PROPOSED RESIDENTIAL TENANCIES (ROOMING HOUSE STANDARDS) REGULATIONS

SUBMITTED BY THE SALVATION ARMY

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The Salvation Army, Australia Southern Territory – Victorian State Council: Proposed Residential Tenancies (Rooming House Standards) regulations

Submission

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1. INTRODUCTION

The Salvation Army has provided social and community services to the Australian community for more than 125 years. In particular, The Salvation Army has supported people who are homeless through a range of practical services, accommodation options and programs.

The Salvation Army continues to see the desperate need to support and advocate for those who are socially and economically excluded because of poverty and homelessness.

In Victoria, The Salvation Army operates over 300 centres that provide community services and social programs through networks of Salvation Army Churches, Community Centres and Social Service Networks. Each night, The Salvation Army provides beds to over 2,000 homeless people throughout Victoria.

The Salvation Army’s homeless response includes emergency relief; crisis accommodation and support, transitional and longer term accommodation and support; outreach support; generalist, financial, gambling, sexual assault and other specialist counselling responses; as well as a whole suite of early intervention and post-vention programs. These programs range the full gamut of highly targeted and specific intensive interventions through to more generalist life stage responses including programs for families, young people, single men and women, and care for vulnerable older people.

As the state’s largest homelessness services provider, The Salvation Army has extensive experience working with rooming houses through crises housing and support services. The importance of rooming houses to housing support agencies cannot be disputed. In the last year, The Salvation Army worked with over 13,000 distinct clients in Victoria seeking some form of housing. A number of these clients had lived in rooming houses at some point while experiencing homelessness.

Rooming houses can provide a housing solution for clients who would otherwise be unable to access mainstream accommodation options. This may be due to reasons such as a client’s adverse rental history, lack of rental history, or simply because of the client’s crisis and there being no other crisis accommodation available. However, in most cases rooming houses provide an inappropriate solution to the majority of clients’ housing and personal needs. The inadequacy of rooming houses, resulting from ageing properties, poor property maintenance, noncompliant operators, inadequate assessment and regulation, and the inappropriate, but necessary, placement of tenants has led to many rooming houses being unsafe and a substandard housing option for vulnerable Victorians.

The Salvation Army supports the State Government’s initiative to raise the standards of rooming houses in Victoria with an aim to improve the quality of life of rooming house tenants.
2. WAY FORWARD WITH 11 REGULATED STANDARDS

The Salvation Army supports and commends the Victorian Government’s move to lift the quality of life and safety of rooming house tenants. The Salvation Army also supports the Government’s chosen preferred Option 1, prescribing 11 minimum standards for rooming house accommodation in legislation such that non-compliance is an offence. It is The Salvation Army’s view that this is the best option to achieve maximum benefit for tenants at minimum cost.

Certain positive benefits can be achieved through introducing regulated standards for rooming houses including improved building amenities and increased security for tenants, and a state-wide standard on which service providers, councils, and tenants can depend.

Although The Salvation Army supports Option 1, there are several points of concern that The Salvation Army would like to highlight:

- rooming houses will close as a result of the implementation of the proposed 11 standards;
- loss of stock will add stress to an already stressed crisis housing and support system;
- to off-set the loss of rooming house stock, the Government must provide and resource alternative housing options to house Victoria’s homeless;
- the proposed 11 standards will increase regulatory burdens placed on local councils and Consumer Affairs Victoria (CAV) which need to be resourced; and
- the costs of rooming house renovations may be passed on to rooming house tenants, creating the need for increased financial support to be made available to vulnerable tenants.

Finally, The Salvation Army would like to make reference to several points believed to be essential to the quality of life and safety of tenants including, the suitability of rooming house operators and the appropriate placement of rooming house tenants.

2.1 Rooming house closures

The introduction of the proposed 11 standards will inevitably lead to a number of rooming houses closing down because owners will not, or cannot, bear the costs of renovation. Large, ageing rooming houses and sublet properties are predicted to be the most affected due to high renovation costs and the need for sublet properties to obtain permission to renovate from the landlord.

The Salvation Army considers the impact of the majority of the proposed 11 standards to be relatively minor, such that compliance would not create a significant financial burden to rooming house operators. However, as identified in the regulatory impact statement, standards relating to kitchen and laundry facilities and light and ventilation could require rooming house operators to make significant structural changes at considerable cost. The Salvation Army suggests that where the majority of renovations are superficial, the allotted
12 month adjustment period is more than ample time for rooming houses to comply with the proposed standards. However, in cases where standards require significant structural changes, and failure to meet these standards does not put tenants immediately at risk, providing local councils and CAV the ability to grant rooming house operators additional time to complete the necessary renovations may mitigate the significant financial cost to operators and prevent rooming house closures.

In cases where rooming houses are required to make significant structural changes to a property, renovations could result in a rooming house operator falling subject to the Commonwealth’s Disability (Access to Premises – Buildings) Standards 2010 legislation.1 In the case of large, ageing stock, financial costs associated with Option 1, coupled with costs associated with disability access, will undoubtedly push operators out of the market. How Option 1 will affect rooming house operators in relation to disability access, therefore, needs to be further explored.

Despite the financial burdens placed on rooming house operators to comply with Option 1, The Salvation Army does not support the provision of exemptions to any of the listed 11 proposed standards due to the nature, age or structure of a building. It is The Salvation Army’s view that granting exemptions to the standards of window coverings; kitchens, dining, and laundry facilities; ventilation; lighting; and safety and latch features for external windows and doors; as outlined in the exposure draft of rooming house standards legislation, significantly undermines the purpose of Option 1 – to reduce detrimental effects on the quality of life for rooming house residents.

Although it is understood that the Director of CAV may only grant rooming house operators exemptions to the above standards under certain circumstances, The Salvation Army considers that giving rooming house operators the option of obtaining an exemption creates significant loopholes in the regulated standards and creates an opportunity for rooming house operators to continue to provide a substandard service through rooming house accommodation in spite of improved regulation.

In place of exemptions, The Salvation Army calls on the Government to work with local councils, CAV, housing support agencies, and rooming houses to provide adequate financial support to rooming house operators, over an extended amount of time if necessary, to enable them to make the necessary refurbishments to be compliant. If this is not possible, even within an extended time frame, noncompliant rooming houses should be considered unsuitable accommodation and be closed.

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2.2  A system under stress

Whilst substandard rooming houses which are not able meet the proposed 11 standards should be deemed unsuitable to live in and be closed, these closures will create the need to rehouse the former, now displaced and homeless, tenants.

The Regulatory Impact Statement predicts that approximately two per cent of current rooming house stock will close as a result of Option 1 and notes that if five per cent of stock were lost over 10 years “the rehousing of residents would represent a significant burden on the homelessness sector.” It is important to note, that even if the rate of rooming house closures does fall around the two per cent mark, the resources required to rehouse tenants will place significant stress on already overburdened housing support agencies. For example, at any given time, just one of The Salvation Army’s Opening Doors access point may have an average of over 450 people on the waiting list to access some form of accommodation. The need to rehouse displaced tenants will only make this list longer.

In Frankston, the Mornington Peninsula, and most of suburban Melbourne, rooming houses are the only form of crisis accommodation available to housing support agencies in which to place clients. As a result, the loss of any rooming house stock provides significant challenges to service providers as rooming houses are used as a last resort when clients have no other housing options.

Rooming houses are also already overcrowded with many cases of multiple tenants living in a single small room. Overcrowded rooming houses have a significant impact on tenants’ security and quality of life, as tenants frequently report feeling insecure due to not having their own secure space. The unnecessary closure of rooming houses, will again, only intensify this problem.

Without additional government involvement with local councils and CAV to ensure rooming houses are given every opportunity to become compliant and remain open, the proposed 11 standards will result in rooming house closure and exacerbate the already critical housing shortage, particularly in areas that are heavily dependent on rooming houses for crisis accommodation. If a rooming house closure does occur, councils and housing support services need to be supported during the period of transition to enable them to adequately rehouse displaced tenants.

The Government must respond to the closure of rooming houses with investment in alternative forms of housing for the displaced, ever growing homeless population and work with housing support agencies to help them manage the increased demand for accommodation. While it is recognised that increasing social housing to the point of removing the need for rooming houses is not feasible, the Government must take action to provide safe, quality, and dignified accommodation to Victoria’s most vulnerable.

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2  Opening Doors: Better access for homeless people to social housing and support services in Victoria. Victorian Government Department of Human Services. 2008
The proposed 11 standards in Option 1 are a good start to lifting the extremely inadequate standards of rooming houses and are supported by The Salvation Army. However, more needs to be done to ensure disadvantaged individuals have access to quality and safe accommodation. Without further investment in alternative accommodation, Victoria’s homeless population will remain in a state of crisis.

2.3 Increased Regulatory Burden
Ensuring compliance with Option 1 across the rooming house sector will impose a significant increase in the regulatory burden of CAV and local councils. The Salvation Army is concerned that local councils will be burdened with the majority of inspections and regulatory responsibilities associated with the proposed rooming house standards. Councils are already overburdened with regulatory responsibilities and any additional responsibilities need to be adequately resourced.

The Mornington Peninsula Shire has a history of working closely with The Salvation Army Peninsula Youth & Family Services to help identify unregistered rooming houses, inform housing support agencies of possible rooming house closures, and coordinate the rehousing of tenants in closing rooming houses who are at risk of homelessness. The shire has a Housing and Social Justice Officer who is able to link housing support agencies into local government, as well as a Rooming House Strategy to assist in the implementation of relevant regulations and ensure the sector is well managed and complaint. The Mornington Peninsula Shire is flagged as being a significant growth area in rooming house demand following the recent boom in rooming houses in Frankston the previous year. Communication between housing support agencies and local government is, therefore, crucial in this area.

It is The Salvation Army’s opinion, that to successfully assess current rooming houses, identify unregistered rooming houses, and assist operators in complying with Option 1 to avoid unnecessary closures, local councils need to be better resourced in order to cope with the current and growing number of rooming houses in their shire. Currently, the Mornington Peninsula Shire does not have a large number of rooming houses in the shire. However, as the number of rooming houses increases in response to growing demand, there are significant concerns that the shire will not be able to maintain the same level of involvement in the sector without increased capacity. If the capacity to monitor rooming houses is unable to keep up with demand, the risk of vulnerable tenants being placed in substandard rooming houses is increased.

It is also The Salvation Army’s view that rooming houses which have been assessed and determined to be compliant with the standards of Option 1 should be published on a state wide list to inform tenants of various housing options, and assist housing support agencies in the event that a client must be placed out of area.
Finally, it is important for rooming house closures to be regularly communicated to the Department of Human Services to inform the Department of the impact of Option 1 and aid the review of the proposed standards and their effects on the rooming house sector and homelessness.

2.4 Rent Increases
The Salvation Army is concerned that the financial burdens placed on rooming house operators to meet the proposed 11 standards could be passed on to tenants in the form of increased rent. Due to the multiple and complex issues rooming house tenants present, the majority of tenants are in extremely tenuous financial positions and paying rent is often at the expense of buying food and other basic needs. This particularly rings true for individuals on Newstart allowances, and other extremely vulnerable individuals such as single parents who are already struggling to make ends meet. Any increase in rent is unsustainable for these individuals and will likely make their ability to pay for rooming houses untenable.

Mr M is 37 and on a Newstart allowance. In August, he presented at a Salvation Army community support service looking for accommodation. Mr M had been living in a rooming house in Boroondara for the last four months when the landlord of the property notified Mr M that his rent would be increasing from $180 to $200 a week. Mr M had already struggled to balance his rent payments with other living costs. After several weeks of attempting to pay the increased rate, Mr M's rental situation became unsustainable and he became at risk of being evicted. Mr M presented at the community support service exhibiting signs of depression and expressed his feelings of anxiety and hopelessness at becoming homeless and being unable to continue his search for work without a place to live.

Given the rates at which rooming houses have been found to charge tenants for extremely substandard and inadequate rooms, there is significant concern that any increase in amenities or services, such as locks on bedroom doors or laundry facilities, will be accompanied by an increase in rent. It is clear from comparing rates for private rooms in mainstream share houses that rents for rooms in rooming houses are not governed by free, competitive market principles, but are governed by the exploitive fact that rooming house tenants have nowhere else to go.
Rooming houses already charge unreasonable rates for rooms. It is recognised that imposing price controls on rents for rooming houses will increase rooming house closures. However, unless some form of price controls are put in place to keep rooming house rents at a reasonable rate which can be sustained by highly vulnerable individuals; supports will need to be provided to assist these people to pay their rent. Further investigation relating to possible price control mechanisms should be a priority to achieve a balance between rooming house operators charging exorbitant rates for extremely poor living conditions and rooming house closures.

3. ADDITIONAL POINTS

3.1 Rooming house operators
In addition to the physical appropriateness of a building, there is significant concern among stakeholders about the ease at which anyone can set up and privately operate a rooming house.

The substandard state of properties and the risks placed to tenants’ safety as a result have been discussed. However, inappropriate rooming house operators can also place tenants' health at serious risk.

Recently a man aged between 45 and 55 presented at The Salvation Army Peninsula Youth & Family Services (PYFS) asking if the service knew of any young homeless females who required accommodation. This man had been able to rent a property through a local agent and was intending to run it as an [unregistered] rooming house for young females. PYFS was extremely concerned about this person as they had housed him when he was experiencing homelessness and were aware that these arrangements had broken down and he had been evicted.

The obvious concern for PYFS is the ease at which a privately run rooming house can be set up and operated by someone such as the individual in the case study who invariably had an inappropriate background to be running a rooming house for young, vulnerable women. Although in this instance, the rooming house discussed was an unregistered rooming house, operators of registered rooming houses are not required to undergo any character checks,
opening up the possibility of a similar situation occurring to that above in a registered rooming house. This is particularly concerning given that tenants of rooming houses are usually disadvantaged and vulnerable and placing them in such a situation opens them up to a serious risk of exploitation.

In addition to the standards proposed in Option 1, The Salvation Army calls on the Government to mandate that all rooming house operators be required to undergo both a Police Check and a Working With Children check prior to being allowed to operate a rooming house. This initiative is considered to provide tenants with significant benefits regarding personal safety at little cost to rooming house operators or government.

3.2 Appropriate Placement of Tenants
While rooming houses play a vital function for housing support agencies, they have a reputation as being dangerous and substandard. Attempting to address the physical attributes of a building which have an impact on safety is a start. However, service providers suggest, as is demonstrated by personal accounts in the regulatory impact statement, that the majority of tenants feel unsafe in rooming houses due to aggressive and threatening behaviour from other tenants.

Tenants of rooming houses often are disadvantaged individuals with multiple and complex issues which have prevented them from securing alternate, more stable accommodation. The environment created by grouping individuals presenting with mental health, drug and alcohol issues, and anti social behaviour closely together obviously creates challenges that can only partly be alleviated by physical improvements to a building. The fact that rooming houses usually have no support services linked to the house and are poorly equipped to be managing clients with multiple and complex needs compounds this problem.

In addition, the shortage of housing and accommodation options across the state has resulted in clients being sent sometimes across the city to be placed in accommodation. The disruption of moving a client is acute given it takes the client away from all familiar support services with which they may have been involved and leaves them increasingly isolated and vulnerable.
Mr. G is a male client, 34 years old. He has not had permanent housing in almost ten years. Mr. G presented at the Crisis Centre accompanied by two other men; Mr. F and Mr. R. All three clients are tenants of a rooming house in the Frankston area. Mr. G. stated that his room had been broken into on several occasions by other tenants in the rooming house and that conflict regularly erupts. He had spoken to the landlord about this more than once, as had the other clients, but nothing had been done to resolve the problem. The client stated that the aggressive behaviour of the other tenants placed others at risk and that someone had died in the house. The client has leased tenure but stated he feels he has to leave the property as he feels unsafe. This will break his lease agreement.

Mr. G has been in the rooming house for six weeks. He explained he was placed there by a city-based housing support agency whom he had contacted for assistance in applying for housing. He has no links to the Frankston area and no supports are in place for him. The client stated his understanding from the housing support agency was that they would finance his first week’s rent at the rooming house in Frankston and that they would contact him regarding his original inquiry within two weeks. Upon arrival at the rooming house, he was required by the landlord to sign a lease agreement and had not realised that by doing so he would preclude himself from further support from the housing agency. He contacted the housing support agency after two weeks but was told that due to having leased tenure in Frankston he is now out of area.

Finally, in spite of the 11 proposed standards in Option 1 and the benefits they will bring to the safety and well being of rooming house residents, there are some clients who should never be placed in rooming houses, most notably families.

Ms K is a 32 year old woman with four children, aged 11, nine and four year old twins. The client had been moving around rooming house accommodation for approximately two years with her family. These moves were reported to be due to appalling conditions with some rooming houses not having working cooking facilities or heating. Ms K had significant safety concerns for herself and her children with a common theme of substance abuse and mental health issues amongst rooming house residents being of great concern.

The family was found living in a double room at the front of a rooming house with a shared kitchen and bathroom. The room was dark and cluttered with a double bed and mattresses on the floor for the children. The room had no carpet on the floor. Ms K reported all meals were take-away due to client K not wanting to mingle with the other all male residents in the communal kitchen. The children ate their take away meals on the cold floor of the room.
The Salvation Army’s Accommodation Options for Families program has successfully been able to assist families at risk of being placed in rooming houses, as well as families in rooming houses, to place them in more stable and appropriate accommodation. Sadly, families being forced to live in extremely substandard and unsafe rooming houses remains a common reality.

A shortage of alternative accommodation options forces housing support agencies to place clients in rooming houses when it is unsuitable. In addition the housing shortage in the metropolitan area has increased the rate at which clients are placed in accommodation where they have no connections or supports.

Addressing the physical aspects of rooming houses to enhance safety is a good and much needed step. However, until a more holistic approach is taken to address the multiple and complex needs of clients, the systemic housing shortage, and the need for ongoing support and care, tenants will continue to feel unsafe in rooming houses and rooming houses will fail to successfully meet the needs of tenants.

4. CONCLUSION

The Salvation Army supports the Victorian Government’s move to lift the standards of rooming houses in Victoria through the introduction of Option 1 and the proposed 11 regulated standards. It is The Salvation Army’s view that this is the best option to achieve maximum benefit for tenants at minimum cost.

Although The Salvation Army recognises that these proposed 11 standards will bring about benefits to rooming house tenants in the form of improved safety and amenity standards, The Salvation Army also has significant concerns about the impact the proposed 11 standards will have on rooming house stock and the added stress this will place on an already overburdened housing support system.

The Salvation Army calls on the Government to respond to rooming house closures with an increased investment in alternative forms of accommodation to offset the loss of rooming house stock and ease the pressures the rehousing of displaced tenants will place on housing support agencies.

In addition to the desperate need for alternative forms of housing, The Salvation Army draws attention to several important points which are considered to have a significant impact on the safety and quality of life of rooming house tenants and the ability of the proposed 11 standards to be successfully implemented:

- Local councils and CAV should give rooming house operators more time to undertake large, costly renovations as required by certain standards in Option 1 to prevent unnecessary closures. Exemptions to the proposed standards should not be granted, but be replaced with extended compliance timelines.
- The relationship between Option 1 and disability access requirements needs to be further explored.
• Local councils need to be appropriately resourced to enable them to undertake their increased regulatory responsibilities associated with Option 1.
• Price control mechanisms or some form of rent assistance should be further explored to mitigate the impact Option 1 will have on rooming house rent and affordability.
• All rooming house operators should be required to undertake both a Police Check and a Working with Children Check prior to being allowed to operate a rooming house.
• The appropriate placement of tenants in rooming houses has a significant impact on the safety and quality of life of other tenants. Until the complex issues tenants present are addressed, issues of safety in rooming houses will never fully be achieved.

Rooming houses play a significant role in Victoria’s homelessness and housing support system. As such, The Salvation Army supports and welcomes the State Government’s initiative to raise the standards of rooming houses in Victoria with an aim to improve the quality of life of rooming house tenants.

The Salvation Army would welcome the opportunity to discuss the content of this submission should any further information be of assistance.