

## **Submission by Fair Go for Pensioners (FGFP) Coalition Victoria Incorporated to the Parliamentary Inquiry into Homelessness in Victoria**

FGFP established in 2007 is a diverse coalition with membership representing ethnic, community - service providers, peace and faith groups - and retired unionists groups. An individual section was established in December 2013

FGFP advocates for social justice and inclusion for 'pensioners' and other low-income groups marginalised by financial hardship, poverty and inequality. FGFP is run by volunteers and funded entirely by donations. FGFP is non-party political.

'Australian Dream'

The 'Australian Dream' of home ownership is fading fast and renting is becoming permanent not a temporary housing option across age groups Productivity Commission 2017

Housing research clearly demonstrates that major shifts in housing options are well underway and that there is an 'affordable' housing crisis in Victoria as elsewhere in Australia.

Housing tenure shifts are happening at the same time that Australian governments continue to drive investment in private market-based rental housing and 'community housing' for 'affordable' housing options and away from 'public housing'.

As Beattie 2019 statistics show renters are now 30% of Australian households with most 27% renting via private landlords and only 3% in public housing down from 6% two decades ago.

Available at <https://www.savings.com.au/home-loans/by-the-numbers-australian-home-ownership-tenancy-statistics>

Major housing tenure shifts mean that:



increasing numbers of renters will struggle as renters either during or throughout their adult life without major reform.



housing tenure shifts play a significant part in determining whether people live in poverty or under constant severe financial stress.



shifts away from public housing are a cause of homelessness.

Homelessness

Over a number of years FGFP has pointed out that homelessness is inextricably linked to 'affordable' housing and the lack of public housing as the only affordable housing for people on low and very low incomes drives more people into homelessness and poverty.

Those most affected include Aboriginal and Torres Strait Islander (ATIS) people, older people aged 65 and over, young people aged under 25, people with disability and those leaving domestic and family violence.

There is disproportionate growth of ATSI people and women, especially single older women among homeless groups.

Homeless rough sleepers living on the street are the most visible sign of homelessness and of inequality (income poverty and wealth inequality) - an indelible stain on our wealthy society.

The shortage of public housing stock in Victoria only exacerbates the unmet demand for homelessness support services.

Homelessness support services in Victoria remain under- resourced, restricted in the services provided so that people often do not get the support they need when they need it.

Homelessness and the need for public housing should be a national emergency and it is not. No government has committed to immediately resolving this emergency. Instead we have passing the buck and irresponsible policy decisions not solving these basic needs of people.

Research evidence shows that the national homelessness strategy in Finland called "Housing First" works in reducing homelessness <https://www.ahuri.edu.au/research/final-reports/184>.

“Housing First” has operated in Finland since 2008 with services provided from the street and night shelters through hostels and transitional housing units to independent apartments with clients having their own permanent rental dwelling lease. See infographic Appendix 1 below.  
Key statistics: Victoria



20% (24,817 - 58% men, 42% women) of Australia’s homeless population live in Victoria ABS, Census of Population and Housing: Estimating Homelessness 2016, released March 2018 available at <https://www.abs.gov.au/ausstats/abs@.nsf/lookup/2049.0Media%20Release12016>



39% (9679) of people counted as homeless in Victoria on census night 2016 were young people under 25 years of aged



Homelessness amongst women was up 8.3% (10,432 women) between 2011 and 2016 census. Council for Homeless Persons (CHP) available at <https://chp.org.au/media-releases/1-in-2-low-income-private-renters-are-in-rent-stress-as-victorias-social-housing-expenditure-still-remains-the-lowest-in-the-country-new-data-shows/>



82,500 people including 24,600 children on the public housing wait list in Victoria - Friends of Public Housing Victoria (FoPHV) Information Sheet titled The Threat to Public Housing in Victoria: Where to Now? prepared for inclusion in FGFP 2019 free conference ‘Up in the Air’: Fair Go for All Going Going...? held on 10 July 2019, Coburg Victoria.



75,000 to 100,000 vulnerable low income households in Victoria are without access to ‘affordable’ housing FoPHV



Victoria’s public housing stock has been in decline for years as Governments ‘wriggle out of their responsibility’ supporting the growth of community housing rather than public housing



Close to 50% (49.6%) of low income private renters in Victoria are in rent stress spending 30% or more of their income on rent and often paying more than 50%.



Of the approximately 165,000 public tenants 93% pay no more than 25% of total household gross income in rent to the Director of Housing as landlord. Figures stated by the then Minister for Housing, Martin Foley at a delegation meeting with FGFP held on 24 May 2018 Public Housing refers to rental properties owned and managed by state/territory government housing authorities in Australia and provide long-term subsidised rental dwellings to low-income and disadvantaged households. .

FGFP continues to show that Federal and State governments of the day have failed to adequately fund and deliver the provision of an essential public service: affordable, suitable and secure (long-term) rental ‘public housing’ maintained and well located for all who need it. Based on the principle of the basic human right to shelter, FGFP continues to state that public housing is the only affordable housing for people on low and very low incomes to reduce homelessness, the risks of homelessness and housing inequality.

The critical role of public housing to employment, education, job search and mental and physical health and risk of homelessness is well recognised. Suffice it to note here that structural issues underpinning homelessness need to be addressed by this Inquiry.

Alarmingly, Victoria spends just over half the national average per person on public housing and community housing. According to CPH it represents \$1.32 billion dollars over three years of lost investment. FGFP says lost investment for new public housing stock.

It is important to note here that public housing is not ‘community housing’. For present purposes the three key differences between public housing and community housing models of so-called affordable housing are that:



public housing model provides housing for low and very low income households while community housing mostly provides housing for households on a wider range of low incomes.

- current rent to income model used for determining public housing rents – no more than a maximum 25 per cent of total household gross income – means public housing tenants are protected against unforeseen circumstances such as unemployment or disability. In contrast, community housing providers rent comprises 30 per cent of income. Also, Community housing providers (i.e. private landlords) subsidise their operations with Commonwealth Rent Assistance and from charitable tax exemptions.

- ♣ public Housing tenure is ongoing without tenancy review whereas Community Housing tenure has fixed terms from 2 to 10 years with reviews. Productivity Commission 2020 Tables 18.1 & 18.2 available at <https://www.pc.gov.au/research/ongoing/report-on-government-services/2020/housing-and-homelessness/housing>.

According to the Productivity Commission 2020 The Australian Government expenditure on Commonwealth Rent Assistance (CRA) — the largest government private rental assistance program — was \$4.4 billion in 2018-19 (table GA.6). See Chapter 18, Productivity Commission Report on Government Services 2020 available at <https://www.pc.gov.au/research/ongoing/report-on-government-services/2020/housing-and-homelessness/housing>.

The fact remains that even with CRA, still 40.5 per cent of low income households experience rental stress so that CRA does not relieve the stress of rental stress for so many low income households. Productivity Commission, Ibid, figure G.2, table GA.14. The private rental market is failing low income households. This market does not provide actual affordable housing for low and very low income households.

The level of CRA funding if reinvested in the growth of new and renewed public housing in Victoria as elsewhere in Australia would make a significant difference to homelessness. This is not about the money and economics it is about the choices politicians make i.e. they are political decisions about what to spend revenue on, how to spend it, and on whom.

FGFP continues to put to the Victorian Government that it needs to do more, not less, to fix these unfair and inequitable ‘affordable’ housing and homelessness policies.

FGFP amongst others reports that income poverty is a determinant of homelessness and the lack of public housing exacerbates homelessness and housing inequality.

‘Privatisation’ of public housing is a systemic issue which should be addressed by this Inquiry. An increasing body of research studying ‘privatisation’ demonstrates private public partnerships (PPPs) are failing across a range of essential former public services: they are not necessarily more efficient, cheaper or provide greater informed choice or transparency.

As well, the accountability governments have to the public is seriously weakened.

The Parliament of Victoria, Legislative Council, Legal and Social Issues Committee Final Report, June 2018 Inquiry into the Public Housing Renewal Program report that the previous redevelopment in Kensington in Inner Melbourne which was the model for the then named Public (now Social) Housing Renewal Program found that:

- ♣ decreased the total number of Public and Community houses by 36%

- ♣ decreased number of bedrooms by 54%

- ♣ reduced public housing capacity with a loss of 265 dwellings and

- ♣ sold off public land for just 5% of its market value.

[https://www.parliament.vic.gov.au/images/stories/committees/SCLSI/Public\\_Housing\\_Renewal\\_Program/LSIC\\_58-](https://www.parliament.vic.gov.au/images/stories/committees/SCLSI/Public_Housing_Renewal_Program/LSIC_58-)

FGFP reports that the ‘privatisation’ of public housing in Victoria will lead to increased homelessness and poverty and these policies are failing to serve those in need well.

Clarification of Terminology. Messaging using weasel words leads to much confusion, ambiguity, misleading and/or incorrect ‘affordable’ housing information. FGFP continues to urge the Victorian government to provide clear and accurate information.

An example of misleading information was a 2017 article in The Age reporting on the 'rebuilding Public Housing' in Victoria.

Members of the public reading this article would be under the impression that the end result would be better public housing - not a loss of invaluable public assets as redevelopments combine a mix of private market housing, community housing and public housing with as little as 25 per cent of public housing remaining on former public housing estates and public land swallowed by developers way below market value. <http://www.theage.com.au/victoria/estates-to-be-demolished-and-sold-in-developer-deals-to-rebuild-public-housing-20170524-gwcinb.html>.

Recommendations

Unless otherwise stated recommendations call on the Victorian State Government of the day to:

1  
act urgently to reverse the net decline in public housing stock by properly funding the growth of new and renewed public housing owned and managed by the government.

2  
stop the roll-out of the privatised Public (now Social) Housing Renewal Program and the sell-off of public properties and land – public assets lost forever.

3  
instigate the Housing First strategy as the main way to reduce homelessness.

4  
provide clear and factual information in the major community languages spoken.

5  
call for an immediate national summit on public housing and homelessness to devise an actual plan of public housing building works.

6  
Victorian Government to call on the Australian Government to ensure that the proposed national summit is independent includes community sector representatives and unions and provides clear and factual information on the types of actual ‘affordable’ housing in Australia.

7  
Victorian Government to call on the Australian Government to urgently establish a public housing and homelessness portfolio and appoint a senior Minister.

Appendix 1

The following infographic is reproduced from the “Housing First” reported in FGFP Background Paper “Up in the Air’: A Civil and Caring Society’ published by FGFP September 2018, refer Section 11 Appendices, p:47. E-version available on request.

This Stair Case Model was developed by Housing First Finland and provided to FGFP by Taina Hytönen – Programme Coordinator, Housing First Europe Hub, Y-Foundation, Finland with our many thanks.

[http://www.housingfirst.fi/en/housing\\_first/housing\\_first\\_in\\_finland/housing\\_first\\_in\\_finland](http://www.housingfirst.fi/en/housing_first/housing_first_in_finland/housing_first_in_finland)

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