

Capacity to submit

Community Information & Support Victoria (CISVic) is the peak body representing local community information and support services representing 60 community-based, not-for-profit agencies, staffed by over 1,279 paid staff and in excess of 5,353 volunteers.

Our local services assist people experiencing personal and financial difficulties by providing information, referral and support services including Emergency Relief (ER), financial counselling and financial literacy. Our agencies provide free services to an average of 300,000 people every year.

We direct people who need help to local centres for services.

Helping those most in need Our main work is with the vulnerable and disadvantaged, including those on welfare payments, single parents, newly arrived, refugees, those with mental health issues, drug and alcohol issues and those experiencing family violence and family breakdown.

Emergency relief Many of our agencies can provide emergency relief, both financial and practical, by providing food, food vouchers, travel cards, petrol vouchers, assistance with household bills, rent, pharmaceutical supplies and telephone bills.

One voice for many We liaise with all tiers of government and other peak bodies, conduct training and undertake sound, evidence-based research. We are grateful to the State and Federal Governments for their funding support for core and special projects. We also have increasingly strengthening contact and cooperation with a range of peer organisations.

This is a vital interface for not just CISVic and its members but also for the community support sector as a whole, exploring more effective use of resources, skills and funding conduits. This has included partnerships to deliver important training to volunteers and community workers.

We also sit on a number of state & federal government groups including a State Ministerial Advisory Council and Federal Consultative Committee and other relevant peak body advisory groups, including VCOSS (Victorian Council of Social Services), the ultimate state community peak body.

CISVic agencies are embedded in their communities

The CISVic membership service model is placed-based and holistic in working with its communities and clients. The provision of supported services by CISVic member agencies is primarily directed at vulnerable and disadvantaged families and individuals who fall through service gaps. As generalist services providing a range of free, confidential and supported services, we connect vulnerable people and families to vital services and their communities.

Collectively, the CISVic ER Consortium of thirty (30) agencies, is the second largest Federal Government funded provider of ER services in Victoria. In total, forty-two (42) CISVic agencies deliver ER across forty-eight (48) sites from a combination of government, philanthropic and donated funds. Our engagement with community, local service providers and stakeholders is built on a strong local presence, place-based focus to problem identification and solution, and by drawing upon and enhancing local social capital.

Submission

CISVic welcomes the opportunity to make a submission to the Residential Tenancies Act Review (RTA Review), to provide a perspective from a sector that has, for the past decade, seen the repercussions of lack of affordable housing on vulnerable families and individuals. CISVic member agencies provide support to families experiencing financial and personal crisis through the provision of material and/or financial aid through emergency relief (ER) programs. All clients accessing our ER services experience financial difficulties, and families receiving ER do so because they cannot make ends meet.

Our submission seeks to address the broader questions about emerging trends, issues and gaps arising from lack of affordable housing. The lack of affordable housing is a major contributing factor to the financial stress - it is not uncommon for our clients to pay upwards to seventy percent (70%) of their income towards rent.

We see many situations where tenants accept lower standards and living conditions due to fear of homelessness. The growth of rooming houses, semi-permanent dwellings and long-term tenancies are indicators of a market failure that is distorting the playing field in favour of landlords. Whilst we acknowledge the limitations to regulation as a solution to the broader issues of housing affordability and availability, we believe that the current legislative regime can do more to address the lived reality for vulnerable tenants in Victoria. Rising economic inequality, coupled with the current housing crisis means that vulnerable people are falling behind, and that regulatory regimes that seek to balance rights and responsibilities of landlords and tenants must take account of this new reality.

Emergency Relief and housing

The cost of housing is a significant contributor to financial hardship amongst vulnerable individuals and families who seek emergency relief (ER). Across our sector, there is increasing concern and alarm over the impact housing costs have on families' health and wellbeing. In addition, insecure tenancies contribute to reluctance to report or pursue enforceable rights. The ER sector provide a range of financial assistance and support to clients experiencing housing related financial stress including assistance with housing costs (including rent, crisis accommodation), utility payments, food vouchers and food parcels. Agencies provide assistance because clients are at high risk of homelessness. Negotiation, advocacy and collaborative arrangements are the most common means with which vulnerable clients are assisted with overcoming their financial crisis.

ER services also frequently assist people on low income and those receiving income support. In particular, single people on Newstart and Disability Support Pension regularly access ER services which increasingly function as informal income support. More recently, asylum seekers and older singles are also accessing ER services. Those with low incomes experience considerable barriers to housing, with long public housing wait-lists and financial constraints to accessing private rental. Most often, these clients live in rooming houses, many of which are not registered. These temporary accommodation arrangements are becoming long term solutions which could have adverse health and wellbeing outcomes for the most vulnerable people in our communities.

Maria

'Maria' is a single mother with two teenage children. One of the children has a disability and attends a special school. Maria suffers from depression and anxiety attacks. She was very distressed when she presented at our service. She was facing eviction in two weeks' time unless her rent, which was in arrears by \$2,444, was paid. Her landlord had obtained a VCAT order for her to vacate her rental property.

Maria had shared her home with another individual to share the cost of living expenses. The arrangement was for her to pay all the household expenses including food and this individual would pay the rent. However when he moved out in August she found that the rent had not been paid and was in arrears. We liaised with three other community organisations on the Maria's behalf and co-ordinated assistance with paying part of the rent.

We contributed some brokerage money as well. With remainder amount that was owed, we were able to arrange a payment plan with the landlord. Due to Maria's mental health and family stresses this assistance provided support and advocacy to prevent Maria and her family from being homeless. Maria is still being assisted with her budget at our agency. Maria stated 'that if it was not for your assistance I would be homeless today'.

Erin

Erin is a 34 year old woman with a history of episodic depression. Erin was admitted to a public hospital psychiatric unit due to a significant bout of depression following the breakdown of her relationship.

Upon discharge from the hospital, the only accommodation available was a rooming house. Although the rooming house was registered with Council, the conditions were not ideal, with Erin frequently witnessing aggressive behaviours between tenants, had food stolen from her room, had little to no privacy and frequently experienced sexual harassment from the other residents, all of whom were male. Erin felt intimidated and unsafe, which made her recovery near impossible.

Erin presented at the local community information centre in a highly distressed state. All of Erin's food had been stolen and she had no money left to purchase more food. Erin was seen by the Emergency Relief Worker and a referral was made to the Caseworker within the organisation. The Caseworker was able to establish a good rapport with Erin and provided some immediate support in the form of food vouchers and some food items, helping to reduce Erin's distress. The caseworker was able to facilitate more secure and safe accommodation through a women's housing service and organise some ongoing counselling support. These outcomes had a dramatic impact on Erin's wellbeing; she began to form friendships with some of the other residents in her new accommodation and obtained some casual part-time work.

The changing housing context

The rental market that is familiar to low income households is one characterised by insecurity of tenancy and living conditions. Affordability and cost of living pressures on low income households are placing them in vulnerable positions when it comes to negotiating and accessing the private rental market. In a well calibrated market, there will be only a small percentage that will fall through the gaps. However, as the rental market shrinks, and affordability becomes an issue for larger sections of our community, the most vulnerable are increasingly being pushed off the edge. The lack of suitable housing stock (such as one bedroom accommodation in both the public and private sector) means that there is no choice for many vulnerable groups but to reside in unsafe, insecure tenancies.

The potential also exists for exploitative behaviour by landlords and rooming house operators when vulnerable tenants do not feel they could report or enforce their legal rights. This demand driven market is creating an environment given to exploitation, insecurity of tenancy and conditions, and price signals that do not reflect fair value for money - \$200 a week for a shed in poor condition, with no toilets, at the back of a house is one such instance. Similarly, real estate agents are requiring low income households to make a security payment whilst awaiting bond approval from the Director of Housing, effectively requesting a 'bond for a bond' to cement the deal. For those new to the private rental system, exploitative and overbearing practices are seen as the norm - and tolerated. We see this as a further shifting of power away from tenants, and a direct result of the shortage of affordable housing in Victoria.

Regulatory and policy framework

Unlike residential tenancies, new forms of tenancies such as rooming houses and moveable dwellings pose new challenges about legal rights and obligations within a shared space. The Residential Tenancies Act 1997 (the current Act), coupled with a housing crisis, does not adequately provide the protection tenants need to achieve sustainable and safe housing. The current Act in many ways operates outside the reality of vulnerable clients. Caseworkers provide information and support to complex needs clients, and though they see many instances of clear breaches of the current Act, have difficulty in encouraging clients to report or enforce their rights. Fear of losing their tenancies, an overloaded housing support system, and the lack of skills and capacity to navigate the regulatory system are major barriers to reporting and enforcement of rights. The role of housing support services as effective advocates for vulnerable and excluded tenants is vitally important in ensuring safe and secure housing. These services are often overloaded and only able to provide short term solutions. A comprehensive policy response is required to address these failures, including an increase in the social and community housing stock; greater support for innovative responses by housing support services; support for collaborative efforts between landlords (and their representatives) and the community welfare sectors in dealing with vulnerable tenants accessing private rental and those at risk of eviction.

Tackling broader structural causes of the housing crisis through taxation policy, finance system and planning measures will go some way to alleviating the crisis. As noted in the Laying the Groundwork Consultation Paper, rental accommodation is increasingly a long term housing solution for certain

types of households. Of note, older singles is the fastest growing household group in private rental. Better safeguards to protect tenants do not necessarily lead to over-regulation of landlords. Sustainable and affordable housing advantages tenants *and* landlords where incentives and subsidies can be utilised to reward long term tenancies that yield both investment and social returns. Thus, some form of rebate system for low income households, operating as an accessible subsidy for tenants experiencing sudden or periodic financial crisis, can help sustain tenancies and ensure landlords don't evict without consideration for tenants' situation.¹ Similarly, introducing some form of rent cap, such as that in Berlin may be a way to stem prohibitively high rents.² Another policy response could be to encourage greater collaboration between real estate agents and community welfare agencies in dealing with vulnerable clients at risk of homelessness, or who experience difficulties in accessing the rental market.

The changing housing context and trends require a reconsideration of the objectives and principles that underpin the tenancy regulatory regime. Whilst the underpinning principles in the current Act (as summarised in Laying the Groundwork Consultation Paper) remains relevant, the experience for an increasing number of vulnerable tenants is that extraneous factors are causing distortions in how these principles are being effected. We therefore submit that the following principles be qualified and/or incorporated into any revised regulatory framework:

- provide a tenant with security of tenure, bearing in mind the broader housing context that is locking out the most vulnerable people in our communities;
- in providing just solutions to tenancy problems, take into account the relative difference in bargaining power between landlords and tenants of residential properties;
- in promoting a well-functioning rental market, recognise the role of housing support services and tenants' advocates as market stakeholders and collaborators.

Finally, rooming house regulation needs to be better promoted and enforced. We acknowledge that it is still early days, but more work does need to be done if we are to avoid exploitation and worsening living conditions for the most vulnerable people in our communities. We acknowledge that there are limitations to regulation, particularly around social interaction and 'how we live together'. However, there are outstanding issues that need addressing including:

- continuing operation of unregistered rooming houses: promoting existing resources such as *Running a better rooming house: A best practice handbook for operators* with more concerted efforts to educate and inform the sector, potential tenants and related service providers about reporting and enforcement;
- ongoing difficulties with identifying operators of rooming houses: consider improvements to requirements for identifying operators of rooming houses;

¹ For example, in the utility sector, Utilities Relief Grants are available for households experiencing hardship to pay utilities bills and avoid disconnection.

² Landlords in Berlin are barred from increasing rents by more than ten percent (10%) for existing tenants, and for new tenants, are barred from increasing rents by more than ten percent (10%) above the local average. See Ruby Russell, *Berlin becomes the first German city to make rent cap a reality* in The Guardian, Tuesday 02 June 2015, see <http://www.theguardian.com/world/2015/jun/01/rent-cap-legislation-in-force-berlin-germany>.

Case Study: access to private rental for low income households - WCC Housing Brokerage & Support Project

Whittlesea Community Connections (WCC) provides a range of programs and services to help local people overcome disadvantage and increase participation within the City of Whittlesea. In 2013, WCC implemented the Housing Brokerage and Support Project (HBSP) to trial an innovative response to the increasing number of clients presenting to the service with experience of long-term homelessness or who are at risk of homelessness. The overall goal of the project was to assist low income households gain access to, and stabilise, their private rental housing. This is done through the provision of brokerage no interest loans matched with case management support.

Barriers to access in Whittlesea: Low proportions of social housing stock in the area coupled with declines in rental stock, mean that demand for private rental will continue to grow. In addition, the absence of affordable one to two bedroom properties exacerbates housing affordability problem in the area, threatening to exclude low-income households. This tight rental market consequently evolved to shift the level playing field against vulnerable households. First, real estate agents have had to adjust affordability thresholds for lower income households from thirty percent (30%) of income up to forty-five percent (45%). Secondly, landlords were resorting to month by month leasing following the initial twelve month leasing agreement, which may present flexibility for both parties, can also pose a threat to security for low income tenants. Thirdly, low income households compete on an open market at a disadvantage. Similarly, vulnerable people with no rental history (such as young people, women escaping family violence, new arrivals) face difficulties in securing tenancies.

Housing Brokerage and Support: The HBSP model brings together elements from microfinance and private rental support programs whereby flexible brokerage funds are matched with support to assist households private rental market *and* sustain tenancies. The evidence base on microfinance is still emerging, with indications that the impact of microfinance is greatest when combined with other forms of assistance and education. As an emerging form of financing, microfinance is gaining currency in community and welfare sector because of its accessibility for low income households. The application of microfinance lending principles to housing assistance is gaining some prevalence, though there are very few examples of evaluations of outcomes.

Evaluated outcome of the HBSP: The HBSP was evaluated with a view to documenting emerging promising practices and lessons to be learned. Drawing on service activity data and qualitative interviews with clients and external stakeholders, among key findings were:

- A promising practice that contributed to increased accessibility to private rental is a flexible and collaborate approach to loan management that can be matched with existing resources to provide the exact amount needed to gain entry into the private rental market;
- A key lesson to be learned is that not everyone is suitable for a brokerage loan and the way it is administered needs to be managed carefully with clear policy and procedures in place;
- Building relationships with real estate agents is critical to accessing private rental properties.

Source: Parkinson, S 2015 Evaluation of the Whittlesea Community Connections Housing Brokerage & Support Project, Whittlesea Community Connections, Epping. Author contact: sparkinson@swin.edu.au. Downloadable <http://www.joomag.com/magazine/research-reports-and-evaluations/0218906001433895029?short>