



**MORNINGTON
PENINSULA**
Shire

MORNINGTON PENINSULA SHIRE

TRIPLE A HOUSING COMMITTEE

Submission to the Residential Tenancies Act Review – Security of Tenure

December 2015

1. Introduction

The Mornington Peninsula Shire (MPS) recognises through its Health and Wellbeing Plan and endorsed housing policies, that secure and affordable housing is critical to providing optimal social, health and wellbeing outcomes for people living in our community.

It is evidenced that lack of housing security and affordable housing options contribute to the degradation of people's capacity to achieve a lifestyle that is conducive to promoting an integrated and socially engaged community, a community where there is equity of distribution towards social justice and welfare outcomes for individuals and families across all ages and abilities.

While recognising and understanding that housing policy framework development and responsibility primarily belong to State and Federal Governments, the Shire is more than willing to work collaboratively in a bi-partisan approach with all stakeholders to improve equitable social and affordable housing outcomes for our community.

The Triple A Housing Committee has been established to provide housing advice to Council, and oversees the implementation of housing policies while advocating for diverse, affordable and secure housing options. The Membership of the Triple A Committee comprises of Councillors, Council staff, community organisations and members, and specific State and Federal government representatives.

The Triple A Committee acknowledges the Victorian Government and Consumer Affairs Victoria on this comprehensive and inclusive approach to renewing the tenancy legislation, and in recognising the changing nature of the private rental market in a context of declining real investment in social housing and the increasing threat of home ownership becoming unaffordable and out of reach for many people across all ages.

The Shire and Triple A have a working relationship with the Peninsula Community Legal Service (PCLC) and the Housing for the Aged Action Group (HAAG), and we wish to endorse their previous and current submissions to the review. In particular as their submission relates to:

1. Culture of the current rental market operation
2. Security of Tenure and its relevant issues
3. Lack of Social Housing investment and provision
4. The Five Year jurisdictional limit
5. The Housing Establishment Fund

This brief submission seeks to provide context and to highlight specific issues about the Mornington Peninsula.

2. About the Mornington Peninsula

The population of approximately 154,000 is spread across 720 square kilometres south of Frankston and situated between Port Phillip and Westernport Bays. It has a mixture of urban areas, resort towns, tourist developments and rural land. It includes over 40 townships and villages. Only an hour from Melbourne CBD, it encompasses elements of both metropolitan and rural LGAs, with 30% of land urban and 70 % rural.

The most critical demographic feature in the context of the RTA review is the ageing population. *Victoria in Future 2015* indicates that the Peninsula has the highest percentage of people aged 65 and over of any metropolitan LGA, at 21.4% in 2011 rising to 28.7% in 2031.

Housing characteristics on the Peninsula include:

- Insufficient social housing – 2% compared to the Melbourne metropolitan average of 3%
- Relatively small private rental market – 17.7% compared to 23% in Greater Melbourne (2011 Census)
- Declining affordability in the private rental market, partly due to increased competition for limited properties
- A mismatch between demand and supply, with more four and five bedroom houses built between 2006 and 2011 than one and two bedroom units, while the greatest growth in household types was in one and two person households
- A lack of crisis accommodation, and a single specialist homelessness service.

3. The Issues Paper

As highlighted in the introduction, the Triple A supports the context and detail in both the PCLC and HAAG submissions and we would like to expand on the following matters in particular:

The need for cultural change in the rental market

Triple A strongly supports PCLC in calling for a review of the rental market as a whole, recognising that while legislative change is foundational, industry best practice in the implementation of the legislation is also imperative.

The current 1997 Act was written in the early days of government pull back from social housing investment, and the full impact of the continuous decline from social housing investment over the past eighteen years was not able to be fully considered in the context of its detrimental effects towards housing affordability and security for the community. There was also optimism about the potential of community housing to flourish as a tenure, and a strong belief that downturns in home ownership affordability were merely cyclical and the market would self-correct.

The effectiveness of approaches such as home ownership grants, and the simplistic notion of opening up more fringe land (leading to urban sprawl and associated problems) have since been seriously questioned, and there are long term impacts of declining affordability in ownership on the rental market. *Laying the Groundwork* spoke of ‘a generation of longer-term renters’, and there is evidence that a greater number of older people are entering retirement either with mortgages or having to choose to move into the private rental market

There being no certainty or indication of significant reinvestment in social housing, or substantial positive change in the affordability of home ownership, it is time to reconceptualise the role and operation of the private rental market and make it more contemporary to suit the needs of people who enter into it

It is encouraging that CAV acknowledges the case studies reflecting the application and success of international experience in the Issues as this provides evidence that appropriate and considered changes will not necessarily equate to disruption for the industry and the tenure, but will in fact enhance the industry and make it more contemporary in light of the issues and challenges that need to be addressed through this review.

In recent discussions with PCLC, the Triple A Committee has expressed a strong interest in assisting with the cultural change required to be undertaken in the industry by working with local housing agents, and this will be explored further in 2016.

Caravan Parks and Residential Villages

Triple A has a strong interest in advocacy for this area, as together with HAAG, the Shire assisted the creation and development of the Peninsula Parks and Residential Villages Group (PPRVG) which represents the interests of residents out of the several parks that make up thirteen parks on the Peninsula. It is understood that HAAG is seeking legal advice on an effective mechanism and framework to increase security in this type of tenure which has a complex mix of leasehold and ownership, and we look forward to that advice.

Triple A also congratulates CAV on its intention to produce a specific Issues Paper on this topic of tenure, and the Shire will seek to respond comprehensively, especially in light of our regulatory responsibilities. The PPRVG, in association with Triple A and HAAG is planning to address the need for positive change in management practices of Caravan Parks and Residential Villages in 2016.

Rooming Houses

In 2013 Shire regulatory officers responded to CAV’s introduction of the *Practice Guide for Councils* with a call to undertake work towards creating a synthesis of accountable regulatory frameworks. The complex and sometimes contradictory interplay of the various and sometimes non-existent regulatory frameworks make it very difficult for Shire officers

to undertake their responsible regulatory duties with clarity and certainty. As a result of this significant discrepancy within the regulatory framework it gives cause for owners of rooming houses to stay outside the regulatory system. This causes significant complex issues ranging from planning and compliance reinforcement issues; social welfare issues for the residents such as price exploitation, limited security of tenure and unsafe living conditions. These conditions are further impacted in rooming houses that fall within the unregulated sector. While these issues go beyond the content and context of the RTA, attention ought to be given to ensuring that expectation and regulations align within a consistent framework where rental payment is provided in exchange for housing provision

In 2014 Council adopted a Rooming House Policy which seeks to balance social and regulatory responsibilities by working with owners or potential owners of Rooming Houses to achieve compliance with respective standards, including the RTA. The policy package includes advice to rooming house owners in an attempt to achieve the culture change referred to previously.

4. Conclusion

The Triple A Committee understands that the focus of this review is on the detail of the legislative changes required and our aspiration is that the changes are commensurate to the creation of contemporary changes that reflect the demands and needs of the rental market, for renters and for landlord/owners.

We acknowledge that the contextual information in the papers to date indicate that the market and social dynamics within which legislation operates are being strongly considered.

We look forward to further engagement about how to improve the legislation, and what other reforms may be required to produce better accessible and affordable housing outcomes for the community.

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