



Access to Public Housing



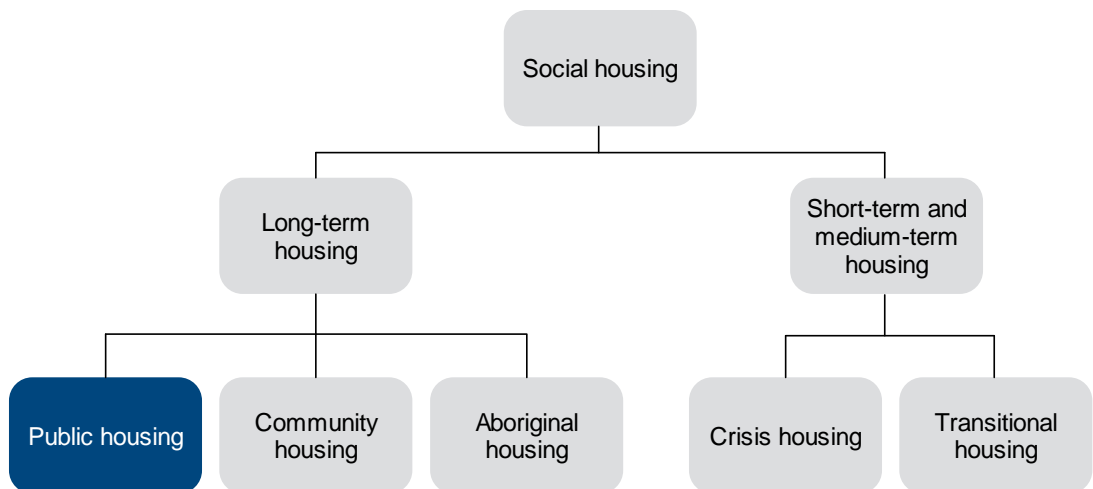
1 Background

1.1 Introduction

Safe, secure housing is essential for good health, employment, education and community wellbeing. Without access to affordable housing, some people face homelessness or struggle to meet utility, food and other basic living costs.

Victoria is experiencing a shortage of available affordable housing as population growth exceeds housing supply, intensifying demand and increasing costs in the private rental market. In turn, this has driven demand for government-supported housing. Figure 1A illustrates the range of social housing programs, which includes public and community housing.

Figure 1A
State government supported housing options



Source: Victorian Auditor-General's Office.

This audit focuses on public housing. Public housing is government owned or leased, and managed. It provides affordable rental accommodation, at less than market rates, with rent no more than 25 per cent of the tenant's income. It also offers secure tenure. In contrast, community housing is partly funded by the government and managed by not-for-profit organisations. These rents are determined as a percentage of market rates and may be more than 25 per cent of the tenant's income.

Community housing was the focus of the 2010 VAGO performance audit *Access to Social Housing*. Crisis housing and homelessness responses will be the focus of a future VAGO performance audit currently planned for 2012–13.

1.2 Public housing in Victoria

Public housing is the main source of social housing in Victoria. At June 2011, there were 82 927 social housing dwellings in Victoria, 65 352 (78.8 per cent) of which were public housing, owned and managed by the Department of Human Services (DHS). Figure 1B shows the total number of public housing dwellings by type at 30 June 2011.

Figure 1B
Department of Human Services owned and managed public housing
by dwelling type and region

Separate house	Semi-detached house	Medium density	Flat, low-rise	Flat, high-rise	Movable unit	Other	Total	Per cent of total
Barwon South West								
2 718	147	1 115	1 039	0	92	4	5 115	7.8
Gippsland								
1 859	143	831	726	0	75	6	3 640	5.6
Grampians								
1 635	110	446	800	0	69	1	3 061	4.7
Hume								
2 422	215	696	791	0	169	24	4 317	6.6
Loddon Mallee								
2 286	189	1 049	1 073	0	105	16	4 718	7.2
Eastern Metro								
1 963	335	2 286	1 182	0	263	13	6 042	9.2
North West Metro								
5 864	1 696	5 346	5 719	5 625	518	37	24 805	38.0
Southern Metro								
3 926	544	3 542	3 671	1 542	411	18	13 654	20.9
Total								
22 673	3 379	15 311	15 001	7 167	1 702	119	65 352	100

Source: Victorian Auditor-General's Office using Department of Human Services data.

Legislative framework

The *Housing Act 1983* (the Act) establishes the role and responsibilities of the Director of Housing, the largest landlord in Victoria, and a role currently filled by the Executive Director of the Housing and Community Building Division (the division) of DHS. The first objective of the Act is to ensure that every person in Victoria has adequate and appropriate housing at a price within his or her means. Other objectives include:

- the provision of well-maintained public housing of suitable quality and location
- the promotion of cost-effectiveness in the provision of housing
- the integration of public and private housing
- the promotion of security and variety of tenure
- the participation of tenants and other community groups in the management of public housing.

The Act gives powers to the Director of Housing to purchase, develop, lease and sell property.

Public housing policy

Previous governments released two policies relevant to public housing. In 2003, the *Strategy for growth in housing for low income Victorians* aimed to increase the provision of affordable housing options through partnerships with community housing associations. In 2010, the *Integrated housing strategy* was, among other things, designed to provide better public housing through an asset regeneration plan for inner-city public housing estates, and the construction of 800 new public housing units. The government is developing a housing framework due for release in 2012.

Funding for public housing

Funding for the division in 2011–12 is \$401.9 million, with \$168.8 million for social housing activity. This funding covers community and public housing and comes from three sources:

- state and Commonwealth funds under the *National Affordable Housing Agreement* and supporting agreements such as *Social Housing* and *Nation Building* partnership agreements
- additional state funds
- internally generated funds from owning and operating rental properties, such as rental income and proceeds from asset sales.

DHS central office allocates funds to the regional offices as described in each financial year's *Housing Policy and Funding Plan*.

1.3 Role of the Department of Human Services

Within DHS, the division is responsible for public housing, including the management of applications, allocations, asset management and procurement, and tenancy management. The role of the division is to:

- provide more and better affordable rental housing
- upgrade and improve public and social housing to be environmentally sustainable and better integrated with the whole community
- support those most in need with more training and employment opportunities, provide crisis accommodation and tackle the causes of homelessness in Victoria.

Asset management

Maintaining, improving and growing public housing assets is an essential function of the division. Good asset management means applying plans that deliver public housing over the lives of these assets in a way that is cost-effective.