risk of losing access to their employment, while homelessness has a significant association with mental ill-health²⁵. The Royal Commission into Victoria's Mental Health System recognised the importance of housing, recommending that governments 'recognise people who are living with mental illness as a priority population group as part of Victoria's strategy for social and affordable housing and ensure that, during the next decade, people living with mental illness are allocated a continuing substantial proportion of social and affordable housing'²⁶.

The Victorian housing market and increased housing unaffordability have not developed in a vacuum. There are significant policy settings not controlled by the Victorian Government which help drive inequity. It is vital that the government continue to seek to influence broader housing policies and taxation settings such as negative gearing and capital gains tax arrangements, that have changed housing from a human need to an investment class.

Government also has a key role in resetting the public dialogue about housing, to clearly establish it as a public good and to recognise it as infrastructure of equal importance to transport, hospitals or schools. The Big Housing Build should be used to begin development of this changed perception.

Policy changes to help people readily find affordable homes have been suggested previously – such as ensuring that there is no exit from any institution such as medical, mental health, youth justice or justice facility, into homelessness, direct support for housing brokerage and additional head rental schemes. Expansion of PRAP and PRAP Plus will also assist.

Planning changes such as inclusionary zoning and pre-approval processes for well-designed social housing could help secure a pipeline of public and social housing. Continued work with local government to site housing where it is needed will also pay dividends.

Investigating further policies such as preferential zoning for co-operative housing schemes, funding deposits or ancillary legal costs for entrants into co-operative housing, and consideration of ‘shared equity’ schemes used in states such as WA could also add to available supply.

Recommendations

Government should encourage a reset of the public dialogue about housing, to establish housing as a public good and as a form of infrastructure of equal importance to transport, hospitals or schools.

Establish for all arms of government service that there is no exit from any institution, such as medical, mental health, youth justice or justice facility, into homelessness.

Establish direct support for housing brokerage and additional head rental schemes.

Expand PRAP and PRAP Plus to establish and maintain private tenancies to help reduce demand for social housing.

Institute planning changes such as inclusionary zoning and pre-approval processes for well-designed social housing to secure a pipeline of public and social housing. Work with local government to site housing where it is most needed.

Investigate further policies such as preferential zoning for co-operative housing schemes, funding deposits or ancillary legal costs for entrants into co-operative housing and consider of ‘shared equity’ schemes used in states such as WA to add to housing supply.

Communities: Actions to strengthen social and affordable housing communities

Beyond nimbyism—valuing diversity

It is well known that the housing unaffordability and labour market changes mean that renting is increasingly the norm and no longer a life stage for young people before buying a property, as it may have been in the past. The negative perception of renters means public and social housing tenants are additionally stigmatized. This may have diminished the importance of investing in public housing, and marked public and community housing tenants as ‘other’, not like the majority of Victorians.

A vital step will be changing the public conversation around social and affordable housing, so renters and residents are understood to be both integral, and assets, to their communities. Changing the perception of social housing renters will help address some of

the current barriers, such as nimbyism. The Victorian Government should take the lead in changing the conversation on renters and renting through a major campaign that promotes the value in any community of diversity of tenure types, and the contribution disparate groups make. This will be helped by high quality design and good planning, so the Big Housing Build properties are seen as beneficial.

Recommendation

Undertake a major campaign on valuing diversity and social housing's contribution to the community to change the conversation on renters and renting.

Section 3: Growth

Actions to deliver growth in social housing

Delivering growth in social housing will require commitment from government to collecting accurate information and being able to forecast population-wide needs and set targets for growth. This is currently done through the 30-year infrastructure plan, however, reassessment at shorter intervals of progress against these targets will be needed.

Commitment to growth can be achieved by addressing the economic benefits of a fully housed population, as well as the society-wide cost of insecure housing. This can be captured by a wellbeing index published in the state budget, showing the broader effects of secure housing, and how this interacts with Gross State Product. Measuring the economic benefits of secure housing will clarify the results of the significant government investment needed to house Victorians.

Housing peaks organisations²⁷ have calculated that to reach the current national average for social housing provision, 6000 new properties in Victoria are needed each year for the next 10 years. Reference to an average is an inexact measure. It does not set a target that can guarantee appropriate provision and may drop – for example if other jurisdictions reduce their investment in response to COVID-19-related budget pressure. We recommend targets that give the number the properties to be constructed so the goals are clear.

Further, continued investment in and upgrading of existing housing stock will be needed to meet projected demand. Tenants Victoria foresees the need for active government participation in providing affordable, community and public housing. A strategy to help achieve this is a dedicated Cabinet committee for affordable housing. This committee could be charged with overseeing development of policy support for housing provision, advising government on how best to achieve the goal established under the strategic plan, review progress and review new housing targets to ensure all Victorians can find and maintain housing.

Providing for growth will require significant investment, so a dedicated source of funds to help defray this capital expense should be developed. Hypothecation of a percentage of land tax and stamp duty revenue would, over time, create a fund to finance some of these new housing developments.

Recommendations

Use a wellbeing index in the state budget, showing the broader effects of secure housing, and how this interacts with Gross State Product.

Government to collect accurate information to forecast population-wide needs and set short and long-term targets for growth.

Further modelling to determine the best goal for new builds to supply social and affordable housing in the 30-year Strategic Plan window.

Continued investment in and updating of housing stock to meet projected demand.

Establish a Cabinet committee on affordable housing provision to develop policy and management progress.

Give consideration to hypothecation of a percentage of stamp duty and land tax to create a housing fund for new social housing.

Section 4: Partnerships

People centred approach – partnership for a stronger social and affordable housing system

Residents' needs and wishes must be central to the design and management of the Big Housing Build program. This principle of the centrality of the consumer is often used in the health context but has not been widely adopted in the housing and renting sphere. Health services rely on and benefit from patient advisory groups to improve, test and evaluate their performance. Consumer engagement provides perspectives and connections otherwise not available to decision makers. A current example is in Melbourne's public housing towers where residents trained by Cohealth provide accurate information about COVID-19 vaccinations to their neighbours works to ensure language and cultural gaps are bridged.²⁸

No partnership can exist without respectful and open consultation and dialogue. Government cannot deliver a more effective and affordable housing system without strong and continued input from its renters, those representing renters and community organisations. For example, it has been suggested that the challenges faced by public housing renters during the hard lockdown of public housing towers in 2020 could have been better managed if the Director of Housing and DHHS had enhanced mechanisms – such as representative bodies – to understand the needs of renters. Fortunately, community groups representing people in the towers were able to help those residents and give their expertise and assistance to the Director of Housing. Hopefully, the steps now been taken to the engage the skills of public housing residents in the Paving the Way Forward Program for North Melbourne and Flemington²⁹ will help bridge future communication gaps.

Consultation and communication – policy bases for longevity

Consultation and a transparent partnership approach should be embedded in housing provision in Victoria, based on the 'nothing about us, without us' approach³⁰. This will help government understand the needs of those who make their lives in public and social housing. We note that the direct engagement methods used in Victoria with public housing renters³¹ have been allowed to decay, and no similar arrangement is required of community housing providers. Strong engagement must be mandatory and demonstrated by community housing providers who benefit from access to the Victorian Housing Register.

Greater investment in plain English communication, translated materials about renting so renters understand their rights and obligations, and incentives for housing providers to communicate openly with their clients will all help to build these partnerships. Renters in public and community housing want their homes to remain in good condition, to have input to decisions about their homes and to participate in planning for their future and

communities. Allowing their interest and pride in their homes to inform Director of Housing and community housing providers will pay dividends. Regular surveys of renters will help develop knowledge and understanding of renting. There is little publicly available data on why social housing renters leave these homes, and what renters see as the improvements to social housing that could improve longevity and security of tenure.

Community housing providers should also be required to communicate openly with their residents, and to publish this information, as part of their registration requirements or contractual requirements if managing properties on behalf of the Director of Housing.

Building knowledge from these communication measures will help policy makers understand what works in social housing and help shape future policy and investment. This is particularly important given the long-term nature of housing infrastructure investment. In the public housing sphere, this data will inform the role of the Director of Housing as a social landlord, while in the community housing sphere, it will create the foundations for stronger communities.

A further role for partnership will be the review of this 10-year strategy, and its renewal in 10 years' time. Creating this long-term plan together will ensure that the renters' voice is clearly articulated, and the power imbalance between renters and property owners and managers is minimised, putting the experience of people living in these properties at the centre of planning.

Recommendations

People are at the centre of the strategy.

New engagement structures are based on the 'nothing about us, without us' approach.

Greater investment in plain English communication and translated resources for renters about renting so they understand their rights and obligations.

Regularly surveys of social housing residents to generate publicly available data on why renters leave and what can be improved in their housing situation.

Incentives for housing providers to communicate openly with their clients to build partnerships.

Endnotes

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- ⁴ Rachel Wells, “Country house price boom - every region in the state records record growth”, Domain, 29 Jan 2021 <https://www.domain.com.au/news/regional-victorias-house-price-boom-every-region-in-the-state-records-price-growth-1021141/>
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- ¹³ Understanding your community housing rent, <https://www.vic.gov.au/understanding-your-community-housing-rent>
- ¹⁴ \$25, 615 per bed per year saved found by a SGS Economics and Planning study cited in “Cost of Homelessness: How governments will save money by spending on accommodation – study finds”, The Age, 16 March 2017
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- ³⁰ The idea that no policy should be decided without the full and direct participation of groups affected by the policy, has been used for policy development for marginalized groups since popularized by James Charlton – see Charlton, James (1998), Nothing About Us Without Us – Disability Oppression and Empowerment, University of California Press.
- ³¹ Resident representative councils were used especially in high density or high-rise housing estates.

Appendix: Building better community housing regulation

This summary paper of recommendations endorsed by Tenants Victoria is based on our collaborative legal sector work with the Tenants Working Group, a representative committee of community legal centre lawyers providing rental law advice to the public.

Who we are

We are a group of legal assistance services that provide a range of legal and non-legal support services, including information, advice and legal representation, to renters with rental law disputes. We use our service experience to inform our advocacy on how rental laws and the housing system can be made fairer and better support the rights of renters.

Background

Community housing providers (**CHPs**) own or manage around 20,000 housing units in Victoria and control \$3.3 billion in housing assets. This number is likely to grow significantly with the announcement of a \$5.3 billion investment in social housing by the Victorian government in 2020, which is likely to include a significant component of community housing.

CHPs play a similar role to the Department of Housing, in that they house people on the Victorian Housing Register (the **Register**). Since 2017, public and community housing waitlists were collapsed into this one central waitlist. This means that whether you get to live in public housing or community housing is largely a matter of chance.

The renters waiting for housing on the Register cannot afford to live in private rental, and are often experiencing vulnerability or disadvantage including mental health issues, disabilities, and/or family violence.

However, the legal protections for community housing renters fall short of those available to public housing renters in several critical areas. In this paper, we set out four key ways that community housing regulation could be made clearer and fairer for all Victorians.

1 – Community housing policies should be consistent, transparent, and meet the standard afforded to public housing renters in key areas.

Not all community housing policies and procedures are consistent, or easily available. Some do not meet the standard equivalent to policies that apply in public housing in some key areas. This means that vulnerable renters receive different treatment based on who their community housing provider is, or because they are living in community, rather than public housing.

We therefore recommend the following:

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- The development of model rules of a standard equivalent to tenancy management policies of public housing. Policies should include, but not be limited to: temporary absence, disability modification, internal appeals, rent setting, arrears policy, eviction policy (including appropriate use of fixed term leases and notice to leave in rooming houses).
 - That the Model Rules be deemed to apply to all community housing organisations (with organisations able to apply to opt-out of particular provisions on reasonable grounds).
 - That the Victorian Government provide funding to the community housing sector to ensure that these policies can be implemented, i.e. temporary absence policy, disability modification policy.

2 – Community housing providers should be required to comply with the Victorian *Charter of Human Rights and Responsibilities Act*.

For public housing renters, the Victorian *Charter of Human Rights and Responsibilities Act 2006* (Vic) (**Charter**) plays a critical role in protecting human rights, particularly around eviction. The Victorian Department of Housing takes seriously its obligation to consider the Charter and requires all staff to use tools and policies to enable consistent, fair and accountable decision-making to ensure it is acting lawfully under the Charter.

By housing Victoria's most vulnerable renters, those on the Register, CHPs play a role near-identical to that of the Victorian Department of Housing. However, the law is not clear on whether the Charter applies to CHPs. It is crucial that CHPs have in place procedures and processes to ensure they are acting lawfully under the Charter and that the human rights of vulnerable renters are protected equally. We therefore recommend the following:

- That the Victorian Government make legislative amendments to clarify that the Charter applies to CHPs.
- That the Victorian Government amend the Housing Act to:
 - Require that CHPs to have a constitution and rules which include an acknowledgement of being bound by the Charter and have a stated object and purpose to act compatibly with and promote human rights in their management of housing stock.
 - Require that CHPs applying for registration under that Act should include a report on how the its policies provide for Charter-compatible decision making.
 - Create a new performance standard that require all registered agencies to have public facing statements about their obligations under the Charter on their websites and tenancy agreements and have policies equivalent to the Department of Housing that specifically embed Charter-compatible decision-making in all areas of tenancy management. These performance standards should be phrased as “mandatory requirements” rather than “indicators”.
 - Give the Housing Registrar power to revoke or suspend an agency's registration under that Act for repeated breaches of the Charter.

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- That the Housing Registrar prepare and publish guidance to agencies on how the Charter should be considered and applied in decision-making.

3 – There should be a robust accountability mechanism for community housing.

Effective complaints handling is an essential part of any accountability mechanism. It fosters confidence in a system, encourages rectification of short-comings, and fair compensation for loss caused by non-compliance. Community housing is regulated by the Housing Registrar, and this role includes a complaints handling function. However, due to a relatively narrow reading of its own jurisdiction, and other limits on its function, including limited resources,³¹ many tenancy-related complaints are not currently considered by the Registrar. This significantly reduces the efficacy of the Registrar as a regulator of the community housing sector, reduces confidence of renters and advocates in its function, and ultimately impacts on the Registrar's ability to achieve its purpose. This sits in sharp contrast to the rigorous accountability mechanisms supporting public housing, including the Housing Appeals Office.

We therefore recommend the following:

- That the Victorian Government amend legislation in order to:
 - Create a central Housing Appeals Office to oversee complaints of both public and community housing renters, that maintains and builds upon the standard of complaints handling of the current Housing Appeals Office.
 - Require that the central Housing Appeals Office must provide a remedy to the renter if a complaint is upheld.
 - Enable both landlords and renters to apply to the Review and Regulation List of VCAT for merits review of decisions of a central Housing Appeals Office.
- That the Victorian Government amend the definition of 'agency' in the Freedom of Information Act 1982 to include CHPs registered under the Housing Act.

4 – Eviction of community housing renters should be a genuine avenue of last resort.

Supporting long-term, safe and affordable tenancies is not only good for individual renters – it has also been clearly linked to better wellbeing and health outcomes, and to reduced cost for the state.³¹ The relevant CHP Performance Standard recognises that community housing is intended to provide long-term, stable and affordable accommodation for disadvantaged Victorians.

This is particularly important because eviction carries more serious consequences for social housing renters than other renters – they are more likely to end up homeless as a result of an eviction.³¹ However, our experience is that community housing renters do not always have the benefit of long-term and stable accommodation, and this is sometimes due to eviction being used by CHPs where other avenues of action may be available.

We therefore recommend the following:

- That the Housing Registrar conducts an audit and publicly reports on CHPs' use of end of fixed-term notices to vacate.

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- That the Housing Registrar draft model policies and procedures for CHPs, including internal complaints processes, which set out best practice for how eviction may be treated as an option of last resort.
 - That the Housing Registrar determine new performance standards that frame registration under the Housing Act as requiring eviction to be treated as a mechanism of last resort, rather than an ‘indicator’ of compliance within the performance standards.
 - That the Housing Registrar develop model policies and training on the use of notices to leave for CHPs that operate rooming houses and monitor the use of these notices.

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