

Submission to Social Housing Regulation Review

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Dear Chair of the Independent Panel

Thank you for the opportunity to provide a submission on the ‘*Social Housing Regulation Review Interim Report*’.¹ CPRC is an independent, non-profit consumer research organisation. Our mission is to improve the lives and welfare of consumers by producing evidence-based research that drives policy and practice change.

General comments on the Interim Report recommendations

CPRC’s core research areas include ‘Markets that work for people’ and ‘Consumer Wellbeing’. These research areas focus on ensuring markets work for people and giving voice to what consumers need and what matters to them. Our response to the Interim Report will focus on how CPRC research can inform the design and implementation of the proposed reforms, which aim to improve outcomes and engagement with tenants, and enhance governance to ensure regulators take a market stewardship approach.

Reframing the regulation of social housing to put tenants at the heart is an important step to ensuring their needs are prioritised and their voices are heard. CPRC welcomes the Panel’s approach to considering tenant outcomes. We know from our research the difficulty and stress when navigating complex systems and markets is compounded for consumers experiencing vulnerability. Our following reports provide a framework on how to ensure tenants are heard and the regulator and housing providers take a market stewardship and wellbeing approach to delivering improved outcomes for tenants:

- *Exploring regulatory approaches to consumer vulnerability*²
- *The experiences of older consumers: towards markets that work for people*³
- *Towards a wellbeing approach to consumer policy in Australia*⁴
- *The Renters Journey*⁵

*Five Preconditions of Effective Consumer Engagement*⁶ As outlined in our Consumer Wellbeing two-part report, we consider applying a wellbeing approach has the following benefits:

¹ Independent Panel, 2021, *Social Housing Regulation Review Interim Report*, prepared for the Victorian Government

² CRPC, 2020, *Exploring regulatory approaches to consumer vulnerability: A CPRC report for the AER* <https://cprc.org.au/exploring-regulatory-approaches-to-consumer-vulnerability/>

³ CPRC, 2020, *The experiences of older consumers: towards markets that work for people* <https://cprc.org.au/the-experiences-of-older-consumers-towards-markets-that-work-for-people/>

⁴ Consumer Policy Research Centre, 2021, *Towards a wellbeing approach to consumer policy in Australia*. Part One and Part two <https://cprc.org.au/towards-a-wellbeing-approach-to-consumer-policy-in-australia/>

⁵ Curry, S., 2019, *The renters journey: A consumer-centred approach to understanding the dynamics of Australia’s private rental market* <https://cprc.org.au/the-renters-journey-forum/>

⁶ Solomon, L. and Martin-Hobbs, B, 2018, *Five Preconditions of Effective Consumer Engagement* <https://cprc.org.au/report-five-preconditions-of-effective-consumer-engagement/>

- More complete picture of people’s life circumstances and the outcomes that matter to them.
- The capacity to make sense of complexity by bringing information from across multiple systems or sectors into one place.
- An ability to identify experiences, areas of need and drivers of vulnerability to target policy interventions accordingly.
- Greater alignment and coordination of policy goals and development across government through a shared analytical framework.
- Opportunities for strong and influential leadership by setting aspirational but achievable goals and priorities.⁷

Designing and collecting data to measure tenant outcomes

Developing a holistic and cross-sectoral approach to measuring tenant outcomes needs to consider a range of indicators that seeks to understand what matters to tenants and directs regulators and providers to how to achieve this. The following is adapted from CPRC’s wellbeing approach to consumer outcomes in essential markets:

- *Fairness and respect*
 - Providers act fairly and, in the tenants’ best interest
 - Support is available for tenants to help recover from payment difficulty and challenging life events
 - Tenants rights are understood, and exercised
 - Regulators hold providers to account
 - Human rights are respected
- *Equity, access and inclusion*
 - Housing and basic services are affordable
 - Access to housing and services is equitable
 - Inclusive service design that benefits everyone
 - Tenants are heard, understood and satisfied when engaging with their landlord/provider
- *Safety and sustainability*
 - Provider’s conduct does not cause tenants physical, mental, economic or environmental harm
 - Safe and sustainable services are available
- *Agency, choice and transparency*
 - Price and housing quality measures are accessible and easy to understand
 - Housing services meet tenants’ needs and preferences

In taking a wellbeing approach, regulators and policy makers will need to consider not just the quality and safety of the individual property but the characteristics and liveability of the surrounding community. This will mean different things for stand-alone properties, as compared to apartments and high rises. Providers might not have full control over the local community, but it is an important measure to consider as part of the development of the tenant charter.⁸ The charter and reporting mechanism should be developed collaboratively with tenants.

⁷ Consumer Policy Research Centre, 2021, *Towards a wellbeing approach to consumer policy in Australia*. Part Two: Applying wellbeing concepts to measure what matters to consumers <https://cprc.org.au/exploring-regulatory-approaches-to-consumer-vulnerability/>

⁸ Lowe M., Whitzam C., Badland H., Davern M., Hes D., Aye L., Butterworth I., Giles-Corti B., 2013, *Liveable, Healthy, Sustainable: What Are the Key Indicators for Melbourne Neighbourhoods?* Place, Health and Liveability Research Program, Research Paper 1

Service delivery standards should:

- consider barriers to access and how information is disclosed
- ensure comparison between landlords/providers is simple
- increase awareness of how to access and act on information contained within the reports.⁹

Surveys and data collection methods need to be written in plain English, comprehension testing should be undertaken and translated into languages that tenants prefer to communicate in. The translation of materials should be co-developed with language communities. Our outreach work on co-designing energy literacy materials with linguistically diverse consumers highlighted how standard translation services may not provide meaningful, comprehensible translations of key terminology. For example, CPRC's co-design workshops with an Arabic speaking Iraqi community discovered there were key limitations around standard translations of key terminology – such as “concession” or “energy plan”, which resulted in translated language that was highly confusing or even meaningless.

In addition, tenants' experiences with the Housing Registrar, regulator and ombudsman should also be reported on, including the administrative complexity of interacting with housing providers and the Housing Registrar. This is important as the administrative burden for tenants navigating the system, both in the period before being allocated a home and during the tenancy, can be a significant contributor to poor tenant outcomes.¹⁰

One way to frame the development of tenant outcomes through service delivery standards is to map outcome measures against the tenant charter, with both the standards and the outcomes being informed by the rental journey.¹¹ This will ensure that all stages of the rental journey are captured, particularly the experience of those applying and entering into social housing.¹²

Seeking to understand tenants' needs shouldn't create additional administrative or time burdens for tenants and, where possible, opportunities to collective data for multiple purposes will help reduce this pressure on tenants. Attempts to understand how to improve tenant outcomes must be followed with actions to address issues identified. Trust will erode if a tenant does not feel there is a genuine commitment from the housing provider to enhance tenant outcomes.¹³

Communicating tenant outcomes

Service delivery standards should be presented in relevant, clear and comprehensible manner – any tools to report back should be accurate, simple and effective. Tenants must be made aware of how to access, assess, and act on information contained in reports. There needs to be investment in supporting and training for tenants, and efforts made to ensure tenants trust the reporting mechanisms. We know it is important to undertake frequent and timely data collection as this facilitates tracking outcomes and adjusting policy measures to

⁹ CPRC, 2020, *The experiences of older consumers: towards markets that work for people* <https://cprc.org.au/the-experiences-of-older-consumers-towards-markets-that-work-for-people/>

¹⁰ Carey, G., Malbon, E. and Blackwell, J., 2021. Administering inequality? The National Disability Insurance Scheme and administrative burdens on individuals. *Australian Journal of Public Administration*, 80,4, 854-872

¹¹ Curry, S. 2019, *The renters journey: A consumer-centred approach to understanding the dynamics of Australia's private rental market* <https://cprc.org.au/the-renters-journey-forum/>

¹² Independent Panel, 2021, *Social Housing Regulation Review Interim Report*, prepared for the Victorian Government

¹³ National Housing Federation, 2020, *Together with Tenants – lessons from the early adopter programme*

ensure they are effective. Consideration should be given to undergoing more frequent data collection and whole of sector reporting than only once every financial year.

An interactive dashboard should be developed to display tenant and service delivery standards outcomes. It should focus on ensuring readability, comprehension, and ease of use for tenants, and designed in a way to be accessible and readable via mobile phones. Approximately 2.5 million Australians are not connected to the internet,¹⁴ and a significant proportion rely on their mobile phone as their primary internet connection (9.6%).¹⁵ In addition, availability of the report in printed form needs to be considered as part of a holistic approach to information accessibility that caters for those with low digital literacy and limited access.

Supporting members of the LGBTQIA+ community

The Interim Report is thorough and considers a range of issues, however it lacks a clear focus on the LGBTQIA+ community and their housing needs. In Victoria members of the LGBTQIA+ community are twice as likely to be or have experienced homelessness at some point.¹⁶ It is important to ensure their experiences with social housing are understood, which requires collecting data in an inclusive and respectful way that also adopts high privacy principles to protect individuals.¹⁷

The National LGBTI Health Alliance and Pride Foundation Australia commissioned a practice guide for the homelessness and housing sectors in Australia to ensure providers' practices and communication are inclusive and culturally safe. This guide outlines key areas that should inform the development of the tenant charter, collection of data to measure tenant outcomes, provider actions, communication materials¹⁸ and interaction between provider staff and tenants.¹⁹

Common regulator

Harmonising regulation across social and community housing is important to ensure tenants receive consistent outcomes regardless of the type of provider they are interacting with. However, it will be important to report outcomes in such a way that they can be disaggregated to provide insights about how the different models deliver tenant outcomes, and then address any issues with the underlying funding/organisational structure.

The Essential Services Commission (ESC) is a strong regulator and regulates energy and water which attracts significant household costs for low-income consumers.²⁰ While there are overlaps between the skills needed, if ESC takes on this additional responsibility, the

¹⁴ Fergus Hunter, "Digital divide: 2.5 million Australians with no internet connection", The Sydney Morning Herald, 27 March 2020 <https://www.smh.com.au/politics/federal/digital-divide-2-5-million-australians-isolated-with-no-internet-connection-20200327-p54egn.html>

¹⁵ Thomas, J., Barraket, J., Parkinson, S., Wilson, C., Holcombe-James, I., Kennedy, J., Mannell, K., Brydon, A. Australian Digital Inclusion Index: 2021. (Melbourne: RMIT, Swinburne University of Technology, and Telstra, 2021), <https://www.digitalinclusionindex.org.au/key-findings-and-next-steps/>

¹⁶ Andres C., Dunt D., 2017, Snapshot: LGBTIQ+ Homelessness in Victoria Current approaches and framework for evaluating future initiatives prepared for the Victorian Government and Department of Premier and Cabinet

¹⁷ Alison Barclay and Dr Melissa Russell of Alison Barclay Consulting, 2017, *A guide to LGBTIQ-inclusive data collection*, The publication was produced by the Canberra LGBTIQ Community Consortium, 2017.

¹⁸ City of Melbourne, Women's Health Victoria and Spry PR & Communications, 2022, *Gender Equality in Advertising & Communications Guidelines for Local Government* <https://shequal.com.au/2022/01/20/shequal-launches-gender-equality-guide-for-local-government-advertising/>

¹⁹ Andrews, C. and R. McNair. 2020. LGBTIQ+ Inclusive Practice Guide for Homelessness and Housing Sectors in Australia. Melbourne: The University of Melbourne.

²⁰ Electricity and gas make up 7.9% of disposable income for households in the bottom income decile - see Figure 2 of: Australian Government, 2020, *Affordability of communications services for low income households*, Working Paper, <https://www.infrastructure.gov.au/sites/default/files/bcar-affordability-of-communications-services-for-low-income-households.pdf>

Victorian Government will need to ensure there is adequate resourcing to avoid the Commission having to redirect resourcing from their current responsibilities. ESC should be given the capacity to hire additional staff with housing and social policy expertise. If the ESC does not take on this role it is important to ensure there is a strong, independent regulator who is adequately resourced to monitor tenant outcomes and ensure provider compliance through effective enforcement.

Dispute resolution and enforcement

Providing information to tenants about the performance of their landlord needs to be complemented with a strong and effective compliance regime and alternative dispute resolution processes that are accessible and easy to navigate. One approach could be to consider a collective complaints process for tenants through nominated organisations, enabling consumers to register a ‘super’ complaint with the regulator or ombudsman.

Social housing funding and economic regulation

CPRC welcomes the Victorian Government’s announcement to create a housing levy to fund new social housing and to remove rates from social housing, putting that money into maintenance and upgrades for existing social housing properties. While financial sustainability is necessary to ensure new homes are built and upgrades/maintenance is undertaken, in the initial years the priority should be to invest in upgrading standards and upskilling tenants.

The panel is seeking views on if for-profit providers should be accredited to provide social housing.²¹ CPRC does not agree with accrediting for-profit providers. Allowing businesses to make money from providing housing introduces incentives that are not aligned with good tenant outcomes, particularly given the vulnerability of this particular cohort. The recent UK Government white paper identifies the potential impact of for-profit providers on the sector and tenants as a key challenge that it will continue to review and gather evidence to understand if profit maximisation is having a negative impact on tenants.²² We know from the aged care sector in Australia that government-owned facilities provide better price and quality service than for-profit and not-for-profit providers.²³ Careful consideration must be given to the potential risks of allowing for-profit providers to be accredited to provide social housing services.

Interacting with other essential services

Ensuring access to affordable energy and, comfortable and safe homes is critical for improved tenant outcomes. We know from our Sector Scorecard and COVID-19 research that tenants in public housing have an overall worse outcome and experience interacting with different essential service providers including with energy providers (3.8 compared to 5.1 for private renters²⁴).²⁵ Across the four sectors where we have data that captures social housing tenant outcomes, their experiences are significantly worse than the broader population (Figure 1).

²¹ Independent Panel, 2021, *Social Housing Regulation Review Interim Report*, prepared for the Victorian Government

²² Ministry of Housing, Communities & Local Government, 2020, *The Charter for Social Housing Residents Social Housing White Paper*

²³ Yong J., Yang O., Zhang Y, Scott A., 2021, Ownership, quality and prices of nursing homes in Australia: Why greater private sector participation did not improve performance, *Health Policy*, 125, 1475–1481

²⁴ Note on methodology - Scores below 5 (out of 10) indicate poor experiences for this sector compared to all sectors included in the study, and scores above 5 (out of 10) indicate better experiences in a sector compared to all sectors included in the study. Scores for each sector or consumer experience should be read in conjunction with the other scores because they are plotted along a distribution around an average score of 5

²⁵ Consumer Policy Research Centre, 2021, *Covid-19 and Consumers: Sector Scorecard*

Sector Scorecard - by tenancy

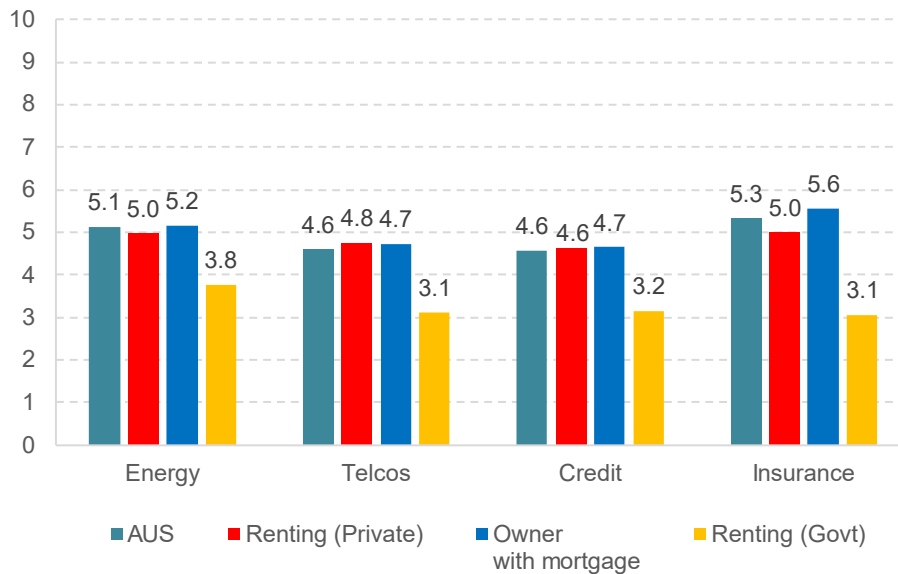


Figure 1: Sector Scorecard by tenancy

This demonstrates the additional needs for tenants and the importance of understanding outcomes across sectors to support identifying solutions that might address these issues. Given the ESC already regulates water and energy, having a regulator who has regulatory oversight of these sectors and social housing means they are well-placed to consider the cross-sectoral impacts of social housing policies. The ESC is also doing significant work examining consumer vulnerability through their *Getting to Fair* strategy.²⁶

Where social housing providers can provide tenants support or implement upgrades to home to reduce tenants' energy bills or improve access to telecommunications, they should be incentivised to do this. CPRC welcomes the Panel's proposal to recommend the Victorian Government to amend the *Residential Tenancies Act 1997* to require social housing stock to meet minimum energy efficiency standards in the *Residential Tenancies Regulations 2021* by January 2024 and to require performance standards to report on the energy efficiency performance of housing stock.²⁷

In addition, the Panel should consider the feasibility of including tenants' energy within the current rent cap. This will incentivise housing providers to implement energy efficiency upgrades or install solar panels (where appropriate) to reduce energy costs.

Private rental market

Our Renter's Journey report identified that consumers find exercising their consumer rights too hard and recommended improving service quality through various accountability mechanisms, including codes of conduct and registration.²⁸ To this end, CPRC supports the development and introduction of a Code of Practice for landlords and property managers

²⁶ Essential Services Commission, 2021, *Getting to fair Breaking down barriers to essential services*

²⁷ Independent Panel, 2021, *Social Housing Regulation Review Interim Report*, prepared for the Victorian Government

²⁸ Curry, S. 2019, *The Renter's Journey: A consumer-centred approach to understanding the dynamics of Australia's private rental market* <https://cprc.org.au/the-renters-journey-forum/> pg 4

based on best practice principles developed as part of the education and guidance work.²⁹ We also support the proposal to introduce a register of all residential rental providers and properties.

In our view, these proposals will help to build landlord awareness of their own responsibilities, improve landlord accountability and compliance against the Residential Tenancies Act requirements and build a clearer picture of the rental market which is an essential tool for regulators to evaluate consumer outcomes of a market.

CPRC would welcome the opportunity to work with the panel to provide further insights from our consumer research as recommendations are finalised. If you have any queries about this submission or would like more information on our research, please contact Kristal Burry, Policy and Program Director at kristal.burry@cprc.org.au

Yours sincerely



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²⁹ Independent Panel, 2021, *Social Housing Regulation Review Interim Report*, prepared for the Victorian Government