



Friends of Public Housing Vic

Friends of Public Housing Vic (FOPHV) endorses the submission from Defend and Extend Public Housing Australia, (DEAPHA) but would like to take the opportunity to stress the following points.

It is often erroneously said that Community Housing rents are 'capped at 30%' of combined household income. The background paper into the Social Housing Regulation Review states that "Rents may be higher" in Community Housing than in Public Housing. "CHOs can charge up to 30% of household income ( plus CRA )"

The Victorian Housing Register in its section 'Understanding your Community Housing Rent' states clearly that "Rents for lower income households must not exceed 30% of gross household income *at commencement of the tenancy*' ( our italics ). Later it states that "Rent does not automatically adjust if household circumstances change." The only requirement is that the registered agency must have some kind of hardship provision strategy in place. From FOPHV's extensive contacts with tenants and their legal representatives we know that in practice this often translates to a few weeks of reduced rent being 'granted' by the Community Housing landlord. If you lose your job, get sick, have your casual shifts cut back etc you are not significantly protected in Community Housing.

Therefore it is simply false to say that Community Housing rents are capped at 30% of household income, a fact that even some of the housing academics get wrong, perhaps because they, like many other privileged groups who advise on government policy, do not necessarily know what is happening 'on the ground'. The government should listen to the tenants themselves with direct experience of low income, insecure and casual work and the vagaries of government policies regarding pensions and entitlements.

On this point countless public tenants have been misinformed about the protections they might lose transferring to Community Housing, being told that Public Housing and Community Housing are 'much the same thing' - all under the rubric of Social Housing.

By contrast, Public Housing rents are readily rebated to 25% whenever a tenant's household income changes. It is this vital protection that literally keeps people off the streets.

The Housing Register goes on to say that 'a rent figure may include other charges such as for water and electricity'. "Such as" utility charges, but not limited to them. This is another example of the vague and misleading language that bedevils this area. From our contacts we know that parking, maintenance of the grounds, and even so-called 'wrap-around' services such as

communal activities for tenants organised by their landlords ( often perceived as paternalistic ) can be included in the rent calculations. We know from our contacts that Community Housing tenants can pay up to 50% of their income to their Housing Association landlords in one way or another.

In differentiating between the Public Housing model and Community/ Social Housing, the background paper raises the topic of Commonwealth Rent Assistance - CRA. A perpetual ongoing stream of CRA is being mis-used as an operating subsidy for the Community Housing industry that would be far better spent in building public housing. The fact that Public Housing is genuinely affordable and does not need CRA since it is outside the market, is one of the many great strengths of the Public Housing model. This point is not made in the background paper.

It is false to give the impression that Community Housing Organisations have, as a top priority, the goal of housing homeless people - unless you consider the church groups set up by government to mop up the social fallout of what is essentially the privatisation of Public Housing. Again, homeless people are perceived as not 'market viable.' Professor of Urban Housing and Homelessness RMIT and Director of Unison Housing Research Lab, Guy Johnson, in his evidence to the Vic Legislative Council's Inquiry into Homelessness ( 22 Nov 2019 ) pointed out that the financial model underpinning Housing Associations mitigates against them housing homeless people. Furthermore Prof Johnson, in his evidence to this Committee, conceded that when examining the factors preventing homelessness, Public Housing excelled : "what stood out was Public Housing. The magnitude of its effect was many times greater than anything else."

This evidence has yet to be given its full weight. FOPHV believes that Public Housing should be the cornerstone of Government housing policy direction.

Finally FOPHV has serious concerns regarding Conflict of Interest and the Victorian government's assurance that this review is independent. All three panelists have strong ties, past and present, with the Community Housing Industry and/or KPMG.

People with experience of living in public housing communities and/or homelessness should be directly consulted and on the review panel. The background paper on this review says that the majority of public tenants choose not to voluntarily leave their Public Housing homes. Our experience agrees with the DAEPH submission that tenants overwhelmingly choose public Housing over Community Housing.

We value our Public Housing homes and want to see the public system improved and extended rather than dismantled and privatised.

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