

Yarra Ranges Housing Action Group

Submission to Senate Economics References Committee Inquiry into Affordable Housing 17 March 2014

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YARRA RANGES HOUSING ACTION GROUP

To positively influence the provision of affordable housing in the local area, through raising awareness and advocating/lobbying to all levels of government and community

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Senate Economics References Committee Inquiry into Affordable Housing

Introduction

The Yarra Ranges Housing Action Group welcomes the opportunity to contribute to the Inquiry into Affordable Housing. As a group, we have concerns about housing affordability and its impact on low income and benefit recipient singles and families in the Yarra Ranges.

Yarra Ranges Housing Action Group was established as a result of a forum in Lilydale in October 2012 run by Anglicare for Anti-Poverty week. It consists of housing and support agencies, and individuals, who have an interest and passion for housing issues and the associated risks for the population in the Yarra Ranges.

Applicable Terms of Reference

b. the impacts, including social implications, of public and social housing policies on housing affordability and the role of all levels of government in providing public and social housing;

YRHAG Concern

The Yarra Ranges Health and Wellbeing Profile, Indicators of Health and Wellbeing in the Yarra Ranges (Yarra Ranges Council, 2010) details a percentage of affordable rental housing as half that available in Victoria, while stating in the report there is a lack of affordable housing, particularly for families on benefits.

Percentage of Rental Housing that is Affordable:

Yarra Range(s)	Eastern Metropolitan Region	Metropolitan Melbourne	Victoria
10.25%	(Not available)	10.20%	20.40%

Source: Yarra Ranges Council. (2010). *Yarra Ranges Health & Wellbeing Profile, Indicators of health and wellbeing in Yarra Ranges, 2010 – 2013*.

Nearly one in every 200 Australians was experiencing homelessness on Census night 2011. On census night, 56% of people experiencing homelessness was female and 44% were male. Males outnumbered females in most categories of homelessness, except for supported accommodation which was predominately occupied by women.

There has been a 20% increase in homelessness in Victoria over the last five years. In Victoria, there was a large increase in homelessness amongst children and people aged 12-24. There was also a significant increase in rough sleeping in Victoria.

The number of people in the improvised dwellings, tents and sleepers out category increased by 39% in Victoria between 2006 and 2011, increasing from 786 people to 1,092. There was also a sharp rise in the number of people in severely overcrowded dwellings in Victoria. In 2006, 3,345 people were in this category. By 2011, this had increased to 6,041 people, up by just over 44%.

The number of people in boarding houses increased by just over 25% from 3,050 in 2006 to 4,397 in 2011 (ABS, 2011).

It should be noted that many homeless people would not have been counted on census night as the data could not be collected. Only those identified as homeless and in a shelter would have had their personal information counted in the census data.

The Housing Affordability Inquiry must consider incomes versus rent and rental availability, particularly for low income people. House values continue to rise, while there is also a rise in the inequality of incomes and increased levels of poverty amongst people who in the past would not have fallen into this cohort.

There has been a shift in suburban affordability which has meant that people who may in the past have been able to afford to purchase a house are now forced into the rental market and will never be able to buy, thus putting increased stress on the availability of affordable houses to rent. This results in a high degree of housing stress, with many households paying up to 69% of their income in rent.

Housing affordability is a major factor in people being unable to secure and maintain private rental accommodation. Private rental accommodation, albeit limited, is far too expensive for people on a low or pension income.

In response, governments at all levels need to concentrate on policies which increase the actual supply of houses to the lower end of the market. It needs to be noted that the shortage of secure, stable and affordable housing is reaching crisis levels in this community.

Without increased funding that will actually provide appropriate housing this situation will continue with the result that more people will be living on the streets. Homelessness is isolating and leaves people vulnerable to long-term unemployment and chronic ill-health. It makes it difficult for people to maintain social supports, education and employment. Indigenous people are more likely to experience homelessness than any other group in Australia.

In 2011, a typical \$66,000 per annum household could afford to pay \$380 per week in rent, which made most houses and apartments affordable.

For those on the lowest incomes; pensioners, employed people earning less than \$50k, (now the “working poor”) and those on benefits, these rental rates are not affordable, falling short by \$50 to \$75 per week. Currently many households are foregoing fresh food in order to pay for rent, power bills and transport.

Even if a household is earning \$55,000 per annum, they cannot afford to rent a 3 bedroom house. In 2011, 5.5% of rental households were in rental stress, which is 408 household (Census). Current anecdotal evidence from agencies working with families and individuals in need would point to an increase in this figure, with many more people presenting for help and in housing stress.

Rent and disposal income* by household type, Melbourne (September quarter, 2011)						
Household type	Income Source	Accommodation	Median Rent	Income*	% spent on rent	Disposable income
			\$	\$	%	\$
Single person	Austudy	2 BR flat (shared)	175	254	69	79
Single person (21+)	Newstart	2 BR flat (shared)	175	303	58	128
Single person	Aged Pension	1 BR flat	300	414	69	134
Single parent (1 child)	Parenting	2 Br flat	350	525	67	175
Couple (2 children)	AWE**	3 BR house	340	1,309	26	969

* Income includes Commonwealth rent assistance, family tax benefits and pharmaceutical allowances.

Amounts are rounded to the nearest dollar.

** Average Weekly earnings.

Source: Adapted from Tenants Union of Victoria (2011, p.3).

Public housing waiting lists are now so long that a person or family on a low income now joining the waiting list not have any hope of accessing public housing in the foreseeable future. The availability of Public Housing through the Office of Housing is extremely limited and has stagnated due to insufficient funding over recent years.

More families, older people, singles and people with disabilities are becoming homeless. Some do manage to secure crisis or transitional housing, but as there is not a pathway to long term, affordable and secure housing, they remain in a crisis situation which in turn causes more stress and fewer crisis accommodation options.

Family violence is the single largest cause of homelessness in Australia. Homelessness is also caused by poverty, unemployment, family breakdown, mental illness, shortage of affordable housing, sexual assault, addiction, financial difficulty, gambling and social isolation.

84% of people presenting as homeless or at risk of homelessness have experienced some kind of trauma. The longer they remain in insecure housing, the greater the impact of the trauma on their mental health and wellbeing. Rapid re-housing, early intervention and prevention are solutions to address this.

Homelessness is growing in the Yarra Ranges area of Melbourne. Many families are becoming homeless due to the high cost of private rental, and/or family violence, ageing, illness and disability.

Agencies such as Anchor Inc and Anglicare are now seeing people who have never previously asked for assistance but now find that they can no longer manage. Anchor Inc reports that a 2013 data analysis project indicated the main reasons for people seeking support from the agency were around

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budgeting issues and insufficient income/rental affordability. Reductions in the Centrelink Parenting Payment, and increases to the cost of living, including prohibitive electricity costs have pushed these families to the brink of destitution.

The impact of housing affordability effects people from the micro to the macro level:

-Micro – individuals (as mentioned), community (more likely to become isolated within the community, or ostracised from it)

-Macro- more likely to have some involvement with government agencies, such as Corrections, Juvenile Justice, Centrelink, Department of Human Services etc.

Yarra Ranges Local Facts

- Soaring house prices has meant many Melbournians are struggling to afford a roof over their heads.
- According to the Office fo Housing, rents climbed by 5% in Melbourne last year with the median rent for a three-bedroom house increasing by 43.5 % over the last five years.
- Incomes (particularly lower incomes) have not kept pace with this rise.
- The average price of a house in Healesville in 2000 was \$118,300 and by 2010 it was \$355,000 - a 200% increase.
- In Yarra Glen in 2000 the average price was \$128,400, and by 2010 it was \$350,000 – 173% increase.
- Traditionally more affordable areas like Yarra Junction and Millgrove also experienced steep house price increases. A house in Yarra Junction cost \$128,000 on average in 2000 and increased to \$350,000 in 2010.
- In 2000, a house in Millgrove cost \$82,000 and in 2010 had risen to \$231,000.
- Average house prices in Mooroolbark increased from \$155,000 to \$440,000 and in Chirnside Park from \$185,000 to \$450,000 in the same periods.
- To accommodate increased mortgage repayments, rental prices have climbed accordingly.
- For people employed in lower paid industries such as childcare, retail, hospitality and other minimum wage earners, Melbourne's rental market is not an option.
- Many better paid workers including teachers and nurses are also paying more than 30% of their income to their landlord. For the unemployed, the situation is considerably worse

Solutions

There needs to be recognition – at all levels of governmental, that an increasing proportion of the community will never be able to purchase a house. This situation is exacerbated by the increasing loss of employment for a significant number of people particularly in the manufacturing sector which is at the lower end of the housing market. It is advantageous to note that the provision of housing works in a manner than rent assist does not.

Front line crisis workers have found that Centrelink payments are totally inadequate, particularly New Start payments, and the system is difficult to navigate and inflexible.

This group strongly urges Federal and State Governments, regardless of their philosophical or political leanings, to work together, without the influence of party politics. This group would hope that a National Housing Plan be developed to address this worsening crisis in our nation.

Priority be given to immediately funding the provision of a range of housing to be added to the Office of Housing stock.

A review of current Office of Housing management strategies be undertaken to ensure that all existing housing stock is maintained and utilised with the maximum efficiency and minimum loss of capacity.

Appendix 1

Case studies from general Intake workers (supplied by Anglicare and Anchor Inc).

Aprils Story

April is a single mother (5 year boy), currently pregnant with her second child. She has recently been abandoned by her partner, who left her with all the financial responsibilities of their rental property. She is spending 67% of her income on rent. April had been accessing food parcels from community services agencies. While it had provided necessary food for her and her child, the overall nutrition content, with a lack of fresh fruit and meat, has caused her health to decline. April recently suffered a fainting spell while in the shower, resulting in severe lacerations, restricting her ability to care for her child, and breaking the shower screen, which she cannot afford to get replaced. She has an upcoming inspection to the property and is concerned that she will be made homeless due to the damage to the property. She has also come to the notice of DHS Child Protection services due to the decline in her usually high standard of parenting, due to her injury.

Sue's Story

Sue is a para-professional legal secretary for a small firm. She is renting a small two bedroom unit for \$440 per fortnight. She has recently lost her job and has been unable to find another one. Her income on Centrelink is \$254 per fortnight. She has been relying on her small savings to make up the shortfall, and also has taken on a boarding tenant in her spare room, however she is still struggling to be able to pay electricity bills and purchase basic grocery items.

Phil's Story

Phil is a tradesman – carpenter and plastering, who was subcontracting privately. His main employer had closed down and the current market is locally depressed. He is struggling to find regular work, and finding that people are very slow in paying their outstanding accounts. He has sacrificed his rental property, as he was unable to maintain the payments. He is able to sleep in his work vehicle when required. But his girlfriend and her child are staying with a friend of theirs. The friend has a private rental, however as the arrangement is not through a real estate agent, there is no tenancy agreement and the landlord has told the friend they are not to have anyone else staying at the house. The girlfriend and the child need to be very quiet and not use any of the housing utilities in case they are discovered. They are camping in one room with only a microwave and kettle for preparing meals. Phil is not yet approved for Centrelink.

Jane's Story

Jane is a newly arrived Cambodian immigrant, who is 8 months pregnant. She is single, as the father of the child abandoned her. She was working and worked until as late in the pregnancy as she could. She is unable to go on Centrelink payments until the birth of the baby. Centrelink would also not approve a hardship payment for the interim period as her regular Centrelink payments haven't started yet. Jane has medical bills, no savings and she is currently in 6 weeks rental arrears. She has been advised that she needs to provide the rental arrears or she will be evicted. Jane has no other family in Australia and very few support structures.

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Appendix 2

Yarra Ranges Housing Action Group Members

Name	Organisation
Amy Dowsett	EACH
Chris Riseley	Yarra Ranges Council
David Breen	Discovery Church
Jan Petrie	Anglicare
Kate Coleman	Jim Fuller Community House Group
Lisa Stockheim	Anchor Inc
Neal Taylor	Holy Fools
Prue Licht	Retired Social Worker
Sarah Grose	Eastern Melbourne Medicare Local
Tony Inglese	St. Vincent De Paul
Virginia Shillito	EACH

Submission Liaison Representative:

Chair Person: Kate Coleman

Secretariat: Lisa Stockheim

Appendix 3

References

- Australian Bureau of Statistics, 2011, Census of Population and Housing Estimating Homelessness (cat. no. 2049.0), viewed 07 March, 2014,
[http://www.ausstats.abs.gov.au/Ausstats/subscriber.nsf/0/EB59F237159F7102CA257AB100170B61/\\$File/20490_2011.pdf](http://www.ausstats.abs.gov.au/Ausstats/subscriber.nsf/0/EB59F237159F7102CA257AB100170B61/$File/20490_2011.pdf)
- Tenants Union of Victoria (TUV) (2011) *Private rental affordability bulletin: capital cities* (September Quarter).
- Yarra Ranges Council. (2010). *Yarra Ranges Health & Wellbeing Profile, Indicators of health and wellbeing in Yarra Ranges, 2010 – 2013*.