

Public housing in Victoria is in the process of being dismantled and privatised and this is happening by stealth and without open and transparent public consultation. Most of the general public, as well as public tenants themselves, are not aware that public housing is being privatised. The building of new dwellings by housing associations and the awarding of economic stimulus packages and the sale and transfer of public land is continuing to happen at breakneck speed. The Government is hugely invested in this massive logistical exercise and is rushing it through without any real public discussion and before its true impact can be considered and assessed.

***Finding out what is really happening in housing can be difficult because unpalatable truths are being glossed over, fudged or obfuscated.***

Public tenants are being told that if they transfer across to Social Housing “everything will stay the same.” ***This is not true.*** Tenants are losing vitally important rights.

***The Government is planning to transfer the titles of up to 2699 publicly owned properties worth \$475 million dollars to housing associations. Housing associations are also lobbying the Government for more financial packages of millions of dollars to finance their projects as well as the acquisition of public land.***

#### ***What is Social Housing?***

‘Social Housing’ is a term that covers both housing ***associations*** and housing ***providers***.

Housing associations refer to private companies that expand new housing through construction, purchase or acquisition. They also manage housing portfolios-properties owned by themselves or leased from the Director of Housing.

Housing providers are mainly smaller organizations. They manage rental housing portfolios. Many deal with temporary and emergency accommodation. Housing providers can be companies, incorporated associations or cooperatives.

There are complaints by tenants of high rents for low income earners living in social housing managed by housing associations and providers. However we will be concentrating on the nine major housing associations since they are the ones who receive the overwhelming majority of financial and material benefits, and it is these companies who are dramatically changing the housing and social landscape.

The nine registered housing associations are;

Common Equity Housing,

Community Housing,

Loddon Mallee Housing Services (trading as Haven)

Melbourne Affordable Housing (part of Housing Choices Australia)

Port Phillip Housing Association

Rural Housing Network

Supported Housing Ltd ( part of Housing Choices Australia)

Wintringham Housing

Yarra Community Housing

***Housing associations are not meeting their social objectives in the following ways;***

According to the Auditor General's Report 'Access to Social Housing' June 2010, the process of transferring tenants into Social Housing does **not** ensure equity of access for all on the Office of Housing waiting list. The Auditor General found that the most needy were **not** being housed.

[http://download.audit.vic.gov.au/files/20100623\\_Social\\_Housing\\_Full\\_Report.pdf](http://download.audit.vic.gov.au/files/20100623_Social_Housing_Full_Report.pdf)

***Equity of access is a fundamental tenet of antidiscrimination law.***

It is quite amazing that an issue as important as discrimination on such a massive scale concerning people's right to housing, has been allowed to go past the radar unchallenged and unchecked. Citizens with complex needs are often not being housed. It would appear that so called 'desirable' and 'acceptable' tenants are being housed while the most vulnerable and desperately needy tenants are being excluded. This state of affairs has been justified by Office of Housing and housing associations in terms of 'financial realities' and 'niche markets.'

***The Auditor General states in his report that "The Director of Housing should amend the protocol for referring public housing applicants to housing associations so that all public housing applicants are treated equitably"***

***In the past year what has been done by the previous Labour Government or the present Liberal Government to rectify this matter?***

One of the key purposes in creating this Housing Policy was to house low income Victorians in affordable housing.

<http://www.theage.com.au/victoria/housing-groups-leave-most-needy-in-the-cold-20100623-yz4f.html#ixzz1VAKM7ot5>

***The term 'affordable housing' is being used, by the Government and social housing associations and providers, in a way that is different from the usual understanding of the term. The Government considers 'affordable' housing to be 80% of market rates.*** This is why social housing rents are often not affordable for those on low incomes; neither is there any protection that rents will not be raised in future.

Eg A tenant on Disability Support Pension is paying \$172 per week for a tiny studio apartment. After six months his rent has already been raised. Rents can be around \$200 or more per week. This is often not affordable for many people on Government benefits, even with rent assistance. Many low income earners or people on pensions are being forced to move away from their communities.

***The Auditor General's Report found that the role of the Registrar of Housing lacked sufficient independence. The report also discovered a lack of scrutiny of housing associations. These findings are disturbing and need to be looked into.***

The Government 'expects' housing associations to take 'up to 50%' of tenants from the Office of Housing waiting lists. Some housing associations have taken only one third of their tenants from the Office of Housing waiting lists, in spite of being awarded a great deal of land, property and money by the Victorian Government.

The rationale cited for *giving away* public property is that housing associations will use it as leverage to construct more buildings. This has often not been the case. Even when it is the case, the exchange can be ludicrous. Eg 200 units to be built by housing associations at no cost to the Government in exchange for being given up to 2699 public housing properties!

<http://www.bswhn.org.au/Forms%20and%20Documents/media%20articles/TAKING%20STOCK.pdf>

On closer reading of the above article, it is *expected* that the housing associations *may* build the 200 units! Not even a guarantee.

The Government's own urban development agency, VicUrban, is benefiting from the privatisation of public housing by working in partnership with Social Housing agencies. Rather than governing to ensure the right of all Victorian citizens to have a roof over their head, the Victorian Government becomes just another player profiting in the marketplace. *This is the face of neo liberalism.*

***What will the privatisation of public housing cost the taxpayer?***

#### ***Rents and Rent Assistance***

The Office of Housing is encouraging all tenants who apply for public housing to also apply for Social Housing. Tenants will be paying *much* higher rents living in social housing. The response of the State Government is that tenants in social housing can apply for Rent Assistance. Low income earners will need to access Rent Assistance in order to afford to live in so-called 'affordable housing.' However it should be remembered that Rent Assistance is capped and is not keeping up with the price of living.

At present public tenants do not receive Rent Assistance because their rents are calculated at 25% of combined household income. This is fair and equitable. When Public Housing is described as 'subsidised housing' this is misleading and implies that Public Housing is a burden on the taxpayer. In fact Public Housing provides the Government with a great deal of revenue. Every time a public tenant pays rent it goes directly into the public purse. The privatisation of Public Housing and the transfer of huge numbers of people from the Public Housing waiting list into 'social housing' will cost the taxpayer staggering amounts of money in the form of Rent Assistance- *in perpetuity!* This future increase in paying out Rent Assistance means ever more public money being syphoned into the private sector. Furthermore the Government will lose the revenue it gains from Public Housing rents.

***Let's not forget the role that a viable Public Housing sector plays in keeping down the cost of mortgages and rents in the private market.***

***The right to have rents adjusted.***

The present Public Housing system that regularly assesses the rent at 25% of combined household income is a humane system. It protects the rights of the unemployed as well as those who are working part-time. ***Its flexibility protects the rights of people with chronic or episodic disabilities should they become unwell.*** Many people with disabilities live in public housing and work part-time. There is no such protection in Social Housing.

***No Security of Tenure.***

Representatives of housing associations have refused to guarantee that vulnerable people will have housing beyond 10 years. Under the National Rental Affordability Scheme (NRAS) investors are given a \$91400 tax credit over ten years per property to supply social housing. After 10 years the scheme expires and housing associations can do what they like. They can sell off their dwellings here or to overseas investors. Rents can be raised to match private rents.

***In time the bulk of Public Housing will be completely privatised. The Government will have abdicated all responsibility. It will have washed its hands of ensuring that its most vulnerable, disadvantaged and disenfranchised citizens are given a 'fair go.'***

***Housing Associations and warm fuzzy buzzwords.***

Housing associations are given generous financial incentives, tax breaks and at times the titles of precious public land and public properties are simply transferred across to them. Our public assets are being ***given away***. Much of the general public, as well as public tenants, are being 'taken in' by all the marketing. There are plenty of slick websites, warm fuzzy words like 'affordable' and 'community'; buzzwords that describe the Social Housing sector as operating with 'enlightened self-interest', and an endless amount of spin and promotional advertisements.

Not-for-profit organizations are certainly profit driven. An oration was recently hosted by a major housing association, and attended by politicians and people in the Social Housing industry. At this function the speaker recommended a push for even greater profits. ***"We need to look to the creation of a Profit Plus or More than Profit Housing Sector for Australia."***

Housing associations are not philanthropic organizations despite all their rhetoric and spin.

<http://www.hcau.org.au/NewsList.php> 'Oswald Barnett Oration'

***Meanness of Privatisation- The Almighty Dollar Rules!***

Already major housing associations have taken only a third of tenants from the public housing waiting list rather than the Government's 'expected' half. There is further talk of some housing associations wanting to take only 25% of prospective tenants from the Office of Housing waiting lists. This is because the Government is allowing them to take 'up to 50%'.

Anecdotal evidence suggests that tenants who need access to a carer are allocated approximately one and a half bedrooms instead of a two bedroom flat. Tenants are not guaranteed a car-parking space and are worried about how they will park their car in the inner city, social isolation, and accessing services like Home Help. Original plans to have private and social housing tenants intermixed, the salt and pepper model, have also gone by the wayside with the private buyers enjoying better amenities and more space to move around. On one new development, a wall has been built separating the social housing tenants from the private residents. There was even talk of building a playground only for the children of the private buyers, not for the children of the social housing tenants!

This mean-spiritedness is mind-boggling considering the vast tracts of public land and huge windfalls of public money awarded to them by the previous State Government.

### *Homelessness*

***Homelessness is rapidly escalating.***

***There should be no homelessness in 21<sup>st</sup> Century Australia.***

We cannot talk of homelessness without speaking of Victorians with mental illness who are especially hit hard. They are overrepresented in the statistics on homelessness. This has been going on for a very long time and is utterly unacceptable. ***People with mental illness are being referred to Emergency Housing and Homeless People's Shelters following discharge from psychiatric wards.*** Youth refuges will admit there is nowhere to house the mentally ill.

Apart from homeless shelters, often the only other option is a rooming house. Many rooming houses are nightmares. They are virtual slums and yet still some of them charge \$200 per week for a room. It is unconscionable.

***This raises again the issue of Equity of Access to Social Housing highlighted by the Auditor General.***

It also makes a mockery of politicians' claims that record massive investment of millions and even billions of dollars in Social Housing is helping to house Victoria's most needy and vulnerable.

***In fact, the failure of the current housing policy is already creating a huge underclass; people whom nobody wants to house and who are being sent away in droves from welfare agencies starved of resources to meet this growing demand.***

<http://www.theage.com.au/national/complex-needs-stretch-welfare-wait-lists-20110814-1it3j.html#ixzz1VAGMjo6L>

***For all of the above reasons, housing associations are failing to meet their social objectives. The gap between rich and poor is growing at an alarming rate. The Government is abdicating its responsibility to ensure the right to housing for ALL its citizens.***

The vast majority of Victorians **do** care about fair play. They do not want Victoria to be a state with a rapidly increasing underclass of destitute and desperate people living on the streets or in cars; or living in homes that will cost them so much in rent they will be unable to afford the basic necessities of living.

***Safe, secure and truly affordable housing is a right, not a privilege.***

Since 2007 the Victorian Government has already given away a staggering \$921.9 million dollars in government grants, in addition to transferring hundreds of public housing properties and public land to the housing associations.

***All future plans to transfer up to 2699 public housing stock, and the awarding of additional 'financial incentives' of hundreds of millions of dollars and the transferring of even more public land to the private sector should be opposed!***

We need to have an urgent, genuinely transparent, democratic and public debate regarding any future directions for housing in Victoria.

Fiona Ross

Public tenant

Spokesperson  
Friends of Public Housing  
[www.facebook.com/FOPHVIC](http://www.facebook.com/FOPHVIC)