



REF: SUBMISSION TO VICTORIAN BUDGET 2022-23

25 October 2021

Tim Pallas MP
Treasurer and Minister for Economic Development
Department of Treasury and Finance
1 Treasury Place
Melbourne, Victoria, 3002
Australia
tim.pallas@parliament.vic.gov.au

Dear Treasurer,

Thank-you for the opportunity to provide input into the forthcoming annual Victorian budget.

I am the Executive Officer of Community Information & Support Victoria (CISVic), the peak body representing 55 local community information and support services, across 64 sites in Victoria. We are also the lead agency in a consortium of 29 local centres delivering federally funded Emergency Relief under contracts. In the year 2020-2021 we distributed over \$4 million in emergency relief to community members from 34 sites. Services provided by our member agencies include: material aid, food, information, advocacy, referral, case management, budgeting assistance, financial counselling, No Interest Loans, and personal counselling. Each year we have contact with around 500,000 Victorians and we are very often the 'first port of call' for people seeking assistance.

Funding for professional support staff at every CISVic member agency

The ratio of paid support staff to volunteers across CISVic's membership is 1:9. About 30 per cent of agencies are run totally by volunteers. Not surprisingly, the sector is highly efficient in providing information, assessment, support and referrals to people in need. At the same time the problems people present with are increasingly entrenched and complex, providing a challenge for volunteers and the continuity of the workforce.

During COVID lockdowns in 2020 and into the beginning of 2021, agencies lost the majority, if not all, of their volunteer workforce, demonstrating its fragility. Thus, we were pleased when in March, the Victorian Government announced its \$1.7 billion economic survival and jobs package, including the \$500 million Working for Victoria Fund (WfV). CISVic successfully applied for funding under this scheme to support interested member agencies to employ staff, including the three 'branch' agencies it directly manages. Most of the 56 recruits were employed for emergency relief, community support work, case work, and the provision of food

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and groceries. For CISVic, this positive experience reinforced our belief that all of our member agencies require a paid support professional, not only to directly serve the community, but also to provide guidance and support to volunteers, and assist people with ongoing issues such as family violence. (See the attached evaluation summary for more information).

It was concluded that resourcing for professional staff in all agencies would assist them to address increasingly complex issues and ensure their ongoing viability. Following this, the key recommendation was that state government provides funding for professional support staff at every CISVic member agency.

A steady pipeline of new public and community housing – 7,000 new homes every year for the next 10 years

One of the main issues for people accessing our services is homelessness or precarious housing. Our member agencies assist people in all types of housing duress, from rough sleeping, to overcrowding, unsafe housing, substandard rental properties, and impending eviction. Even before the pandemic our member agencies identified housing and homelessness as a central issue requiring fundamental systemic change. With the COVID-19 pandemic the problem has escalated, and they are seeing more people and families who have never accessed support services before. Many people can no longer pay their rent due to job loss and uncertain work. The situation is really dire, for example when families with children are threatened with eviction into homelessness, or when older women just do not have the income to cover standard rent.

Illustrating the shortage of housing for people in need, in March 2021 there were over 50,800 applications on the Victorian Housing Register. Many applications are on behalf of a family, or multiple people and it is estimated 100,000 people are waiting for social housing altogether. Furthermore, the Victorian Public Tenants Association estimated in 2019 that 500 applications are added to the waiting list per month. Despite this severe deficit, public housing has been found to provide the best *prevention* against homelessness by far. According to Per Capita:

‘Evidence both internationally and locally shows that providing good quality public housing in appropriate locations is the most effective way to keep people out of homelessness. Data from the University of Melbourne’s Journeys Home study - the only longitudinal study in the world that tracks currently homeless populations alongside at-risk and vulnerable populations – shows that public housing is by far the strongest preventative factor against homelessness, finding that ‘...the magnitude of its effect was many times greater than anything else’¹

Moreover, we believe that a substantial proportion of new social housing should be public housing. Our reasons for this have also been well articulated by Per Capita (2021):

¹ Falzon, J, Jordan, M & Lewis, A 2020, Per Capita Submission to the Inquiry into Homelessness in Australia, p.16

‘... publicly funded and managed housing represents an essential component of our social housing sector. Public housing is the only tenure that offers long-term, affordable, secure leases to the households most at need and most at risk of homelessness; public leases can offer the security of tenure only otherwise available to homeowners. Security of tenure in community housing tends to be weaker, possibly because their financial model makes them more dependent on rental revenue and therefore less tolerant of arrears or other tenancy issues.’²

In addition, public housing is more affordable than community housing with rent capped at 25 per cent of household income, whereas community housing providers can charge up to 30 per cent of household income (which is commonly used as a definition of rental stress). Research by the Victorian Public Tenants Association demonstrates that many types of low income households would be in significant rental stress in community housing³. Per Capita argues that the availability of public housing for this group would save community housing providers costs in pursuing rental arrears and evictions. Of course it would also save the tenants themselves an enormous degree of anxiety, stress, insecurity and ill-health, and the need to approach support agencies such as ours for help.⁴

In line with our advocacy for more public housing, we suggest an immediate moratorium on ‘gifting’ public land and property to privatised community housing organisations in return for new housing units that might more cheaply be built by the government itself without having to relinquish precious public property.

For the reasons above, and because our member agencies witness the tragic reality of homelessness and housing insecurity every day, CISVic is urging the Victorian Government to make a substantial investment in social housing – 7,000 new homes every year for the next 10 years. This would include the Victorian Government’s commitment through the ‘Big Housing Build’, which we welcome and applaud.

Substantial increase in funding for a decent and inclusive education for all

CISVic member agencies are constantly assisting families with school costs, or with assistance for food and bills because the family’s available funds have been spent on the children’s education. This was the case even before the pandemic. The months of highest demand are November to February, and we expect the demand to increase this Christmas season, with many people losing their job or experiencing increasing financial hardship due to COVID-19.

² Lewis, A 2021, *Per Capita Submission to the Ten Year Social and Affordable Housing Strategy For Victoria*, pp. 15-17.

³ *ibid*, pp. 15-16.

⁴ *Ibid*.

To obtain a clearer picture of the situation, CISVic coordinated a survey of parents with dependent children seeking help from November 2019 to February 2020⁵. Altogether, 752 people seeking assistance participated. Findings included the following

- 84 per cent of families seeking help were struggling with school costs for their children.
- 60 per cent of families struggling with school costs said it had affected their children. They fall behind in their schooling and miss out on the life of their school community.
- Psychological effects included feelings of shame, low confidence, stress, anxiety and deep sadness.
- Unaffordable school costs eat into the family budget and general quality of life. Funds spent on schooling mean basic necessities are gone without, and families experience considerable material and social deprivation.

The following are some of the comments from parents in the survey, illustrating the educational and social exclusion experienced by their children.

'Unable to go on camps, struggled with homework as they had no Ipad or computer.'

'Child failed because (they had) no text books.'

'Don't get to do sports or music program because of the cost.'

'Secondary student would refuse to go to school.'

'They don't like to go to school because they have missed out on excursions camps and don't have the right laptop and iPad.'

'Losing marks in school, holes in clothes, tears.'

'Not able to go on excursions. Makes child feel sad and left out. Noticing not having same things as friends.'

'They feel like they do not belong.'

'Missed a lot of school. Socially it has kept them back.'

'Anxiety and depression from not having what everyone else has at school.'

'Child feels uncomfortable feels like a pauper and the mother feels uncomfortable too.'

'Stress, anxiety, feeling different to everyone else. Feel poor. Feel undeserving.'

'Feel shy and ashamed.'

⁵ *The stress, the strain, the pain: The impact of school costs on families and the CISVic sector 2020.*
<https://www.cisvic.org.au/publications/reports>

The effects of under-funded education are evidently dire, with potentially devastating consequences for children far into the future. On the other hand, every dollar spent on basic education for all is a necessary investment – in health and wellbeing, in equity and opportunity, and in a vibrant economy. Therefore, we urge the Victorian Government to substantially increase funding for education in the forthcoming budget.

To summarise the above, our key recommendations for the Victorian Government budget 2022-23 are:

- Funding for professional support staff at every CISVic member agency
- A steady pipeline of new public and community housing, specifically 7,000 new homes every year for the next 10 years
- A substantial increase in funding to ensure access to a decent and inclusive education for all.

Thank-you for your attention to these recommendations. Should you wish to discuss any of them, please do not hesitate to contact me on 0407 670 125 or at kate@cisvic.org.au.

Yours Sincerely,



Kate Wheller
EXECUTIVE OFFICER
Community Information & Support Victoria
M 0407 670 125
E kate@cisvic.org.au
W cisvic.org.au

Community Information & Support Victoria