



Victorian Parliamentary Inquiry into the rental and housing affordability crisis in Victoria 2023

Submission to the Legal and Social Issues Committee

Gippsland Homelessness Network

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Introduction

The Gippsland Homelessness Network (GHN) commends the Victorian Government for undertaking a Parliamentary Inquiry into the Rental and Housing Affordability Crisis in Victoria and welcomes the opportunity to submit to the inquiry.

The GHN is one of nine Homelessness Networks in Victoria and has two Local Area Service Networks (LASN's). Inner Gippsland LASN consists of the Local Government Areas of Latrobe, Baw Baw, South Gippsland and Bass Coast Shires and Outer Gippsland LASN consists of the Local Government Areas of Wellington and East Gippsland.

The GHN has a membership of 12 Department of Families Fairness and Housing (DFFH) funded Specialist Homelessness Services (SHS's) that provide crisis, transitional, long term, family violence, youth support and accommodation. The Network's aim is to end homelessness and work together to deliver a co-ordinated homelessness response to the community of Gippsland. Our belief is that housing is a basic human right. We work collaboratively to achieve an integrated service system that provides support and assistance to people experiencing or at risk of Homelessness so that they can access and maintain secure, safe, affordable, appropriate housing in our region.

We run and participate in campaigns such as *Everybody's Home* and *Houses at Parliament* and facilitate linkages with allied service sectors and share professional development opportunities.

Membership of the Gippsland Homelessness Network

Inner Gippsland LASN	Outer Gippsland LASN
Community Housing Limited	Community Housing Limited
Latrobe Community Health Service	Gippsland and East Gippsland Aboriginal Co-operative
Quantum Support Services	Gippsland Lakes Complete Health
Salvation Army	Mallacoota District Health and Support Services
Salvation Army Housing	Orbost Regional Health
Victorian Aboriginal Child Care Agency	Quantum Support Services
	Uniting (Gippsland)
	Yarram District Health Service
Advisory members	Advisory members
Children's Resource Co-ordinator	Children's Resource Co-ordinator
Department of Health and Human Services representatives	Department of Health and Human Services representatives
Family Violence – Principal Strategic Advisor	Family Violence – Principal Strategic Advisor
Gippsland Homelessness Networker	Gippsland Homelessness Network Co-ordinator
Orange Door – Service Navigator	Orange Door Service Navigator

About Gippsland

Gippsland covers 41,556 square kilometers and extends from Philip Island in the South West and to the New South Wales Border in the Far East of Victoria. It has a longitudinal population distribution totalling 298,123 (ABS 2021), representing 4.6 per cent of Victoria's population. The most populated Local Government Area (LGA) is Latrobe City making up 26% of Gippsland's population. Aboriginal people account for 2% of the population of Gippsland.

The Gippsland area includes the traditional lands of the Gunaikurnia; and Bunurong people.



Gippsland is best known for its primary production such as mining, power generation, farming, and its tourist destinations.

Over recent years Gippsland has experienced hard times through drought, the devastating 2019-2020 bushfires, the COVID pandemic and job loss through the closure and impending closure of all coal fired power stations in Latrobe Valley and the recent government announcement that native timber harvesting in Victoria will cease by the end of 2024.

Overall Gippsland's population is ageing faster than the rest of Victoria, retirees are seeking sea and tree changes in our Region and our young people are leaving Gippsland to attend university and pursue education and employment opportunities.

What does Housing availability and affordability look like in Gippsland?

Homelessness Census Data

According to the 2021 Census, 1,738 people were homeless in Gippsland on census night. Of these people 387 or 22% were employed and 168 people or 9.6% were indigenous.

There are 24,654 renters in Gippsland with 7,405 or 30% experiencing rental stress.

38,164 properties are owned with a mortgage with 4,172 or 11% experiencing mortgage stress.

Unmet need by Local Government Area

The University of New South Wales City Futures Research Centre¹ *Quantifying Australia's Unmet Housing Need Research*² shows the estimated number of households that were not living in appropriate housing on census night in 2021. These households were either experiencing homelessness, including severely overcrowded homes, or spending over 30% of their income on rent.

LGA	Unmet Housing Need estimated	As a proportion of all Households
Bass Coast	1,300	7.2%
Baw Baw	1,200	5.2%
East Gippsland	1,200	5.7%
Latrobe	2,100	6.5%
South Gippsland	600	4.7%
Wellington	1,100	5.7%
Gippsland	7,500	5.8%

¹ [Housing Need Dashboard | City Futures Research Centre \(unsw.edu.au\)](https://www.unsw.edu.au/city-futures-research-centre/housing-need-dashboard)

² [Social and affordable housing: needs, costs and subsidy gaps by region | City Futures Research Centre \(unsw.edu.au\)](https://www.unsw.edu.au/city-futures-research-centre/social-and-affordable-housing-needs-costs-and-subsidy-gaps-by-region)

Housing Availability and Affordability

- Social Housing³

In March, 2022 there were 2,268 households on Priority Access for Gippsland on the Victorian Housing Register (Public & Community Housing waitlist). These people are deemed most needy and

- Are homeless and receiving support –
- Are escaping or have escaped family violence
- Have a disability or significant support needs
- Need to move for health reasons

A further 1,677 eligible Gippsland household have applied and are listed on the Register of Interest for social housing. Those with Priority Access households are housed before Register of Interest.

- Private Rental

The demand for private rental is greater than the supply and there is fierce competition for private rentals.

Gippsland has a lack of supply of affordable, accessible housing for people on low incomes. Public and Community Housing availability is limited and priority is given to families and victim survivors of Family Violence.

Housing has become less affordable over the last decade due to incomes **not** keeping pace with increases in rental.⁴ This unaffordability drives people into homelessness and prevents people in social housing from moving into private rental.⁵

Melbourne's growth and the migration of those from Melbourne who can work from home due to the COVID pandemic has placed considerable pressure on housing in Gippsland. Anecdotal information from Homelessness services reveals that there can be 50 -100 applicants for any one property and to secure rentals potential renters are offering 3, 6 months and more rent in advance: seeking long leases and offering rent in excess of the listed rent. People on low incomes cannot compete. This squeezes the local housing supply driving up house prices and the cost of private rental making it unaffordable for people on low incomes, particularly young people and those on Newstart.

The Department of Families Fairness and Housing (DFFH) produce the *Rental Report*⁶. It gauges private rental affordability, median rentals, vacancy rates etc., in the March, 2023 quarter there were only 3 one bedroom private rental properties that were affordable in Gippsland for singles in receipt of Centrelink income. This was compared with the same report from December 2019 that the Gippsland Homelessness Network included in its submission to the Victorian Parliamentary Inquiry into Homelessness in March 2020. There has been an overall decrease of 59.5% of affordable

³ Victorian Housing Register and transfer list, March, 2022

⁴ Australian Housing and Urban Research Institute (AHURI) Inquiry into funding and delivery of programs to reduce homelessness (April 2017), <doi:10.18408/ahuri-8209001>

⁵ ibid

⁶ DFFH Rental Report March, 2023 <https://www.dffh.vic.gov.au/publications/rental-report>

Gippsland Lettings for households in receipt of Centrelink Incomes from December, 2019 – March, 2023.

DFFH Private Rental Report, March, 2023 – Affordable Gippsland Lettings for households on Centrelink incomes compared to the same DFFH report of December, 2019

LGA	Dec, 2019 1 br	Mar, 2023 1 br	Dec, 2019 2br	Mar, 2023 2 br	Dec, 2019 3br	Mar, 2023 3 br	Dec, 2019 4br	Mar, 2023 4 br	Dec, 2019 LGA Total	Mar, 2023 LGA Total
Bass Coast	0	0	9	1	44	8	26	6	79	15
Baw Baw	0	0	18	0	64	9	38	11	120	20
Latrobe	34	1	106	56	192	133	37	29	369	219
South Gippsland	0	1	18	3	33	19	15	3	66	26
Inner Gipps Total	34	2	151	60	333	169	116	49	634	280
East Gippsland	2	0	38	8	66	18	33	14	139	40
Wellington	2	1	58	13	83	29	27	18	170	61
Outer Gipps Total	4	1	96	21	149	47	60	32	309	101
Gippsland Total	38	3	247	81	482	216	176	81	943	381

- Rental Vacancy Rate

According to the Real Estate Institute of Victoria, the Rental Vacancy rate in Regional Victoria in May 2023 was 2.3% with the weekly median rental of \$450.⁷

- The Bond Scheme

To be eligible for the Bond Loan Scheme⁸ the weekly rental should be no more than 55% of income. The take up of the bond loan scheme is driven by the availability of affordable rentals and the clients' capacity to pay rent. Only a very few recipients of government pensions, benefits or allowances could afford to pay the Regional median rental of \$450 per week. Hence, **in 2020-21 demand for assistance decreased by 28.4 per cent** during 2020-21.

Bond loans issued

Description	2019-20	2020-21
Number of Bonds Issued	9,256	6,630

- Income Support

Income supports such as Newstart, Youth Allowance and Commonwealth Rental Assistance are not sufficient to access and sustain secure, appropriate private rental options. The majority of

Anglicare's Rental Affordability Index, 2023⁹ Rental Affordability Comparison 2021 -2022 - Regional Victoria reveals that there are zero affordable and appropriate private rentals for Single two children (one aged less than 5 and one aged less than 10) households on a Parenting Payment, Single one

⁷ Real Estate Institute of Victoria – Rental Rates <https://reiv.com.au/property-data/residential-rental>

⁸ Housing Assistance Additional Service Delivery Data 2020–21

⁹ Anglicare's Rental Affordability Index, 2023 p8

child (aged over 8) households on Jobseeker, Singles on Jobseeker and Singles over 18 on Youth Allowance and Singles in a share house on Youth Allowance.

Rental Affordability, 2021-2022 comparison, Regional Victoria

Household Type	Payment Type	% Affordable & Appropriate 2021	% Affordable & Appropriate 2022
Couple, two children (one aged less than 5, one aged less than 10)	Jobseeker Payment (both adults)	1.5%	0.5%
Single, two children (one aged less than 5, one aged less than 10)	Parenting Payment Single	0.3%	0.0%
Couple, no children	Age Pension	8.2%	3.0%
Single, one child (aged less than 5)	Parenting Payment Single	0.6%	0.3%
Single, one child (aged over 8)	Jobseeker Payment	0.1%	0.0%
Single	Age Pension	1.7%	1.7%
Single aged over 21	Disability Support Pension	1.7%	0.2%
Single	Jobseeker Payment	0.0%	0.0%
Single aged over 18	Youth Allowance	0.0%	0.0%
Single in share house	Youth Allowance	0.0%	0.0%
Couple, two children (one aged less than 5, one aged less than 10)	Minimum Wage + FTB A (both adults)	51.0%	46.5%
Single, two children (one aged less than 5, one aged less than 10)	Minimum Wage + FTB A & B	7.2%	3.7%
Single	Minimum Wage	3.3%	3.2%
Couple, two children (one aged less than 5, one aged less than 10)	Minimum Wage + Parenting payment (partnered) + FTB A & B	20.8%	15.5%
Total No of Properties		1,422	1,423

Young people are most disadvantaged and simply cannot compete on the private rental market without being pushed into rental stress due to the pitiful rate of the Youth Allowance and Jobseeker.

‘Housing Stress’ is experienced if a household is paying more than 30% of its income in housing costs. As higher income households can spend a higher proportion of their income on housing without experiencing problems, they are often excluded from these types of analyses. Consequently, a ratio of 30/40 is often used as a benchmark—that is, if households that fall in the bottom 40% by

income spend more than 30% of their income on housing, they are defined as being in housing stress¹⁰ Housing stress refers to both rental and mortgage stress.

- **Unoccupied dwellings**

Census 2021 identified that on Census night Gippsland has 29, 081 unoccupied dwellings. An average of **19.76 % of total dwellings** across the region. Of East Gippsland's total dwellings **18.8%** are unoccupied, Bass Coast **39.4% unoccupied**, South Gippsland **25.7%** unoccupied, Wellington **21%** unoccupied, Baw Baw 8.2% unoccupied, Latrobe 8.8% unoccupied. These dwellings are primarily holiday rental and located in coastal areas.

- **Bushfire Houses**

There are still houses that were destroyed in the 2019-20 bushfires that have not yet been rebuilt. The majority of these owners of destroyed properties live in rentals that could be made available to those without a home.

Solutions to availability and affordability issues facing Victorian renters

Victoria needs a minimum build of 6,000 social housing dwellings per year for at least 10 years to bring it up to the national average of social housing¹¹

7,500 dwellings are needed to meet need in Gippsland. With particular focus on medium density (1-2 bedroom) housing stock to meet the demand for singles and couples.

An Advance to Zero¹² Pilot for Gippsland

Advance to Zero is a groundbreaking national initiative of the Australian Alliance to End Homelessness (AAEH) that supports local collaborative efforts to end rough sleeping homelessness - one community at a time. Using a range of proven approaches from around the world communities are supported not just to address or even reduce homelessness but to end it. Communities around the world are ending homelessness, we recognise that this is possible and it starts with a shared goal, shared data, and a shared commitment.

A minimum of 60 Youth Foyer- like accommodation beds for Gippsland

To support young people who are experiencing homelessness and want to participate in education, training and employment Gippsland needs Youth Foyer-like accommodation. **Gippsland has only 16 refuge beds for young people across the region** with stays of 6 weeks. From there if you're lucky its Transitional Housing or shared private rental which Anglicare's Rental Affordability Index, 2023 clearly states is unaffordable for those on a Youth Allowance. Young people experiencing

¹⁰ Housing Affordability in Australia – Dr Matthew Thomas and Alicia Hall

https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/Briefing_Book45p/HousingAffordability

¹¹ [Social housing as infrastructure: an investment pathway | AHURI](#)

¹² <https://www.ahuri.edu.au/research/brief/what-does-functional-zero-mean-relation-homelessness>

homelessness have limited options, the Youth Allowance is barely enough to survive on and if you're leaving care the housing outcomes are dismal. *The Keep Caring Report* (December 2020)¹³ by the Commission for Children and Young People highlights that **30% of young people become homelessness within 3 years of leaving care in Victoria.**

Large Development contracts to include the building of accommodation for their workers rather than taking up local rentals

Developments such as the recent Federal announcement of a wind farm in Bass Strait build worker accommodation of a quality fit for social housing post the completion of the development.

Melbourne Commonwealth Games 2026 - events in Gippsland.

Commonwealth Games events will be held in Gippsland in 2026. 1,000 athletes and officials will be accommodated in an Athletes Village in Morwell and it is hoped that the accommodation will be built to a quality standard that will convert to social and affordable housing as a legacy post the Commonwealth Games.

On the down side Homelessness and Family Violence services utilise motels for Emergency/Crisis accommodation and it is anticipated that motels will be booked out by spectators leaving no emergency/crisis options in Morwell/Traralgon.

Legislate Inclusionary Zoning

Legislate Inclusionary Zoning for scaled up percentage (starting at 5-10%) of social housing in new housing developments

Unoccupied dwellings – Victoria to consider similar legislation to NSW

Census 2021 identified that Gippsland has 29, 081 unoccupied dwellings. An average of 19.76 % of total dwellings across the region. Of East Gippsland's total dwellings 18.8% are unoccupied, Bass Coast 39.4% unoccupied, South Gippsland 25.7% unoccupied, Wellington 21% unoccupied, Baw Baw 8.2% unoccupied, Latrobe 8.8% unoccupied. These dwellings are primarily holiday rental and located in coastal areas.

NSW has legislated that Short Term Rental properties can only be let for a maximum of 180 days per year¹⁴. Victoria should consider similar legislation.

¹³ Keep Caring Report <https://ccyp.vic.gov.au/assets/Uploads/CCYP-Keep-caring.pdf>

¹⁴ <https://www.planning.nsw.gov.au/Policy-and-Legislation/Under-review-and-new-Policy-and-Legislation/Short-term-rental-accommodation>