



28 July 2015

Ms Jane Garrett MP
Minister for Consumer Affairs, Gaming and Liquor Regulation
Consumer Affairs Victoria
GPO BOX 123
Melbourne VIC 3001
Email: yoursay@fairersaferhousing.vic.gov.au

Ask for: Natalie Walker
Phone: 9932 1096
Our Ref: A2177296

Dear Minister,

Residential Tenancies Act Review – Consultation Paper

Hobsons Bay City Council welcomes the opportunity to contribute to the review of the *Residential Tenancies Act 1997*.

Access to appropriate, affordable and secure housing is a key priority for Council and our community. Over the past ten years Hobsons Bay has seen dramatic increases in housing prices, both rental and purchase. This has resulted in many vulnerable residents being faced with housing stress and or forced to move to the outer metropolitan fringe areas.

Council's responses to the consultation paper are provided in the attached document. Should you wish to discuss this submission further, please contact Natalie Walker, Director Strategic Development on 9932 1096 or email nwalker@hobsonsbay.vic.gov.au.

Yours sincerely,

Chris Eddy
Chief Executive Officer

Hobsons Bay City Council's response to the Residential Tenancies Act Review – Consultation Paper

Hobsons Bay City Council strongly supports the Victorian Government's review of the *Residential Tenancies Act 1997* and welcomes the opportunity to make comment.

The City of Hobsons Bay is located in Melbourne's west, between five and 20 kilometres from the Melbourne Central Business District, and has an estimated population of 91,150. Over the past decade or so the lack of affordable housing in our municipality has become increasingly apparent. Increasing housing prices (both rental and purchase pricing) has forced many growing families, older people, and people on low incomes to either move out of Hobsons Bay to the outer fringe or resulted in more households having to rent, who in the past would have had the income to purchase a home.

With the demand in rental properties comes the increase in rental prices. Those that are most greatly impacted by this are low to moderate income households and as a result a high proportion of low income households are now facing housing stress (as defined on page 30 of the consultation paper).

Data from the 2011 Census highlighted that 22.1 per cent of low income rental households in Hobsons Bay were in housing stress, with that figure rising to 28.2 per cent in Laverton which is also the most disadvantaged area within our municipality. Furthermore, the data showed that the most severely affected households are single parent families, particularly those with young children (38.7%).

The Department of Human Services rental reports reinforce the lack of affordable rental housing for low income households. In 2014, 16 per cent or approximately 50 properties in Hobsons Bay were assessed as affordable for this group. This compares to a decade ago, where the percentage was 40 per cent, more than double the current figure, and equating to more than 200 properties.

While Council has no data on the length of time households are renting, we are aware that the percentage of our residents who rent is increasing. In 2006, 24.9 per cent of households were renting and this had increased by just over two per cent by 2011. All of that increase was accounted for by private rentals.

Anecdotally, Council is aware that certain groups are experiencing greater difficulty in finding housing to rent including young people, older single women and sole parents. A White Paper released by the Australian Government in 2014 included an issues paper on housing which identified groups that are vulnerable in the current housing market, particularly the rental market. It confirmed and expanded on these 'risk groups' and included older people, Aboriginal and Torres Strait Islanders, young people and people with a disability, together with those affected by mental illness and domestic violence.

The private rental market is fraught, but particularly for those on low incomes. Unlike Europe, Australia has a rental culture based on short term leases and therefore tenants have no certainty beyond what is often a 12 month lease which can become a 60 day notice to vacate under certain conditions. As a result, tenants may find themselves in a constant churn whereby they are regularly searching for new housing and potentially grappling with increased rental prices. This

issue is compounded for those on low incomes where their choice options are next to none or at best substandard.

While there are obvious tensions for landlords, if the current arrangements were to change to include options for longer term leases, the benefits are considerable. Affordable, secure and appropriate housing greatly influences health and wellbeing for individuals, families and the community. On a longer lease arrangement a tenant's housing would become a home from which to establish links to the community and services, creating and contributing to the community network. In addition they would not have to contend with the constant flux of moving, finding an appropriate and affordable house, and establishing new connections.

In relation to affordable housing stock, Council currently has an Affordable Housing Policy Statement (Improved Housing Choices for Low Income Families). The aim of this policy statement is to support Council when working with developers to increase the supply of affordable housing across the municipality. Unfortunately due to the lack of state legislation regarding the implementation of affordable housing, Council is limited in what it is able to achieve. If the affordable housing stock could be increased, this will increase the options available for vulnerable low income individuals and families.

Currently Council is facing the loss of two caravan parks; one (Half Moon Caravan Park) is earmarked for closure in January 2016 and the other (Hobsons Bay Caravan Park) is subject to a rezoning application which could potentially result in the closure of the park for residential development.

Council is concerned about the wellbeing of caravan park residents, particularly in terms of the stability of their tenure. The re-housing of these residents is a major concern and the long waiting list for public housing and the high cost of private rental properties in our municipality mean they are very vulnerable in terms of finding secure, affordable housing. Their vulnerability is further compounded by the lack of government investment to increase the stock of social (public and community) housing. The development of legislation regarding the implementation of affordable housing as well as a commitment from the state to invest in affordable housing would be a positive move towards supporting vulnerable communities, especially given that the closure of caravan parks in the metropolitan region is imminent.

Council looks forward to the outcomes of this review and working with the state to support the delivery of appropriate, affordable and secure housing for all.