



REF: Submission to Productivity Commission National Housing and Homelessness Agreement (NHHA) Review

15 March 2022

Housing and Homelessness Agreement
Productivity Commission
GPO Box 1428
Canberra City ACT 2601, Australia
<http://www.pc.gov.au/inquiries/current/housing-homelessness>

To the Productivity Commission,

Thank-you for your review of the National Housing and Homelessness Agreement.

I am the Executive Officer of Community Information & Support Victoria (CISVic), the peak body representing 55 local community information and support services, across 64 sites in Victoria. We are also the lead agency in a consortium of 29 local centres delivering federally funded Emergency Relief under contracts. In the year 2019-2020 we distributed over \$4 million in emergency relief to community members from 34 sites. Services provided by our member agencies include: material aid, food, information, advocacy, referral, case management, budgeting assistance, financial counselling, No Interest Loans, and personal counselling. Each year we have contact with around 500,000 Victorians and we are very often the 'first port of call' for people seeking assistance.

This Submission relates to the topics of homelessness, the private rental market, social housing, and also performance monitoring, as laid out in the PC's Issues Paper for the NHHA Review.

Homelessness

One of the main issues for people using our services is homelessness or precarious housing. Our member agencies assist people in all types of housing duress, from rough sleeping, to overcrowding, unsafe housing, substandard rental properties, and impending eviction. Even before the pandemic our member agencies identified housing and homelessness as a central issue requiring fundamental systemic change. With the COVID-19 pandemic the problem escalated, and agencies are still seeing more people and families who have never accessed support services before. In short, the issue of homelessness has become more 'mainstream'. More information about this can be found in research reports on our service at: <https://www.cisvic.org.au/publications/reports>

While our member agencies specialise in referral, (along with assessment, information and support), often there is a shortage of housing specialist services to refer people to. Overall, there is evidently just not enough housing of any kind for many people, that is affordable and available. This places great stress on our own generalist CISVic member agencies, quite often continuing to support people who are essentially homeless, as best they can. Our experience is certainly in line with points from your issues paper, i.e.:

Community Information & Support Victoria

- There are shortages of short and medium term accommodation, and longer term social and affordable housing, make it difficult to address homelessness
- there is not enough investment in prevention and early intervention services
- the homelessness service system is increasingly 'crisis orientated' and many people do not receive the services they need.

Thus we recommend much greater investment in preventive and early intervention services, as well as a strong commitment to a substantial steady supply of new social housing into the future.

Private rental market

It is well established that there are very few rental properties available for people on a low income. According to the Anglicare Rental Affordability Snapshot 2021, the Australian rental market has never been less affordable. (See <https://www.anglicare.asn.au/research-advocacy/rental-affordability/>). This is consistent with the experience of our own members and branch agencies, that for many, if not most, people on a low income the private rental market offers no options for a place to live. It is more than apparent, that leaving affordable housing to the free market is a government policy experiment from the mid 1990s that has not worked. Of course, there are cohorts of people who have particular support needs to stay in stable housing, but the failure of the private rental market (or the failure of our *dependence* on the private market), has very much mainstreamed the homelessness issue.

Thus we highlight the need for substantial investment in social housing, and public housing in particular, providing at least 25,000 new social housing homes per year for at least the next 10 years.

Social housing

As noted in your own Issues Paper for the NHH Review, at the end of June 2020, there were about 166,000 people on waiting lists for social housing in Australia, and nearly 63,000 were considered priority applicants. The level of need is likely to be even higher than this indicates, as many people do not even bother putting themselves on such a long list, that cannot address their immediate crisis.

While we are urging the federal government to commit to 25,000 new social housing homes per year, we also argue that a substantial proportion of new social housing should be public housing. Some of our reasons for this have been well articulated by Per Capita (2021):

'... publicly funded and managed housing represents an essential component of our social housing sector. Public housing is the only tenure that offers long-term, affordable, secure leases to the households most at need and most at risk of homelessness; public leases can offer the security of tenure only otherwise available to homeowners. Security of tenure in community housing tends to be weaker, possibly because their financial model makes them more dependent on rental revenue and therefore less tolerant of arrears or other tenancy issues.'¹

In addition, public housing is more affordable than community housing with rent capped at 25 per cent of household income, whereas community housing providers can charge up to 30 per cent (commonly used as a definition of rental stress for people on a low income).

While public housing provides the cheapest rent, capped at 25 per cent of income, it also provides housing for people in the most disadvantaged circumstances. Community housing organisations vary in purpose and the make-up of tenants and they can screen for those who

¹ Lewis, A 2021, *Per Capita Submission to the Ten Year Social and Affordable Housing Strategy For Victoria*, pp. 15-17.

are not able to access the private rental market but who are also not eligible for public housing. Importantly, they have the capacity to 'cherry pick' tenants who need less support to maintain their tenancy. In many cases this might be consistent with their 'business model', requiring a reliable revenue stream from tenants that is attractive to banks and loaning institutions.

Performance and monitoring

With the reduction in government commitment to building new public housing over the last few decades, a problem has been the growing marginalisation of people on estates – with those with the highest needs living in closest proximity. The 'target population' for social housing needs to be expanded to more people whose sole eligibility criteria is low income. Not only would this take the heat out of the bottom of the private rental market, it would be in line with the fact that housing is a human right, not a privilege for the fortunate.

Thus we would change the performance measure:

'the stock of social housing dwellings relative to the target population for social housing'
(reflecting a residual model of social housing) to:

'the stock of social housing dwellings relative to the Australian population'

Within the same line of reasoning, we do not believe this should be a performance measure:

- *'an increase in the number of social housing occupants with greatest need as a proportion of all new allocations'.*

A more appropriate measure would reflect a tenancy mix, rather than a marginalised tenancy model (as most public housing is grouped or on estates, rather than isolated).

We endorse the following indicators:

- *the stock of affordable rental housing relative to the population*
- *an increase in the proportion of social housing occupants whose needs are met and are satisfied with services provided by their housing organisation*
- *a decrease in the number of people experiencing homelessness*
- *a decrease in the number of people that experience repeat homelessness*
- *an increase in the proportion of people who are at risk of homelessness that receive assistance to avoid homelessness*
- *an increase in the proportion of people who are homeless that are assisted to achieve housing*
- *a decrease in the proportion of rental households with household income in the bottom two quintiles that spend more than 30 per cent of their income on rent.*

In addition we would suggest a recurrent, developmental evaluation approach, with the participation of tenants as key advisors (and with remuneration for their consultancy).

Thank-you for your attention to the matters raised and the suggestions in this submission, Should you wish to discuss any of them, please do not hesitate to contact me



Yours Sincerely,

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