

Wyndham Legal Service Inc., Footscray Community Legal Centre Inc., Brimbank  
Melton Community Legal Centre and Western Suburbs Legal Service Inc.

## **Submission to the Senate Economics References Committee Inquiry into Affordable Housing (March 2014)**

### **Wyndham Legal Service, Footscray Community Legal Centre, Brimbank Melton Community Legal Centre and Western Suburbs Legal Service**

The Wyndham Legal Service Inc. (**WLS**), Footscray Community Legal Centre Inc. (**FCLC**), Brimbank/Melton Community Legal Centre (**BMCLC**) and Western Suburbs Legal Service (**WSLS**) are Victorian community-based non-for-profit legal services (for the purpose of this submission alone, the centres are collectively referred to as “The Western Community Legal Centres”). The Western Community Legal Centres advocate for equitable justice by providing free legal and financial counselling services, community education, law reform and advocacy to the people of the Cities of Maribyrnong, Hobsons Bay, Brimbank, Melton and Wyndham and the western suburbs of Melbourne. The Western Community Legal Centres have extensive experience in delivering a range of legal services with a particular focus on tenancy, consumer, debt recovery and bankruptcy, insurance, family violence and other areas of law.

The FCLC runs The Tenancy and Advice and Advocacy Program (**TAAP**) that is funded by Consumer Affairs Victoria. The objective of TAAP is to provide effective support to vulnerable and disadvantaged tenants through the provision of information, advice and representation at the Victorian Civil and Administrative Tribunal (**VCAT**) in agreed catchment areas across the western suburbs of Melbourne.<sup>1</sup> As part of the TAAP, FCLC run a weekly duty lawyer service at the Werribee and Sunshine VCAT. The WLS runs The Mortgage Stress Legal Service, based in Werribee. The service provides free legal advice and representation to people experiencing financial hardship and have received a notice of repossession or mortgage default from their financial institution. The BMCLC and WSLS provide tenancy advice in their generalist clinics. The BMCLC is currently seeking funding to develop an effective project to address mortgage stress across the catchments.

This submission has been developed from the data and experiences of the casework of the Western Community Legal Centres. Some of their recent work has been documented in the following publications:

- *Outer Sight Out Of Justice: Finding pathways to justice for Melbourne’s outer-metropolitan areas* (February 2014, Wyndham Legal Service);

---

<sup>1</sup> TAAP advocates do not assist tenants in public or social housing

- *Home Sweet Home - Act for the house not the tenant* (2014, Footscray Community Legal Centre);
- *Justice Out West – Legal needs of our Brimbank and Melton communities* (2013, Brimbank Melton Community Legal Centre); and
- *Making it Home: refugee Housing in Melbourne’s West* (March 2012, Footscray Community Legal Centre).

The Western Community Legal Centres assist a broad cross section of home owners and marginalized tenants who reside in private rental, community and public housing. Our client base includes people facing multiple sources of disadvantage such as homelessness, mental illness, disability, financial hardship and language barriers or other diversity. The most recent Commonwealth Government review of the community legal sector noted that 58% of Community Legal Centre (CLC) clients receive some form of income support, 82% earn less than \$26,000 per annum and almost 9% have some form of disability.

### **Summary of concerns**

The Western Community Legal Centres agree that there are a range of legal, economic, social and infrastructure concerns for the western suburbs of Melbourne. We have developed submissions on the following points:

1. Population growth
2. Housing shortage and rising costs (affordable housing options)
3. Family violence and homelessness
4. Emergency housing and crisis accommodation for women and children
5. Evictions
6. Mortgage stress
7. Minimum standard of housing

### **Key recommendations**

1. The Federal and State governments must commit to increasing the supply of affordable housing in the western suburbs of Melbourne in response to the housing shortage.
2. The Federal and State governments must commit to increasing the supply of public housing in the western suburbs of Melbourne in response to the housing shortage.
3. The Federal and State governments must commit to providing a greater amount of housing diversity within identified and agreed growth areas in Wyndham and Melton. For example, incorporating a wide range of sizes and forms of housing, from small, single apartments to bigger town houses and detached houses.
4. An emergency accommodation facility must be established in the western suburbs of Melbourne.
5. A women’s refuge must be established in the City of Wyndham.

6. A youth refuge must be established in the City of Wyndham.
7. Centrelink payments must be increased to cover the increasing cost of accommodation, utilities and food.
8. The State Government must legislate for an independent body such as an ombudsman or Consumer Affairs Victoria to have special powers under the RTA to act for the house and pursue landlord for costs.
9. Federal government should fund mortgage stress clinics made up of CLCs and financial counsellors to assist residents suffering mortgage stress.
10. Financial institutions should set up a working party with CLCs and financial counsellors to explore the development of early intervention strategies to identify and assist residents suffering mortgage stress.
11. The State Government must legislate Victorian housing standards, for all Victorian rental properties.
12. The creation of an independent body that would act as a regulator and enforcement agent of the proposed Victorian Housing Standards. This could be a tenancy ombudsman or an agreement between the department of Consumer Affairs Victoria and/or local government councils.
13. The Federal and State governments should introduce energy bill subsidies for tenants living in properties that fail required energy efficiency ratings specified in the proposed Victorian Housing Standards.
14. The State Government should develop a program encouraging landlords to lease to tenants with low socio-economic backgrounds.

The Western Community Legal Centres have read the submission of the Wyndham Humanitarian Network and support their recommendations.

## Submissions

### 1. Population growth

As Melbourne's population increased by approximately 605,000 people over the past decade, it has created a significant demand for new housing and placing new growth pressures especially in outer metropolitan areas such as the Cities of Wyndham and Melton. As a result, the state government has made successive changes to the city's urban growth boundary.

The City of Wyndham is one of the six designated Victorian Interface Council growth areas, experiencing the largest and fastest growth in Victoria. The most recent Australian Bureau of Statistics (**ABS**) census data measured the city's population growth for the period 2011 to 2012 at 7.64% (12,739 people) making

Wyndham the fastest growing municipality in Victoria.<sup>2</sup> Further, the population grew by a staggering 45% (55,660 people) over the period of 2007 and 2012.<sup>3</sup> High population growth rates are estimated to continue into the immediate future, with the residential population of Wyndham estimated to exceed 245,000 people by 2021.<sup>4</sup>

Similarly, between 2006 and 2011 the population of Melton grew by 30,349 residents, a growth rate of 38.46%.<sup>5</sup> High population growth in Melton is expected to continue, with the residential population expected to reach 168,500 by 2021 (growth rate of 49.1%).

The trend of new growth areas (i.e. Wyndham and Melton) to do the ‘heavy lifting’ in terms of facilitating population growth is expected to continue to 2026.<sup>6</sup> These areas are anticipated to accommodate at least 60% of the city’s population growth over the coming 15 years.<sup>7</sup>

As Melbourne’s west experiences unprecedented population growth, there is a major challenge to ensure that residents, especially those living in the new growth areas are able to access secure, appropriate, affordable and adaptable accommodation.

## 2. Housing shortages and rising costs (affordable housing options)

*I drove past Yarra Community Housing in Footscray today and there were 17 people lined up outside their doors waiting for them to open. A few were women with prams. It was really sad as they were there nearly an hour before opening and looked stressed.*

Housing lawyer, FLC (5/3/14)

True housing affordability and diversity are key issues for the communities in Melbourne’s west. The burst in population growth in Wyndham and Melton compounds this exponentially as there is clear evidence that Melbourne’s outer west is more affordable than other areas of Melbourne. However, while rental affordability has improved in some parts of the western suburbs of Melbourne,

<sup>2</sup> ABS website, available at [www.abs.gov.au](http://www.abs.gov.au) (accessed 6 March 2014)

<sup>3</sup> Ibid

<sup>4</sup> Wyndham City Council website, available at [www.wyndham.vic.gov.au](http://www.wyndham.vic.gov.au) (accessed 6 March 2014)

<sup>5</sup> ABS website, available at [www.abs.gov.au](http://www.abs.gov.au) (accessed 6 March 2014)

<sup>6</sup> One Melbourne or Two? Implications of Population Growth for Infrastructure and Services in Interface Areas (2013), Essential Economics Pty Ltd, p5

<sup>7</sup> Ibid

housing stress (both rental and mortgage stress) is higher in Maribyrnong, Wyndham, Brimbank and Melton than across Victoria generally.<sup>8</sup>

The rental situation has significantly worsened in the past four years and is currently regarded as being as bad as those conditions experienced in the immediate post-war period.<sup>9</sup> Record low vacancy rates and skyrocketing rents mean that housing is becoming less accessible, particularly for members of the community who may face multiple barriers, for example single mothers, families, elderly, Indigenous Australians, asylum seekers and people from Culturally and Linguistically Diverse (**CALD**) backgrounds.

The following issues are of even greater concern to us:

- The current chronic housing shortages and rising costs may become the norm, leaving vulnerable and disadvantaged most at risk. This will not change with demand and supply and correlated cost of inflation in the market.
- Most people living on pensions or welfare payments are generally priced out of the private rental market.
- The growth in overcrowding in Melbourne's west has been significant. According to ABS data, the growth in overcrowding in Wyndham increased by more than 400%, particularly impacting on some refugee groups.
- Research indicates that unless there is a comprehensive response by government to significantly increase the supply of affordable housing the situation will not change.<sup>10</sup>
- Members of Australia's Indigenous communities are highly disadvantaged in the rental housing market. According to the 2011 ABS data, across Australia, 59% of Aboriginal people rent and 11% own their own home.<sup>11</sup> For non-Indigenous households, approximately 60% own their own home and 30% rent.<sup>12</sup>
- Aboriginal tenants and clients from CALD backgrounds commonly experience high levels of discrimination when looking for

---

<sup>8</sup> Victorian Department of Health 2012, Regional Health Status Profiles 2012, available at <http://docs.health.vic.gov.au/docs/doc/2012-Regional-Health-Status-Profile-Excel-data-sheet> (accessed 25 November 2013)

<sup>9</sup> Tenants Union of Victoria (prepared by Wallis Consulting Group), Access to Private Rental Market: Industry Practices and Perceptions (2009)

<sup>10</sup> Ibid

<sup>11</sup> Australian Bureau of Statistics, 2011 Census Population and Housing, Aboriginal and Torres Strait Islander Indigenous Profile, <http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/2076.0main+features502011> (accessed 24 February 2014)

<sup>12</sup> Ibid

accommodation. It is well known that Aboriginal tenants have difficulty accessing rental properties in the first place.<sup>13</sup>

- The present shortage of options also has implications for the pressures on the services which are supporting and assisting tenants to find and maintain affordable housing.

In relation to public housing in Melbourne’s west, there is a significant undersupply. Wyndham families are waiting anywhere between two and ten years for a public housing property. Figures released by the state government show that in September 2013 there were 1,122 people on the waiting list for the Footscray housing office, which looks after Wyndham. The Footscray housing office has estimated that in the most extreme cases of the “recurring homelessness category” people in Maribyrnong may get into public housing within a year. However, this is dependent on family size. As there are very few, if any, 4-5 bedroom properties available in the western suburbs of Melbourne, larger size families (i.e. 6 or more people) could be waiting forever. In order to avoid overcrowding, larger size families will not be squeezed into a small house. There is an urgent need for public houses to be built with more bedrooms for larger size families. This is also the case for single bedroom houses.

**Recommendation 1** – The Federal and State governments must commit to increasing the supply of affordable housing in the western suburbs of Melbourne in response to the housing shortage.

**Recommendation 2** – The federal and State governments must commit to increasing the supply of public housing in the western suburbs of Melbourne.

**Recommendation 3** – The Federal and State governments must commit to providing a greater amount of housing diversity within identified and agreed growth areas such as incorporating a wide range of sizes and forms of housing, from small, single apartments to bigger town houses and detached houses.

### 3. Family violence and homelessness

Family violence remains one of Melbourne’s west’s major health and safety issues. While everyone experiences homelessness differently, one of the leading

---

<sup>13</sup> Tenants Union of Victoria (prepared by Wallis Consulting Group), Access to Private Rental Market: Industry Practices and Perceptions (2009), p2  
[http://www.tuv.org.au/articles/files/housing\\_statistics/Research\\_Report\\_Access\\_to\\_the\\_private\\_rental\\_market.pdf](http://www.tuv.org.au/articles/files/housing_statistics/Research_Report_Access_to_the_private_rental_market.pdf)

drivers is family violence. There is an overrepresentation of women and children accessing homelessness services in the western region as a result of family violence. According to the principal welfare organization in Wyndham, UnitingCare Werribee Support and Housing, 77% of clients accessing their service were single person(s) with child(ren).

According to Victoria Police reports in 2012/2013, Wyndham recorded a 32% increase in family violence incident reports with police receiving 2,009 reports per 100,000, up from 1,523 in 2011/2012.<sup>14</sup> From those 2,009 incident reports, 726 charges were laid. In 2012/2013, family violence incidents in Melton and Brimbank were also substantially higher, recording 1,217 and 1,004 family violence incidents per 100,000 populations respectively.<sup>15</sup> The number of intervention order applications made by Victoria Police for family violence incidents is nearly twice as frequent in Brimbank (being 30.4% of incidents) than for the whole of Victoria (being 17.2%). In 2012/2013, Hobsons Bay recorded a 32.05% increase in family violence incidents from 2011/2012.<sup>16</sup>

It is important to note that recent ABS data also recorded Brimbank as having the fourth largest homeless population in Victoria (being .6% of the community).<sup>17</sup>

As a result of the high rates of family violence, there is an urgent need to consider how to respond to women and children in the western suburbs of Melbourne who are at risk of or experiencing homelessness.

#### 4. Emergency housing and crisis accommodation for women and children

##### Mary's story

*Mary and her three children aged twelve, nine and seven are experiencing homelessness due to ongoing family violence. They have nowhere to stay and require crisis accommodation. She doesn't have a car and the children usually walk to school as the property they were living in was in close proximity to the local primary school. Mary was sent with her three children to the nearest crisis facility, a motel in St Kilda. As a result the children have struggled to get to school and have disengaged from their education. Furthermore, the school*

<sup>14</sup> See [www.police.vic.gov.au/content.asp?a=internetBridgingPage&Media\\_ID=72311](http://www.police.vic.gov.au/content.asp?a=internetBridgingPage&Media_ID=72311) (accessed 6 march 2014)

<sup>15</sup> Ibid

<sup>16</sup> Ibid

<sup>17</sup> See <http://abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/2049.02011?OpenDocument> (accessed 7 March 2014)



*notified child protection because they suspect that there are issues in the family.*

### **Jane's story**

*Jane is 17 years old and lives at home with her mother and father in Wyndham. She is currently completing her year 12 studies at a public school in Wyndham. Jane's father has been physically and emotionally violent towards Jane and her mother for several years. Jane spends most of her spare time couch surfing at friend's houses and at the Werribee plaza. Jane's mother has no present intention to leave her marriage. Jane does not want to live at home with her abusive father however there is no youth refuge in Wyndham for her to escape the violence. Jane has no capacity for private rental as she is still going to school. She has been told that the nearest crisis facility is in Footscray or Sunshine. Jane has chosen to stay at home as she is concerned that she will not be able to complete year 12 and be socially and physically isolated from her support networks.*

At present, there is no emergency accommodation facility (i.e. shelter or hostel) in the cities of Maribyrnong, Hobsons Bay, Brimbank, Melton and Wyndham. There is also a serious lack of crisis accommodation options across the western suburbs of Melbourne. The closest emergency accommodation facility available to the western suburbs of Melbourne is the Crisis Citigate Motel in St Kilda and several other shelters and hostels in the City of Melbourne. Many single adults and families living in the west can also be sent to the Palms Hotel in Footscray and other motels or caravan parks in Brimbank, however, this is not an emergency accommodation facility.

In relation to women's and youth refuges, they are generally confidential and move around therefore their whereabouts are unknown. Housing workers across the west are aware of a couple of women's refuges in Footscray and Brimbank. There are no women's refuges in Wyndham. In relation to youth refuges, there are only two in the western suburbs of Melbourne; one in Footscray and one in Sunshine. Generally speaking, a youth can access an overnight bed however a bed for a longer period of time, such as six weeks, becomes available only every five to six weeks. There is no youth refuge in Wyndham.

There are also limited crisis properties in the western suburbs of Melbourne, offering 3 month tenures. However, due to limited exit options, people have had to stay up to 12 months in these properties.



In regards to transitional housing, there are limited transitional properties in the western suburbs of Melbourne, which are not meeting the needs of the community. Transitional housing is a medium term housing option, however these tenancies can last up to five to 10 years and difficult to access due to a shortage of sustainable exit options. The Department of Human Services rent houses and rooming houses that can be used as transitional housing around the Maribyrnong, Hobsons Bay and Wyndham areas. The rooming houses are generally only for single males. Families will have been placed in the houses.

Currently, the majority of people experiencing homelessness in Melbourne's west, especially Wyndham and Melton, are required to be relocated to private (often unregistered) rooming houses, caravan parks and motels outside of their locality. This further adds to their distress as they are often separated from their family, friends and other support networks.

*Recommendation 4* – An emergency accommodation facility must be established in the western suburbs of Melbourne.

*Recommendation 5* – A women's refuge must be established in the City of Wyndham.

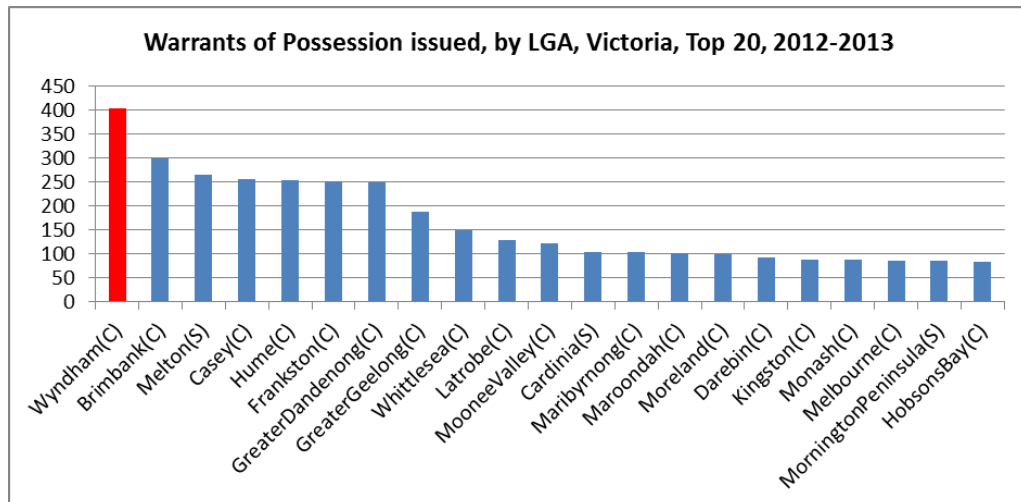
*Recommendation 6* – A youth refuge must be established in the City of Wyndham.

## 5. Evictions

### Jack's story

*Jack rents a property Melbourne's west that did not have a working oven and stove for many months. He had called and asked the real estate agent several times for repairs to be undertaken and then received a 'no reason' Notice to Vacate. The FCLC assisted Jack to challenge the Notice to Vacate and seek compensation. VCAT found that the Notice to Vacate was invalid because it was given in retaliation to his request for maintenance and repairs and awarded Jack \$1,750 in compensation.*

Housing and tenancy issues are of primary concern to the western region especially for Wyndham residents. Although Wyndham is considered to have affordable housing options and some of Melbourne's lowest rents, according to VCAT data, Victoria Police are executing eviction warrants on approximately 22 rental properties every month in Wyndham. Wyndham has the highest number of warrants of possession executed out of all local government areas in Victoria.



Source: H3 Wyndham, Analysis of VCAT Warrants of Possession Data, February 2014

According to VCAT data, the number of eviction warrants executed in Wyndham has increased 40% from 2011, to more than 263 evictions during the financial year 2012-2013. The eviction crisis is particularly affecting families renting in newer housing estates in suburbs including Tarneit, where an eviction notice is executed every week. Renters are being evicted once a fortnight in Point Cook and Truganina. Further, there has been a 300% increase in the number of warrants of possession issued over the last three financial years.

Rental stress and evictions are also very high in Brimbank and Melton. A household living under rental stress is defined as a household in the lowest 40% of incomes that pays more than 30% of that income on rent (Philips, Chi & Harding, 2006). In Brimbank, 30.5% of renting households are under rental stress in comparison to 24.9% in Greater Melbourne. In Melton, 29.5% of renting households live under rental stress.

Some of the reasons behind this problem include unemployment, family breakdown and changes to Centrelink payments. In fact, the Lalor federal electorate (western region) showed one of the highest number of families on single-parent payments in Australia before the recent change that moved them to a Newstart Allowance once the youngest child turned eight. This meant their income dropped, in some cases, from \$980 to \$850 a fortnight. UnitingCare Werribee Support and Housing has stated that families stripped of up to \$180 per fortnight were often unable to meet their needs and rental arrears payments were not as high a priority as food and utilities.

This is not a financial budgeting issue; it is inadequate income to cover basic costs such as accommodation, utilities and food. In some cases, people are

paying on average 65% of their income on private rent and in some cases, up to 80%.

It is important to note that in a climate where the vacancy rate is low, tenants are often reluctant to exercise their rights under the *Residential Tenancies Act 1997 (RTA)* or to seek help. For example, tenants may not request repairs to be done or take landlords to VCAT over unfair rental increases for fear of facing evictions. Whatever the reasons behind tenants' decisions not to pursue their legal rights, it is clear that the Residential Tenancies List at VCAT is almost entirely used by landlords against tenants with 95% of matters on the list being landlord initiated.<sup>18</sup> 80% of all landlord initiated matters are undefended. In addition, the FCLC TAAP solicitors have reported that the main issue the duty lawyer service at the Sunshine and Werribee VCAT faces is the high rate of non-attendance. The majority of the tenants who attend VCAT seek assistance from the service; however, the actual numbers attending is low.

**Recommendation 7** – Centrelink payments must be increased to cover the increasing cost of accommodation, utilities and food.

**Recommendation 8** – The State government must legislate for an independent body such as an ombudsman or Consumer Affairs Victoria to have special powers under the RTA to act for the house and pursue landlord for costs.

## 6. Mortgage stress

### **George's story**

*George was a widow who had recently developed mental health issues. These mental health issues were greatly impacting his life and he was no longer able to work. At the time George approached the legal service he was about \$1,800 behind in his mortgage repayments. George had a large amount of equity in his property and the outstanding mortgage stood at \$125,000. The repayments on the Client's loan were \$800 per month but he received only \$400 per fortnight from Centrelink. George had not applied for a hardship agreement with his bank nor had he notified them of his current situation. The bank had issued a Notice of Default and Demand for the outstanding arrears. A month later a Writ was filed. The bank demanded for*

<sup>18</sup> Justice Kevin Bell, One VCAT: President's Review of VCAT (30 November 2009) VCAT, 25, <http://www.vcat.vic.gov.au/resources/document/transforming-vcat-one-vcat-presidents-review-vcat-november-2009> (accessed 6 March 2014)

*the loan to be repaid in full or they would continue proceeding to force George to sell.*

*The WLS referred the matter to the Financial Services Ombudsman (FOS) for review. FOS referred matter to conciliation where the client succeeded with an excellent outcome. It was negotiated so that George could stay in his property and pay only \$200 per month in interest only repayments.*

There are a number of credit and debt issues experienced by western suburb residents however mortgage stress is by far one of the most significant problems in Wyndham and Melton. Mortgage stress is defined as spending 30% or more of household income on mortgage repayments or repaying debts. With over 50% of tenures in Wyndham and Melton local government areas owned with a mortgage<sup>19</sup>, the high cost of living has caused many residents to fall into financial hardship. ABS 2011 Census data shows 18% of households in Melton and 15.4% of households in Wyndham are making payments that would categorise them as being in mortgage stress.<sup>20</sup> This is compared to 10.1% in Victoria and 9.9% in the whole of Australia. Moreover, according to 2013 Fitch Ratings, Melbourne suburbs that are home to the highest share of borrowers falling more than 30 days behind on repayments include the western suburbs of Wyndham Vale, Melton South, Caroline Springs, St Albans, Kings Park and Kealba.<sup>21</sup>

Some of the reasons behind this problem include unscrupulous lenders, interest rate increases, unemployment, family breakdown, death of a spouse, illness or injury. The possibility of losing ones home has also put extreme pressure on relationships and has the potential to have disastrous effects on the wider community including homelessness, bankruptcy, health issues and family violence.

Even where residents' circumstances change for the better, such as the resumption of employment, it does not necessarily mean freedom from financial hardship. Often, when residents have experienced financial hardship and substantial debt accumulations, they find that unless they can raise a large sum of money, they invariably are attempting to catch up while expenses and interest compounds and increases.

---

<sup>19</sup> ABS 2011 Census data shows Point Cook 61.6%, Wyndham Vale at 57.8%, Tarneit at 58.2% and Truganina at 57.5% owned house with a mortgage.

<sup>20</sup> Philips, Chi & Harding (2006) define rental and mortgage stress as a household in the lowest 40% of incomes that pays more than 30% of their income on rent or mortgage. Using this measure 18.4% of households in Brimbank are in mortgage stress (compared to 11.5% in Greater Melbourne) and 14.5% in melton. payments.

<sup>21</sup> Toscano N., 'Low rates fail to stem home repossessions' (7 October 2013) , The Age, Fairfax Media, available at [www.theage.com.au/victoria/low-rates-fail-to-stem-home-repossessions-20131006-2v2bx.html](http://www.theage.com.au/victoria/low-rates-fail-to-stem-home-repossessions-20131006-2v2bx.html) (accessed 30 October 2013)

We have identified that many people who are suffering mortgage stress do not seek assistance from a lawyer or financial counsellor. This can be a significant disadvantage to people who are already struggling. The WLS undertook a survey to determine the percentage of clients suffering from mortgage stress and what assistance they sought to manage their problems. It was found that approximately 50% of those surveyed suffered from mortgage repayment difficulties and 60% of those ignored their problem.<sup>22</sup>

We recognise that to make a significant difference, we need to explore a model that will enable local residents to bring mortgage repayment defaults to CLCs and financial counsellors at an early stage. Early intervention, at a minimum, means we need to engage people before a judgment is ordered by the courts. As a matter of law, the options available to assist people with mortgage stress is significantly limited after a judgment is made.

**Recommendation 9** – Federal government should fund mortgage stress clinics made up of CLCs and financial counsellors to assist residents suffering mortgage stress.

**Recommendation 10** – Financial institutions should set up a working party with CLCs and financial counsellors to explore the development of an early intervention strategy to identify and assist residents suffering mortgage stress.

## 7. Minimum standard of housing

### **Maria's story**

*Maria was a widowed refugee who lived in Sunshine with her 4 young children. The 3 bedroom house Maria lived in was in need of serious maintenance and repair. Although the house had major mould and ventilation issues, Maria was most concerned about the broken locks and doors that prevented her from being able to secure the house at night. Maria had asked the landlord to fix the locks and doors 5 times and in response had been served with a Notice to Vacate 5 times. Each time she had been served a notice she had negotiated with the landlord to stay in the property. Maria was terrified of her landlord.*

<sup>22</sup> These figures derived from a survey conducted from July to October 2012 on new clients of WLS seeking assistance.

*Maria approached a tenancy lawyer with the help of her community leader. The community leader informed the tenancy lawyer that Maria's house was way below an acceptable standard and it had been suggested by the family doctor that the breathing difficulties the children suffered were probably related to the poor living conditions. The community leader further noted that the landlord was a bully and knew that Maria would not exercise her rights.*

*With Maria's consent the tenancy lawyer served an official repairs request form on the landlord. Two days later Maria received her 6th Notice to Vacate. Maria was too scared to attend VCAT and elected to move out of the property. Maria found some short term accommodation for her and her children in a room of a community member's house. This did not work for long however and Maria and her children entered the homelessness system.*

There is an ongoing problem of tenants not exercising their rights at tribunals across Victoria. Reasons behind tenant's inaction is varied but research published in the Home Sweet Home report (referred to above) suggests that tenants are afraid of exercising their rights because they are in fear of eviction, rent increases and inevitably, homelessness. Another consequence for tenants living in substandard rental properties is that they are often paying exorbitant energy bills because of broken windows, ceilings, floors and lack of insulation. This adds to the unaffordability of the rental accommodation once coupled with other living expenses plus rent.

The following recommendations outlined in the report aim to improve the housing standard in rental properties across Victoria by requiring the landlord take responsibility for their asset. The below recommendations also remove the burden of enforcing property standards from the tenants and inevitably, ease the burden on the public housing system because tenants will be more willing to stay in their private rental properties long term.

**Recommendation 11** – The State Government must legislate Victorian housing standards, for all Victorian rental properties.

**Recommendation 12** – Creation of an independent body that would act as a regulator and enforcement agent of the proposed Victorian Housing Standards. This could be a tenancy ombudsman or an agreement between the department of Consumer Affairs Victoria and/or local councils.

*Recommendation 13* – The Federal and State governments should introduce energy bill subsidies for tenants living in properties that fail required energy efficiency ratings specified in the proposed Victorian Housing Standards.

*Recommendation 14* – The State Government should develop a program encouraging landlords to lease to tenants with low socio-economic backgrounds.

## **Conclusion**

The Western Community Legal Centres are confident that the above recommendations would help address homelessness and facilitate affordable home-ownership and affordable private rental in the western suburbs of Melbourne. We would be pleased to discuss these issues in greater depth or provide further detail upon request.

Sincerely,

**Shorna Moore**

**Solicitor**

On behalf of Wyndham Legal Service Inc.

Footscray Community Legal Centre Inc.

Brimbank Melton Community Legal Centre

Western Suburbs Legal Service Inc.