



**GEELONG HOUSING ACTION GROUP (GHAG)**

**HOUSING IS A HUMAN RIGHT | DEMAND CHANGE**

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## **Social Housing Regulation Review**

**Consultation Paper 2: Service Delivery and the Tenant Experience &**

**Consultation Paper 3: The role of regulation in sector accountability, viability & growth**

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**Submission compiled by the membership of Geelong Housing Action Group (GHAG)**

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## **Preamble**

We are a grassroots group formed in May 2021 in response to the growing Housing and Homelessness crisis in the Barwon region, whilst also recognising the dramatic increase in homelessness and housing insecurity across Victoria and Australia over the last decade.

Our members include people who have lived experience of homelessness, public and community housing tenants, and community service workers including those working in the housing & homelessness sector amongst other interested community activists.

Geelong Housing Action Group do not support the continual privatisation of the Public Housing sector. We argue that privately run Community Housing providers do not adequately house the most vulnerable in our community and the viability of the industry from a financial perspective is not sustainable.

We strongly oppose the treatment of housing as a commodity. We uphold the view that everyone has a fundamental human right to adequate housing. We argue for the urgent regulation of the Community Housing sector and transparency of policies to tenants and the public. We oppose the operation of housing by for profit providers.

## **Definitions**

**Social Housing:** A generic term used by the government to describe Community & Public Housing. The two models of housing operate in very different ways and therefore GHAG refute the use of the term 'Social Housing' as it is problematic and deliberately misleading to the public.

**Community Housing** owned and operated by private or not for profit sector housing providers.

**Public housing** owned and operated by the state.

**Affordable housing** deemed as any housing that costs a household no more than 30% of their income. Accessing affordable housing remains a concerning and persistent challenge, particularly in the private rental market for people on low to moderate incomes.

### **Snapshot of the Barwon Region**

- Populations at risk of homelessness: First Nations people, refugees, women and children experiencing family violence, older women and men, singles, young people, people with disabilities, LGBTIQ community, people exiting prison, people transitioning from out-of-home care.
- In May 2021, it was reported in the Geelong Advertiser that Adult Entry Point Homelessness services received 2486 presentations in 2020 for housing crisis, a stark increase in previous years.
- Geelong has double the national average of people sleeping rough, and 64 % of people experiencing homelessness are women, with family violence one of the key contributors to homelessness.
- As of March 2021, there were 3,688 household applications on the Victorian Housing Register in the Barwon Region. (Victorian Housing Register)
- Geelong currently has 3,332 Public housing properties. Community housing providers have 971 properties. (The City of Greater Geelong Social Housing plan)
- Only 4.3% of private rentals in Geelong are affordable for people on a Centrelink income. There are no affordable 1-bedroom private rental properties for people on Jobseeker allowance. (Greater City of Geelong Social Housing Action plan). In March 2000, the Victorian Rental Report revealed 59.5% of properties were affordable in the City of Greater Geelong.
- Singles experience the highest rate of rental stress at a rate of 41%. Young people experience rental stress at 25%. (The City of Greater Geelong Social Housing plan)

### **1. Are there any areas that the Review Panel have not covered in their discussion paper that you would like to see addressed?**

#### **Asset eligibility**

In October 2020, the asset limit for Register of Interest Application was \$33,844. These figures have not been adjusted for decades and do not align with the current rate of growth within the private property market. Some people are excluded from purchasing property because of the cost of housing and inability to secure a loan due to experiencing homelessness or relying on income support payments. In many cases of women experiencing family violence, they are often victims of financial control and unable to access their financial entitlements but may, on paper, appear to have assets.

“Regardless of what an assets test should be, or if there is an assets test at all, homeless people with assets need to be recorded too and included in the Housing Register – even if it’s on a lower priority tier. Not qualifying for the Housing Register shouldn’t mean we are invisible & our need is hidden. The Private Rental Market only works for landlords, having money without the capacity to get and service a loan should be irrelevant for the purposes of a Housing Register.” GHAG member.

### **VHR Accessibility**

There are substantial challenges for people experiencing homelessness in accessing assistance to complete priority housing applications despite being clearly eligible for ‘Priority Housing’ by the very fact they have no accommodation. There is already high demand on the social and health sectors to manage the complexities caused and exacerbated by homelessness and additional funding is required within the service sector to assist people to apply to the VHR.

## **2. What are the key problems with service delivery by housing providers and how do these impact tenant experiences?**

### **Community housing providers need to be “Responsible and Fair Social landlords”**

Currently many of the tenancy officers that work for Community Housing providers have come from the real estate sector or similar business-oriented professions. They do not have an appropriate understanding of the social issues tenants may experience and treat tenants with a business like, consumerist approach.

Our members report there seems to be very few allowances given to tenants who are experiencing issues that impact their capacity to sustain their tenancy. Many tenants are on low incomes and struggle to balance basic living expenses which can at times result in rental arrears with little understanding afforded to them by their tenancy officers.

Social landlords have a responsibility to ensure the wellbeing of tenants. Tenancy Property Officers from Housing Victoria have a much better understanding of these obligations than the Community housing providers. Public housing in Victoria is governed under the Housing Act 1983 (Vic), which includes in its objectives, ‘to ensure that every person in Victoria has adequate and appropriate housing at a price within his or her means’, which can be achieved in part by ‘the provision of well-maintained public housing of suitable quality and location’.

Community service programs such as ‘Tenancy Plus’ provide case-management support to Public and Community housing tenants who may be having challenges sustaining their tenancy and received most of their referrals from Homes Victoria. Unfortunately, Community Housing landlords are reluctant to refer to this program as it seems they would

prefer the easier path to evict tenants instead of working with the tenant and their supports to address the issues that impact their tenancy.

A social landlord should have an understanding of the complex social issues tenants may experience and property match appropriately to create a cohesive living environment for all tenants for example; people who are attempting to withdraw from substance misuse should not be placed in housing where those issues are known to exist. This may negatively impact the person's ability to move forward and focus on the changes they are working towards.

While recent changes to the RTA have introduced tenants' rights to pet ownership, availability of 'pet friendly' social housing to be increased, tenants should not experience discrimination due to pet ownership and the design of new builds should consider outdoor space for pets.

### **Unjust Housing application process**

GHAG Members have reported examples in which Community Housing providers hand pick tenants instead of allocating based on priority need off the VHR. This is something our members have experienced firsthand.

Community Housing providers can advertise property vacancies externally. When a property becomes vacant, potential tenants are invited to a property inspection and must complete an application form, as if applying for a private rental property. The outcome of this being tenancy officers 'vet' potential tenants and choose the tenant they perceive to be of least risk and able to provide the highest rate of rent. Once again, this application process is advantageous and favourable to some and not others.

Our experience has found that tenants are rejected if they are on a low income such as centrelink payments as these tenants do not generate the profit that community housing providers can gain from those tenants on higher incomes.

The second presenting reason is Community Housing providers are reluctant to house tenants with little or no tenancy history, complex social issues due to concerns around the additional costs associated with potential property damage, anti-social behaviour, rental arrears, and problematic housing history.

All the examples mentioned above disadvantage people experiencing homelessness who are actively on the VHR, some for many years waiting for housing. Community Housing providers must be taking applicants off the top of the priority waitlist and housing those most in need regardless of income, background, and circumstances.

### **Higher rental rates and lack of clarity around process and calculations**

Community Housing providers are said to charge rent at 30% of household income, inclusive of rental assistance as income. In practice many tenants are charged more than 30% of their income. Clearly community housing does not fit "the brief of affordable housing" and puts tenants under considerable financial hardship and stress.

Rent calculations are not uniform across the providers and the process of calculation is very difficult for tenants to understand. Members have reported a lack of adequate explanation from Tenancy Workers in community housing regarding complex rental calculations. This is a significant and concerning issue that requires immediate investigation.

Due to the current lack of sector regulation, Community Housing providers create their own policies around rent and rent calculations. Some providers' policies stipulate 'high market' rent areas rent will be charged at 30% less of market value. If a tenant is over the 30% 'income to rent' ratio the housing provider does not have to accept the household as a tenant. On a practical level, this means Community housing properties located in more expensive, desirable, or inner urban areas, effectively cannot house tenants who are on income payments or receive a low wage.

People on income payments make up the vast majority of those waiting on the VHR and experiencing homelessness. Many Community housing properties have rents as high as \$350 a week which is completely unattainable for those on low incomes. Community housing are not housing those most in need in our community.

### **People with disabilities & the aged**

These cohorts make up the largest group of public housing tenants. Community housing providers currently have no legal obligation to pay for or approve property modifications for people with disabilities or mobility issues caused by aging. If modifications are approved tenants must fund the modifications themselves. Vulnerable cohorts rarely have the capital to achieve this and other governmental systems such as My Aged Care and the NDIS often have lengthy bureaucratic processes which do not guarantee the access to care packages which are necessary to fund modifications.

Community Housing is not a system that works for people with disabilities or the aged, many of whom are overrepresented in homelessness statistics and awaiting priority housing on the Victorian Housing Register (VHR). Often people with disabilities or the aged cannot be placed in Community Housing as they do not have properties modified and ready to be tenanted by this cohort.

### **Tenure less secure**

Community Housing providers have higher eviction rates than public housing, partially this can be attributed to a lack of understanding of what being a social landlord involves, but it also comes down to economic reasons. Members have experiences of providers instigating rental arrears processes when tenants fall behind in rent. This can be as little as only fourteen days.

There are examples of Community Housing providers selling off properties and serving tenants notice to vacate orders. While we understand this is legal under the Residential Tenancies Act, we believe it is unreasonable and unjust. The social landlord has a responsibility to rehouse the tenant as there is clear evidence that once tenants are evicted from community housing, they become homeless which creates a perpetual cycle. People

living in Community Housing are usually doing so because they are priced out of the private rental market or have other health or complex social issues that impact their capacity to seek alternative housing.

### **Rooming houses operated by Community housing Providers**

GHAG members have direct experience of the rooming house system. This accommodation is expensive, standard rental costs around \$ 850 per fortnight which includes food & utilities. This would eliminate prospective tenants on JobSeeker income. The quality of food provided to tenants is poor with very few healthy meals available.

Tenants report a lack of safety and security in this type of accommodation, one tenant reported “Our safety was dependent upon an overworked management’s responses to issues.” Common issues in rooming houses include the lack of working locks on bedroom and bathroom doors leaving tenants vulnerable to safety issues.

Overwhelmingly tenants residing in rooming houses have complex mental health, disability or social needs. The lack of security and ability of management to adequately deal with people experiencing complex and challenging behaviours can lead to a dangerous environment especially for those vulnerable due to disability or mental health conditions. The threat of assault is very real in a rooming house and this experience has a very negative impact on a tenant’s overall sense of wellbeing.

### **Maintenance**

Maintenance is an ongoing issue within both the public housing and community housing sector due to lack of appropriate funding and contractors not completing work to a minimum quality standard. Community Housing tenants often have long wait times to have maintenance completed and the works are often completed to a substandard level.

Generally, the onus of property maintenance is shifted onto the tenant, and regular wear and tear can be blamed on the tenant’s misuse of the property, when this is in fact not the case. Tenants are often charged for maintenance to properties and put on payment plans to repay for maintenance work that is unsatisfactory and not the responsibility of the tenant to pay for.

Maintenance contractors require better regulation and accountability to ensure repairs are being completed appropriately and in a timely way. Often contractors will charge landlords for jobs that have not been completed to the required standard.

### **Lack of privacy, dignity & respect**

Currently some Community housing providers are operating under the National Rental Affordability Scheme (NRAS). We acknowledge this is a federally funded scheme, however we are highlighting this as an area of concern as once the rebates are no longer applied to tenancies (after a period of two years), there will be tenants in community housing who are no longer able to sustain full cost market rent and at high risk of eviction.

NRAS methods are questionable and arguably unethical, in which community housing providers are complicit. Annually, tenants are required to provide twelve months of bank account statements and these are thoroughly scrutinised by the tenancy officer. Tenants are asked to provide statutory declarations to explain small additional amounts of money that do not correspond with income payments. This is a clear breach of human rights under the Privacy Act 1988.

### **Housing Provision**

Community housing properties need to be able to provide a range of accommodation for large and small families and singles. Some of the concerns raised by members relate to the size and functionality of properties. Properties must be of adequate size and space, e.g. bedroom to fit double bed at minimum. Storage facilities are often not considered in the design of homes and can result in tenants living in cramped and cluttered spaces unnecessarily.

Community housing should be available in a variety of locations to promote equity of choice rather than in areas that form 'ghettos'. Access to transport, services, play spaces and green areas are also important key considerations for planning and development.

The government needs to be leading a national green standard for ALL new housing builds whether it be community or public housing, to reduce carbon emissions for future generations. Hence, there is a crucial need for building regulations that all developers and housing providers must comply with. Installation of solar panels and air source heat pumps needs to be mandatory on existing properties and new builds, eradicating/replacing outdated fossil fuel heating systems.

### **3. How could housing providers be encouraged to give greater attention to their tenants' preferences and experience of social housing?**

1. All housing providers should have tenant advisory committees which promote opportunities for tenant participation in voicing their experiences. Feedback should be welcomed by providers at various stages of the tenancy.
2. Local area tenants' collectives/committees could be established with a representative nominated from the community housing provider to liaise with the group on a regular basis.
3. Social landlord training for all staff should be mandated to ensure the workforce have an appropriate and solid understanding of their role and responsibilities as Social Landlords and the complexity of issues some tenants may experience.
4. Community Housing providers should be mandated to educate tenants about their rights in regard to Tenancy Law, including referral and linkage to appropriate services for advice and guidance.
5. An independent advocacy body for community housing tenants need to be established to safeguard tenancies and assist in resolving issues of concern.

#### **4. What role can regulation play in supporting investment and growth in the social housing sector?**

Geelong Housing Action Group do not agree with the continual growth of the community housing sector by government funding. If Community housing is to continue to grow it should do so by privately funded partnerships. We firmly acknowledge and agree wholeheartedly that regulation is crucial to ensure equity and access to people who are homeless, on the VHR or are current tenants in Community housing.

It is our hope regulation will reduce the gap between the rights of public and community housing tenants and will ensure Community housing providers no longer create their own rules that disadvantage and discriminate against existing and potential tenants. If community housing is to meet the goals of providing affordable housing it needs regulation to mandate conditions that promote safe, secure and long-term housing for those most in need. Market based solutions will not achieve this without clear and standardized regulations like those overseeing the Public Housing sector.

#### **Recommendations:**

1. Future government funding should not be invested into new Community Housing developments. Government to sustain funding to existing community housing arrangements as to not disadvantage tenants already living in community housing. For all other future housing projects, Government funding should be directed into the development and ongoing management of public housing only.
2. One independent regulatory body to oversee both Public and Community Housing, Community Housing providers to be regulated under the same laws as Public Housing.
3. Community Housing follows the same allocation process as Homes Victoria where tenants are selected off the top of the VHR priority wait list according to urgency, household composition and need. Eliminate the preferential applicant process.
4. Community Housing rental charged at a maximum of 25% of income, not including rental assistance payments.
5. Mandate Community housing providers are not permitted to place a tenanted property 'for sale' without having a comparable property in the current area to rehouse. If they don't then they must wait until the property is no longer tenanted.
6. Community Housing is mandated to approve and pay for property modifications to eligible people with disabilities or mobility issues due to aging.
7. Establish Mandatory training for all Community Housing landlords on how to be "Social landlords".
8. Community Housing landlords are mandated to provide information and referral to tenants known to be presenting with complex issues that are putting their Tenancy at Risk.



9. Community Housing landlords cease the practice of initiating rental arrears processes once rental arrears occur after a fourteen-day period. Community Housing Landlords to work with tenants in a reasonable way to address reasons for arrears and other issues.
10. Community Housing tenants to have their own tenant committee and access to an advocacy association or body like those in public housing.
11. Standardise and regulate the operation of rooming housing operated by Community Housing providers. Implement a community visitor scheme to ensure safety standards and the needs of vulnerable tenants are being met.
12. Minimum standards around the design and location of new builds to ensure they meet the needs of tenants. New builds to incorporate green building standards.
13. No sell off of public land to developers and Community Housing providers.