

Rent stress \$200 million needed to fix shortfall

Severe shortage of public housing

Josh Gordon
State Political Editor

Housing shortages for low-income families have become so severe that an extra \$200 million a year will be needed as an investment to keep pace with demand.

A report by a group of seven community organisations found that the equivalent of the population of Bendigo is under stress, with one in seven families unable to meet housing costs. It said social housing made up only 3.4 per cent of homes in Victoria – by far the lowest rate in Australia and one of the lowest in the Western world.

The group – which includes the Community Housing Federation of Victoria, the Victorian Council of Social Service and the Council to Homeless Person – said about 15 per cent of households struggled to pay rent. Only 2 per cent of Melbourne rental homes are affordable for working single-parent families, and none are affordable for a single person on the minimum wage or income support.

The report, *Making Social Housing Work*, said a \$200 million annual investment was needed to fund an

extra 800 low-cost housing units a year, warning that Victoria has a shortage of about 80,000 social housing units. It said almost 34,000 Victorians were on the waiting list for public housing.

The state government is resisting demands to sell off valuable inner-city public housing assets, arguing proximity to the city, job opportunities and services is important for vulnerable residents.

Demand for social housing is expected to leap by 38 per cent in Melbourne in the next decade, far outstripping private rental demand.

All the statistics point to a crisis.

Lesley Dredge, Community Housing Federation

The Napthine government late last week promised to upgrade 9500 public housing properties throughout Victoria as part of a \$1.3 billion investment over five years. But the plan was criticised because it included no funding for new homes to meet booming demand.

Community Housing Federation

of Victoria chief executive Lesley Dredge said Victoria was continuing to slip behind after years of underfunding, a lack of political will, rising costs and strong population growth.

“We need to make some harder choices about where we invest money,” Ms Dredge said. “We think this problem is incredibly serious – all the statistics point to a crisis.”

A spokeswoman for Housing Minister Wendy Lovell said the government had inherited a system in crisis, with a 2012 report by the Auditor-General finding 10,000 properties were in danger of being lost due to lack of maintenance.

“The Social Housing Framework is a five-year plan put in place to make social housing more sustainable for the future and is in addition to the public housing work that the Coalition government has already done since coming to government,” she said.

Owen Donald, the former chairman of the recently defunded National Housing Supply Council, said there was no doubt the problem was worsening.

“In Victoria, to get a reasonable level [of social housing], you just about need to double supply.”

