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Senator Janet Rice
Chair
Senate Standing Committee on Community Affairs – References Committee
Via email only: community.affairs.sen@aph.gov.au

27 July 2023

Dear Senator Rice and Committee Members

Re: Submission to the References Committee Inquiry, ‘The worsening rental crisis in Australia’

Thank you for providing an opportunity to make a submission to this inquiry.

The Victorian Public Tenants Association (VPTA) is Victoria’s peak body for people who live in public housing, as well as those who are waiting to access social housing in Victoria. In the most recent financial year our team assisted more than 1,200 Victorians to resolve a housing issue – which represents a 94 per cent increase in demand.

The VPTA is a signatory to the submission to this inquiry of the National Association of Tenancy Organisations and also provides this dedicated submission on the topic of social housing specifically.

Estimates of Australia’s current and future social housing shortfall vary but reach as high as 750,000 homes according to recent Oxford Economics Australia research. The Federal Government has an undisputed role in addressing this core infrastructure gap. The VPTA strongly believes the Government should commit to a plan to meet the national shortfall.

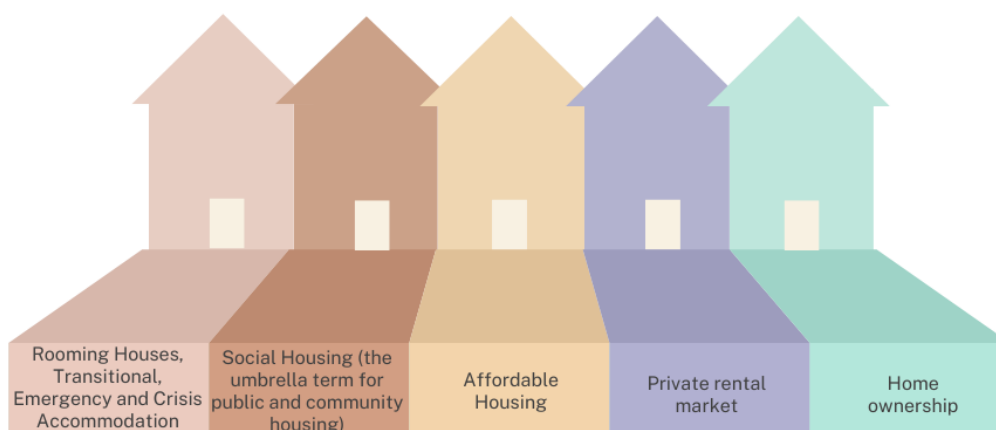
The VPTA welcomes renewed debate of this important issue at the national level, and the Government’s commitment to the Social Housing Accelerator Fund in addition to the concept of a pipeline for future stock growth.

For decades, Australia has been known worldwide as a ‘lucky country’ for our ability to balance a market economy with a social safety net that guarantees universal essential services will be available to all. Education and health are two areas where public spending has traditionally been considered vital to community wellbeing and future prosperity. Housing has never made this list – although it is equally important.

But for decades, the market has not provided housing for all who need it and governments have neglected to actively fill the gap. We must recognize that if the market was capable of sustainably providing housing for all Australians – it would have done so already.

The VPTA has long argued that Victoria needs a reliable continuum of housing options that spans our community's corresponding continuum of needs. This remains true and is equally applicable in a national context.

The Victorian Housing Continuum



Each element of the continuum relies on the strong presence and real-world availability of the others to remain upright.

Decades of chronic underinvestment in supports for people experiencing homelessness and housing insecurity have severely limited the availability of public housing, community housing, affordable housing and crisis/transitional options for people experiencing homelessness.

Concurrently, federal policies and community mindsets which prize not only the ownership of one's own home, but that of several others have now culminated in pushing home ownership beyond the scope of everyday Australians earning an average wage.

The result is added pressure on the private rental market. Historically people have transitioned through each step of the housing continuum, but this is no longer possible. There are many causes for this, such as:

- Increasing home prices have locked people out of ownership and increased prices in the private rental market accordingly.
- The private rental market is no longer as accessible for low to moderate income earning households, who are then pushed down the continuum and add to demand for affordable and social housing solutions.
- The private rental market in regional locations once provided a realistic option for low-income earners and people receiving a fixed income, but this is no longer the case.
- All types of social, affordable and crisis accommodation have been so lacking for so long, they now only cater to those that are in crisis 'enough' to make it to the top of the list.

The last remaining step in the continuum that most Australians can affordably access – in theory – is the private rental. But issues in the private rental market cannot be, will not be, solved by tweaking tenancy legislation.

Instead, we must reconstruct the housing continuum by growing the share of social housing to relieve pressure across the different types of renting tenures and reduce demand on the private rental market.

Without a strong, accessible social housing system, private landlords have no incentive to deliver adequate homes at diverse price points and Victorians have no housing options.

Property investors have been monopolising Australia's housing market for too long, making a game of people's lives and wellbeing.

Recent Victorian government programs which seek to grow the social housing stock portfolio have almost exclusively focussed on properties that will be managed by the community housing sector and have delivered no growth in the publicly owned and managed tenure, public housing.

It is public housing which is the most accessible, with the most affordable rent and the fairest allocation mechanism that is the tenure most relied upon by many. It has been found to be more protective against experiences of homelessness by a research team from RMIT who found:

“...public housing to be a very strong protective factor reducing homelessness. Public housing is particularly effective because it is affordable. It has also traditionally offered a long-term, secure housing option for those at the bottom of the housing market. This is because public housing leases provide the benefits of security of tenure commonly associated with home ownership. Community housing on the other hand appears not to offer the same level of protection. These findings emerge despite community housing being affordable, however security of tenure is weaker possibly because providers are

more dependent on rent revenue and therefore less tolerant of rental arrears.”¹

Further, public renters in Victoria benefit from a more rigorous complaints and appeals process as well as falling under the jurisdiction of the Victorian Ombudsman. People who live in community housing can only rely upon the regulator, the Victorian Housing Registrar, to investigate an issue if they have been unable to resolve it with their provider. The Registrar only considers issues where they indicate a systemic failing by a provider, which means many are left without a formal avenue for resolution.

In designing federal policy responses, the VPTA strongly encourages the Government to deliver guaranteed growth in both tenure types.

Yours sincerely

Katelyn Butters
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Victorian Public Tenants Association

¹ Johnson G, Scutella R, Tseng Y and Wood G, *‘How do housing and labour markets affect individual homelessness?’*, Housing Studies, 2018, <https://doi.org/10.1080/02673037.2018.1520819>.