



Uniting Vic.Tas Position Paper

# **Housing and homelessness in Victoria.**

August 2018

**Uniting**

# Uniting's position:

**Uniting believes that affordable, safe and secure housing is an essential human right.**

**Secure and affordable housing fundamentally underpins people's capacity to live dignified and healthy lives with access opportunities and an ability to contribute to their communities.**

## Affordable housing

Victoria is in the midst of an affordable housing crisis. People on low to average incomes are being locked out of both the rental market and home ownership, and increasing numbers are driven into homelessness.

Shortages in affordable housing are the result of economic policies that privilege homeowners and investors through tax concessions, at the cost of investing in affordable housing [1].

While it is widely held that we are experiencing a shortage in housing stock, a recent study from the Australian National University found there are enough homes in Australia to house the population. The shortage that exists is in affordable homes [2].

A recent snapshot of properties available for rent showed that of 67,000 homes, only 1% were affordable for pensioners, people on Government benefits, and single people earning the minimum wage [3]. The situation is dire and leaves households to make a choice between paying rent and having enough for other essentials such as food, clothing, electricity and other utilities [4]. The problem has become so serious that middle income households also increasingly struggle to meet the costs of their housing. This is reflected by the increase in people accessing emergency relief (such as food vouchers) from Uniting and other sector partners.



**Rental stress (defined as a household paying more than 30% of its income to a landlord) has increased by 25% in the past two years in Victoria (Reynders, 2018). [5]**



## There are presently 35,000 households on the waitlist for public housing in Victoria.

Tens of thousands of additional people are eligible for social housing, but do not apply because the wait time is excessive [6]. Depending on a person's circumstances, the wait can vary significantly, however, Uniting staff report that even with high priority, a person may still wait several years.

According to the OECD (2018), societies seeking to have enough affordable housing should aim to have 20-30% of housing stock as social housing. Currently in Victoria, 3.52% of the current housing stock is public housing, whereas in the Netherlands it is 32% (Community Housing Federation of Victoria, 2017) [6]. In order to keep up with current population growth and maintain 3.5% of stock as social housing, Victoria must build 1,800 dwellings per year, or 30,800 by 2036.

To meet actual demand that reflects the increasing number of people experiencing housing stress, Victoria would need to build an additional 6,000 dwellings per year [7].

Victoria faces an enormous challenge to meet the need for affordable housing. The present Government has made strong commitments towards housing through family violence programs, the Rough Sleeping Initiative and the Private Rental Assistance Program, and in 2017, announced its "Homes for Victorians" policy. While this was a welcome announcement that hinted towards a strong investment in housing, the 2018-19 State Budget did not reflect this commitment.

**Uniting is calling on the Victorian Government to commit to building 30,000 new social housing properties over the next 10 years.**

# Key points:

**39%**

of tenants are experiencing rental stress (**over 1 million Victorians**). [9]



**Housing prices** have increased by **80%** over the past 15 years



**82,500**

people are on the Victorian public housing waitlist, including 25,000 children. The waitlist is increasing by 500 people a month [10]. A significant shortage of affordable homes in the rental market has placed additional demand on the waitlist.

On any given night, **24,000 Victorians** are homeless [10], with one in 56 Victorians accessing homelessness services in 2016-17 (over 100,000 people). This is significantly higher than the national rate of one in 84 [11].

Homelessness has increased by



**14%**

in the past 5 years, while rough sleeping has increased by 20% [8], outpacing population growth.

## Homelessness in Victoria

**In 2016-17, more than 100,000 people accessed specialist homelessness support services.**

**There was a 72% increase in the number of people who presented due to 'rough sleeping'.**

**On any given night, 1100 people are 'rough sleeping' in Victoria [12].**

The true number of people experiencing homelessness is difficult to quantify, but current estimates suggest that about 24,000 Victorians are homeless on any given night (including people who are couch surfing, sleeping in cars, or staying in overcrowded, inappropriate or insecure accommodation) [10] while 100,000 people will experience homelessness over the course of a year [11]. Other significant factors are family breakdowns and major life events such as losing a job or the death of a loved one.

There is a strong argument that homelessness is underestimated by current ABS measures [13] and hence policy discussions should be informed by multiple measures.

More needs to be done to assist people experiencing these issues. Targeted programs to assist people experiencing homelessness and prevent people becoming homeless have been shown to work [8].

Other countries such as France, Finland and Canada are on track to end homelessness. However, the problem in Australia is spiralling out of control.

There is a strong economic argument for governments to invest in affordable housing and programs to end homelessness – the cost of housing people is less than the economic burden created by homelessness [14].

**Homelessness is a result of a lack of affordable housing. But some life experiences also make people more vulnerable, such as:**



**Family violence [6]**



**Mental illness and substance use problems [15]**



**Previous incarceration [6]**



**Growing up in state care [16]**



**Low government payments to the unemployed [17]**

# Policy recommendations.

## Federal Government

1. The federal Government must commit to adequately funding the National Housing and Homelessness Strategy.
2. Taxation policy that benefits property investors at the expense of renters and first homebuyers must be reviewed urgently.
3. Reinstatement of the National Rental Affordability Scheme or a similar program to address the shortage of affordable rental housing.

## Victorian Government

1. Tenancy laws must be amended to adjust the balance of power between renters and owners, increasing security of tenure and preventing 'rental bidding' on properties.
2. Develop a plan to deliver 30,000 new social housing properties over the next 10 years.
3. Replace stamp duty with land taxes.
4. In addition to the rough sleeping initiative, increase investment in programs that address the causes of homelessness and provide interventions for the less-visible homeless population (those staying with friends/relatives, sleeping in cars etc).
5. Address blockages in releasing government land for housing development.
6. Mandate that 5% of properties in developments larger than 30 units are designated as social housing.

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[vt.uniting.org](https://vt.uniting.org)

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## About Uniting

For over 100 years we've delivered community services across Victoria and Tasmania.

We build capacity and confidence in children, young people and families, people with disability, older people and people newly arrived in Australia. We work with people at risk of or experiencing financial crisis, homelessness, mental illness and problems with alcohol and other drugs by empowering them with the support they need to succeed.

As an organisation, we celebrate our diversity and welcome all people regardless of ethnicity, faith, age, disability, culture, language, gender identity or sexual orientation. We acknowledge Aboriginal and Torres Strait Islanders as Australia's First Peoples and as the traditional owners and custodians of the land on which we work. We welcome lesbian, gay, trans, gender diverse and intersex (LGBTIQ) people at our services. We pledge to provide inclusive and non-discriminatory services.

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The logo for Uniting, featuring the word "Uniting" in a bold, purple, sans-serif font. The letter "i" has a dot above it. A thick purple horizontal line is positioned below the text.