

Inquiry into the rental and housing affordability crisis in Victoria.

Submission by Uniting Vic.Tas.

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Uniting

Who we are.

This Submission was written on the lands of the Wurundjeri people of the Kulin Nation. We work in solidarity with Aboriginal and Torres Strait Islander people as Australia's First Peoples and as the traditional owners and custodians of the lands and waters on which we all live and work. We recognise the continuing sovereignty of Aboriginal and Torres Strait Islander peoples over their lands and waters and their inalienable right to self-determination. We offer our respect to all Elders past and present.

In developing this submission, we spoke with a number of consumers and Uniting practitioners. We are particularly grateful to our consumers who shared their time and lived experience and we thank them for their contributions.

We have paid particular attention to those terms of reference to which our service experience aligns. We have also highlighted the broader issues of affordable housing, homelessness, and the rising cost of living as key issues impacting our consumers.

Our experience.

Uniting Vic.Tas (Uniting) is the principal community services organisation of the Uniting Church in Victoria and Tasmania. We are more than 3,500 employees and 2,200 volunteers delivering over 650 programs and services across the full spectrum of community services, intervening early to help people avoid crisis, as well as supporting those who live life at the margins. Uniting also undertakes research into community needs and advocates for discourse and actions that aim to lessen disadvantage, poverty, and exclusion in the community. We celebrate diversity and value the lived experience of people of every faith, ethnicity, age, disability, culture, language, gender identity, sex, and sexual orientation.

Uniting is a large provider of housing and homelessness services across Victoria in both rural, regional, and metropolitan areas. We are the intake and assessment point of four government-funded homelessness entry points in Gippsland, Eastern Melbourne, Central Highlands, and the Wimmera. Additionally, we operate multiple services targeted towards people experiencing rental and housing stress including social, affordable and retirement housing and specialist programs to support people to stay in the private rental market.

Together, Uniting Housing Victoria (UHV) and Uniting Vic.Tas (Uniting) currently manage a portfolio of over 650 tenancies across Victoria and Tasmania, and are committed to working with people experiencing, or at risk of, homelessness to access a range of crisis, transitional and longer-term accommodation.

Across our services, we are seeing people at all stages of housing stress and insecurity and working with those at risk of, or experiencing, homelessness. We provide food and emergency relief, tenancy assistance, transitional housing and accommodation, mental health support, loans, and case management support to those that need it most. But the demand is rising. Last financial year we supported 5,900 people experiencing homelessness and provided 80,000 community meals to those in need. People who come to us for support continue to tell us that a lack of affordable housing directly affects their ability to better their circumstances and look forward to a positive future.

Homelessness can be ended by investing earlier at front end to address the complex drivers including poverty, family violence and through investment in social and affordable housing.

Key points.

- People on low incomes, including those on income support such as *Jobseeker* and *Youth Allowance* are in severe rental and housing stress with few private rental options available to them. Rising rent, fuel and grocery prices are deepening disadvantage, financial precarity, hardship, and poverty across our communities, but especially for those reliant on income support or low incomes, those with caring responsibilities and single parents.
- Uniting is deeply concerned that those already experiencing significant disadvantage are being left out of the public discourse around rental increases and the rental and housing affordability crisis. These individuals and families are unable to absorb rental increases within their budget and are being forced to live in substandard housing or are at risk of experiencing homelessness.
- Victoria has a chronic social housing deficit and has experienced a steady decline in the proportion of dwellings available for social housing, significantly deepening the state's housing and homelessness crisis.
- The fundamental solution to the rental precarity, the housing crisis and homelessness is long-term commitment and investment to build and provide a wide range of affordable, safe, and secure housing options that allow all Victorians to lead a dignified life in stable housing communities.
- There is also irrefutable evidence for interventions designed to deliver housing and wellbeing outcomes to people experiencing homelessness in the form of Housing First models.
- Social and affordable housing works best when integrated with other wrap-around services that support people to address the complex and compounding issues they face.
- The Victorian Government funds a number of programs that offer meaningful support to people experiencing housing stress and homelessness, but without addressing the shortage of affordable housing and people's ability to meet the cost of private rentals or home ownership, these programs can only have limited impact.
- Along with affordable housing and integrated services, there needs to be stronger emphasis on early intervention to address the compounding risk factors and prevent Victorians from becoming homeless in the first place.

Single mum, From Homelessness to a Home program consumer, experienced rough sleeping.

"Everybody deserves to have a home. People need to have that feeling of comfort and belonging and not having to move. I'm grateful that I got this house because it's reasonably cheap and I've got everything I need."

"I tried to find a private rental, but it was quite expensive, and it was hard because I was having issues with my older car, so I had to save up for a new car, so moving back and forth was quite difficult for me."

"There's not enough housing, particularly for people with kids or disabilities or other accessibility issues. There's not enough cheap housing for rent. If you rent through a real estate, you're paying \$700.00 a week around here. You have to have two people, so it really does discriminate against single people, particularly single mothers."

"I was applying for houses, and I couldn't get a single one because there's too many people applying for one property. When you're homeless you're fighting for your life, and no one should have to fight for their life and fight for a home. No. Hell no. There should be enough houses. Cheaper, affordable accommodation for everybody. Whether you're in a high income, low income, middle income, everyone deserves a home."

"Everybody deserves to have a home."

Housing is a basic human need, and one that is often described as a social determinant of health.

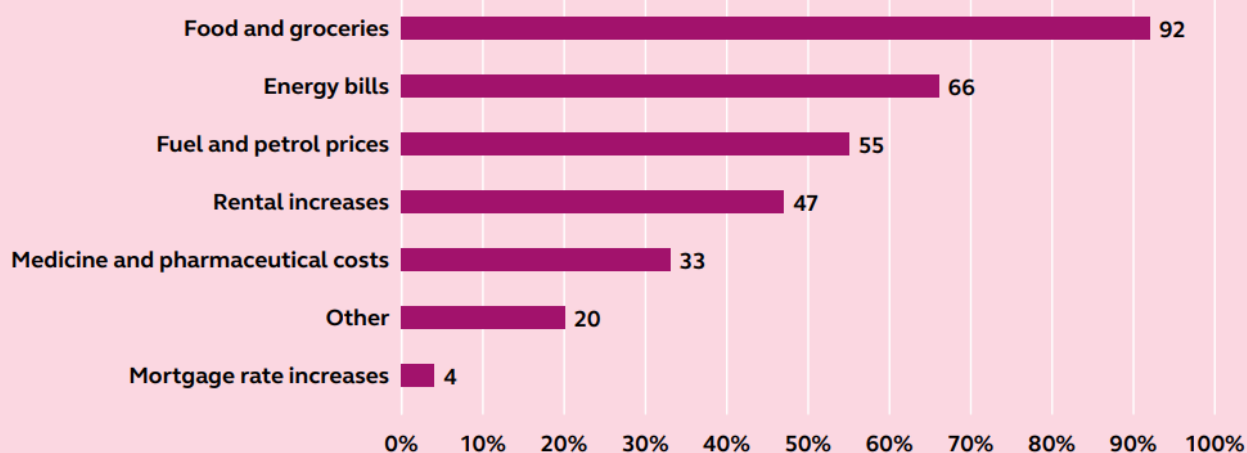
Victoria is experiencing a housing affordability crisis, and services like Uniting are at the forefront of responding to this every day. As a wealthy nation, Australia has the resources to ensure that everyone has access to safe, appropriate, and affordable housing. However, housing costs, in particular the price of rent, is a large contributor to financial stress and hardship for many Australians (ACOSS, 2022). Research by The Bankwest Curtin Economics Centre reveals how rising costs, particularly rising housing costs and rent increases across recent years, are having a far greater impact on those already experiencing income disadvantage (Duncan, 2022), such as those reliant on income support like JobSeeker. **Uniting Vic.Tas believes that affordable, safe, and secure housing is an essential human right that underpins a person's capacity to live a dignified, healthy, and meaningful life within their community. We are deeply concerned that those already experiencing significant disadvantage are being left out of the public discourse around rental increases and the rental and housing affordability crises.**

In 2022, in partnership with the Centre for Social Impact at Swinburne University of Technology, Uniting surveyed our consumers about the impact of rising costs on their wellbeing and capacity to afford the basics of food, rent and medicines. Our research found:

- » 92% of respondents were cutting back on food and groceries due to costs,
- » One in two respondents experienced mental health impacts resulting from the cost of living increases,
- » Parents, carers and people with a disability were skipping meals even if cooking for others,
- » More than 1 in 10 reported an increased risk of family violence due to the strain of making ends meet (Wilson, Churchus and Johnson 2022).

We also found that cost increases related to housing were pressure points for more than 50 per cent of those surveyed (rental and mortgage rate increases). Forty-two per cent of Victorian respondents identified rental increases as a pressure point. People on low incomes have extremely limited, if any, ability to absorb rental increases and we are seeing increasing numbers of people seeking support at our emergency relief services and through our tenancy support programs due to rental increases. The following table is an extract from the publication highlighting various financial pressure points, including rental increases.

Table 5. Pressure points of rising costs



Source: *Can't afford to live: the impact of the rising cost of living on Victorians and Tasmanians on low incomes* (2022), Uniting Vic.Tas and Swinburne University, Melbourne.

Uniting has previously called on the Victorian Government to increase funding to tenants under the Private Rent Assistance Program. PRAP addresses the need for financial assistance to maintain a tenancy and support people at risk of homelessness to avoid eviction. It also assists people newly experiencing homelessness to find an accommodation option as quickly as possible. This measure, to which Uniting remains committed, is necessary to keep more people on low incomes in their homes during periods when they find themselves on the edge of homelessness.

Recommendation 11 of the Victorian Parliamentary Inquiry into Homelessness recommended ongoing funding for the PRAP in recognition of its key role in preventing entry into homelessness and that the funding grows to meet demand.

Uniting frontline practitioners report significant challenges in meeting demand for PRAP as rental prices soar. Our practitioners report that the available pool of PRAP funding has not grown commensurate with rental increases. People are consistently seeking support from our services for higher amounts of rental arrears, and we have the same amount of money to draw from, thereby reducing the number of people who can be assisted through the program.

Recommendation: Uniting recommends that there is increased Government investment in interventions such as PRAP, which protect people from further financial hardship and from entering into homelessness.

The affordability and availability of private rentals is worsening in 2023. Uniting services in some rural and regional areas of Victoria, like the Central Highlands and Wimmera, report zero availability of affordable rentals in the local rental market. This observation is supported by the evidence presented in Anglicare's '2023 Rental Affordability snapshot', which found that across Victoria, just 100 out of 11,687 individual properties, making up 0.9 per cent, were suitable for at least one household type living on income support payments without placing them in housing stress.

The widespread impact of this housing crisis can also be seen in the amount of people presenting to Uniting crisis services, and the increase in complexities for those experiencing crisis. For example, in FY22-23:

- » 239 people presented to Uniting's Horsham Homelessness Entry Point who had been sleeping rough in the month prior, compared to just 97 in FY21-22. Of the 239 people presenting in 22-23, 38 were recorded as not having a permanent address in the past five years, compared to 24 the year prior.
- » Presentation data from across four emergency relief programs Uniting operates in Northern Victoria has shown that the amount of people presenting for crisis assistance who are experiencing homelessness has doubled from the previous year.

Options to address insecurity, availability and affordability issues facing Victorian renters.

Woman in late fifties, experienced homelessness due to family violence, living in Murrumbidgee Baggarrook.

"Nowadays you need two incomes, or it (housing) has to be shared. But it's not appropriate for everyone. I don't think people want to live with a 50 something year old woman with a dog and a disability and chronic pain that leaves me in bed for days on end. You want to make a home yours and not have to share it, but you have to do it out of necessity."

"You've got people going for viewings that are offering more or six months in advance and it just phases people out. If you have, say, fifty people applying and ten of them have full-time jobs, another lot are couples and then there's you who's on a benefit. I won't even get looked at. They say they don't discriminate, but they have. When you're spoilt for choice you can just choose who you want."

"Of course, we need more affordable properties. It's just a big problem. It's covering too many age groups now. You know, people need to stay home with their parents because they can't afford to

The fundamental solution to the challenge of housing insecurity, affordability and homelessness is long-term commitment and investment to build and provide a wide range of affordable, safe and secure housing options. As we wrote in our pre-election brief in October 2022:

Uniting has welcomed the Victoria Government's Big Housing Build commitment to construct 12,000 new dwellings across metropolitan and regional Victoria over a four-year period (Victorian Government 2020). The Big Housing Build, however, falls well short of the state's actual social housing need. A 2018 Melbourne University study, for example, found the state faced a shortage of at least 164,000 housing units that are affordable and available to very low and low-income households. The report recommended a target of 30,000 housing units by 2029 (Palm, Raynor & Whitzam 2018).

Uniting joins other service organisations and our Peak Body the Victorian Council of Social Services (VCOSS) in calling for the construction of 60,000 new public and community homes by 2031. Only such a significant and sustained investment can reverse the rising homelessness trend over coming decades. To best guide this investment, the Government must finalise and publish its work begun in February 2021 on a Ten-Year Social and Affordable Housing Strategy for Victoria.

Recommendation: The Victorian Government should commit to the construction of 60,000 new public and community homes by 2031 and finalise and release its 10-year Strategy for Social and Affordable Housing.

Targeted solutions are necessary.

Uniting is of the view that targeted interventions are necessary to support cohorts who are particularly vulnerable to Victoria's rental crisis, including those already at risk of experiencing homelessness. While homelessness typically arises from a complex web of interconnected factors, it is consistently clear that women and children experiencing family violence are the most at risk alongside young people, First Nations Victorians and those experiencing mental illness. For these groups, the high cost and low availability of Victorian rental properties is only compounding their vulnerability and risk of experiencing homelessness.

Uniting family services practitioners report that family violence is a leading cause of homelessness among women and children we see in our services. A severe shortage of affordable housing across the state is placing women and children at great risk. For some, the choice is between a violent home or no home at all – a choice nobody should have to make. More needs to be done to provide safe, supported, and long-term housing options for people escaping family violence.

Recommendation: The Victorian Government should design and develop a family and domestic violence housing framework of targeted policy, housing design and integrated wraparound services using a Housing First model.

Housing and homelessness service providers have long called for a targeted housing and homelessness response for **young people**. There continue to be significant barriers to young people acquiring and maintaining private tenancies in the rental market, most apparent is the financial barrier young people face when compared to others seeking rental accommodation resulting from grossly inadequate Youth Allowance and Commonwealth Rent Assistance entitlements.

Young person aged 21, single parent with two children under two years, living in housing managed by community housing provider.

"What impacts my life the most is finding private rental. Yeah, it's ridiculous that nowhere really has anywhere that just accepts Centrelink income. It's pretty hard, like, I'm pregnant at the moment, so I'm gonna have two kids. And I've got myself and yeah, I need a bigger house, but nowhere accepts you when you have Centrelink as your payment. It's really hard to find somewhere. I've probably looked at about 20 places."

"I've been on my own since I was basically 13 and it's just ridiculous. Like I know there's refuges and stuff like that, but they're not permanent. And like with the housing I'm in now, I'm just around drug users all the time. I hate it. I don't feel safe there. It's hard to raise kids around that. Having my own house would be so much easier and it would just be a better surrounding for my kids."

"(Community housing provider) have said that I have to go on this waiting list that's gonna take about three years (to access new housing). Umm, so I'd rather just find somewhere myself and move. Yeah, but my budget would be like \$200-250, and like even that's pushing it to be honest. I don't know what to do. It's just difficult to find somewhere, especially with everything else going up in price, like food and just everything in general."

What do you think would be like the biggest thing that needs to change? If you are able to recommend one change that the government can make, what do you think would be the most impactful for your life and for your daughter's life?

"Housing that's private, but affordable, yeah, especially for people that are just on Centrelink."

Uniting joins a growing coalition of support for housing solutions for young Victorians including action to reduce youth homelessness. There remain considerable barriers for young people in accessing interventions like Private Rental Assistance Program. A youth housing and homelessness strategy is needed.

Recommendation: The Victorian Government should develop a Youth Homelessness Action Plan that includes more targeted investment in youth interventions to ensure young people are receiving the specialist services they need, including access to safe, stable, and affordable accommodation, support to engage in employment, education and training, and assistance to transition successfully to independence as young adults.

Improving access to affordable and safe housing can reduce government spending on homelessness services, health, child safety and criminal justice. It can also reduce poverty, improve the functioning of the labour market, and improve equality of opportunity and social inclusion. (Productivity Commission, 2022).

Ron*, Wimmera Street to Home pilot program consumer, currently experiencing rough sleeping.

Ron* is a male in his forties who is currently experiencing homelessness in rural Western Victoria. Ron has lived in the area for six years and entered into homelessness last year when he lost his rental property and was unable to find another he could afford. *"It's hard when you're on Centrelink"*. When asked about rental availability and affordability in the Horsham region, Ron states, *"There's nothing around. I saw a one-bedroom place for \$250 last week but that was just one and imagine how many people will be going for that one house."* Ron is currently couch-surfing with a friend in their one-bedroom unit, however, this is a short-term option as his friend is abusing alcohol, which is triggering for Ron, who is in recovery.

Since becoming homeless, Ron has spent time rough sleeping, couch-surfing, and living in short-term, expensive accommodation. When Ron was rough sleeping in public areas across the region, the local Police and Council would regularly ask him to move on, but this proved difficult as safe, undercover areas were hard to find. *"Move where?"* he says. When asked about homelessness in Horsham, Ron says, *"It's just such a big problem."*

Ron has been on the register for public housing since September 2022. Ron shared the pressures he experiences from not having the stability that long-term housing provides. Since exiting custody earlier this year, Ron has been doing everything he can to make positive changes in his life and regularly engages with a range of local supports, including counselling, AOD support, corrections, and healthcare. However, without long-term housing and little information on when this will occur, it can be difficult to remain hopeful about the future. Ron states that he thinks about re-offending every day so he can be provided with *"a bed, three meals a day, the doctor"*. He says, *"I would rather be in jail than on the streets."* However, Ron knows that if he enters custody, he will be faced with further barriers to his goals, such as stable housing and employment.

Uniting understands it to be a severe indictment on the state of the Victorian housing and homelessness systems that people within our communities consider committing a crime just to have a roof over their head, a basic level of food security, and access to medical care.

The Productivity Commission's review of the National Housing and Homelessness Agreement (2022) summarised the need to view and respond to the housing and homelessness crises concurrently.

"If governments want to reduce homelessness, they need to address the structural factors that lead to housing unaffordability. Otherwise, more people will become homeless, and services will continue to face barriers to supporting people out of homelessness. Governments need to make social housing more accessible to people who need it, increase the supply of housing, and help people to pay for housing when needed."

The housing and homelessness sector continues to wait for the Government's response to the Parliamentary Inquiry into Homelessness in Victoria which was tabled in March 2021. It is of Uniting's view that without consideration of the intersection between housing and homelessness during this inquiry process, the ability to respond appropriately to the rental and housing affordability crisis in Victoria will be severely limited.

Recommendation: The Victorian Government urgently respond to the recommendations of the Victorian Parliament's Legal and Social Affairs Committee Inquiry into homelessness.