Report

Rooming house futures: governing for growth, transparency and fairness

Victorian Discussion Paper

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EXECUTIVE SUMMARY

This Discussion Paper is provided to invitees to an Investigative Panel on Rooming House Futures as part of a project funded by the Australian Housing and Urban Research Institute (AHURI).

The principal question framing this project asks:

> What are the policy and practical challenges being encountered in the development of a legitimate and viable rooming house/boarding house sector and how might these best be overcome through an improved regulatory regime and other measures to address a range of housing needs?

Key features of the rooming house sector in Victoria are:

→ There are 1131 registered rooming houses, with 60 per cent operated by individuals and 40 per cent by organisations. The majority are in suburban locations in suburban Melbourne, particularly south-eastern Melbourne and regional centres, most notably Geelong. The number of unregistered rooming houses, for which there are varying estimates, is unknown.

→ The growth of new rooming houses has principally stemmed from the conversion of existing private houses into rooming houses in the suburbs which has arrested and reversed the decline of rooming houses as traditional older style rooming houses were demolished or converted back to single family use.

→ Rooming houses accommodate disadvantaged and vulnerable people but, recently, new forms of demand have emerged which includes that from international and domestic students, travellers, low-income earners and some types of key workers.

→ People find accommodation in rooming houses in different ways including through tertiary education providers, referrals from not-for-profit agencies, online sites such as Gumtree and through word-of-mouth.

Developments in the sector have been market-led with increasing growth in segments in the rooming/boarding house sector that appear to have outpaced policy and regulatory settings. Chapter 2 presents an analysis of available evidence on the rooming house market. In the period from 2006 through to 2012 Non Government Organisation (NGO) campaigns highlighted issues of amenity, health and safety for rooming house residents in the context of a changing housing market and called for regulatory reform. In Chapter 3 an account of changes to the system of regulation that followed a government review is provided along with an analysis of stakeholder views of the outcome. In Chapter 4 a summary account of significant outstanding issues is presented which lead to identification of key issues for further discussion by the Investigative Panel (Chapter 5).

1   INTRODUCTION

1.1   Change in the rooming house sector

There are signs of recent significant growth in Australia's rooming house ('boarding house' as in New South Wales) sector, within the context of structural change in the wider private rental market. Demand for low cost rental has grown, affordability has declined and there has been growth in single person households. On the supply side investment by small-scale investors has surged, and professional management of rental housing has become more widespread. Of particular significance is the increasing number of larger, suburban houses in the rental stock, some of which are used for multiple occupancy.

The rooming/boarding house sector is of particular concern to policy-makers at all levels of government for several reasons. First, it houses some of society's most excluded and vulnerable individuals, often on a legally insecure or 'non-tenured' basis. Second, conditions of occupancy can heighten resident safety risks—especially in relation to fire. And third, it is often high turnover accommodation, and sometimes associated with neighbourhood disturbance and complaints to local councils.

Developments in the sector have been market-led with apparent growth and change in segments in the rooming/boarding house sector that continue to present challenges to policy and regulatory settings. These rooming houses can be described in term of their built form and include old large many-roomed late 19th and early 20th century houses, buildings that were previously used as hotels and motels, new purpose-built rooming houses, apartments in new apartment blocks, and suburban residential houses of various ages and styles.

Within the remit of this research—New South Wales and Victoria—recent expansion within the wider rooming/boarding house sector has reportedly tended to involve somewhat novel forms of such accommodation. In NSW this has particularly comprised so-called 'New Generation boarding houses', mainly custom-designed premises being newly constructed under recently enacted planning rules. In Victoria, meanwhile, research evidence has pointed to sector growth involving 'new model' or 'mini' rooming houses—suburban houses converted into rooming houses and where the owner/manager lets the bedrooms on a room-by-room basis. Within Melbourne, therefore, the spatial distribution of boarding house-style accommodation is moving away from its historic inner city focus.

1.2   Regulatory challenges

All states and territories have legislation governing registered rooming houses. In NSW and Victoria recently enacted reforms seek to provide a stronger framework for the delivery of rooming/boarding house accommodation and clearer statements about owners/manager and resident rights and responsibilities. Under these new regimes, each introduced since 2008, regulations require that premises being used as such should be registered with the state (NSW) or local (Victoria) government.

There are acknowledged challenges identified by those who have developed these new regulatory regimes. These include identifying and registering rooming/boarding houses; understanding diversity within the sector; assessing the capacity of local government to regulate; the application of disability anti-discrimination requirements to the creation of new rooming houses in existing residential dwellings; encouraging best practice in the day-to-day management of rooming houses that is in line with resident and operator rights and responsibilities; and linking residents to support services.

This is the context for the principal question framing this project which asks:

> What are the policy and practical challenges being encountered in the development of a legitimate and viable rooming house/boarding house sector and how might these best be overcome through an improved regulatory regime and other measures to address a range of housing needs?

This question is relevant to governments seeking to increase the supply of safe and affordable housing and prevent homelessness, particularly among low-income single people, and for state government housing and consumer affairs agencies responding to growth in rooming/boarding houses. It is also relevant to industry and community strategies to improve the profile and legitimacy of the rooming house industry.

Governance of the rooming sector involves different stakeholders with key policy development roles. The key actor groups forming the rooming house 'policy community' are: Consumer Affairs/Fair Trading Departments, housing, health and disability agencies; regulatory agencies including ombudsmen, auditor-general, guardianship board and planning; local government; rooming/boarding house providers; tenancy advice services, housing referral services, health and disability service providers and community housing providers. Further, Federal Government agencies have policy interests in homelessness, overseas student welfare and disability and human rights.

1.3   This project

The research being undertaken for this project has two elements.

The first element is research on the current state of play (in late 2014) in the implementation of the new regulatory systems in NSW and Victoria. This has been undertaken through a modest program of interviews with state government regulators, local government regulators, rooming house owners and operators and NGO service providers who assist low-income and marginally-housed people find and maintain housing.

The second element is research through two facilitated panel discussions with representatives of the key stakeholders in Victoria and New South Wales. The current document is one of two state-specific discussion papers prepared to provide a common understanding of what is known about rooming/boarding houses and to highlight key issues that have emerged from the research to date.

The purpose of the panels are to:

1. Clarify policy objectives for the further development of the regulatory regime that strengthens the profile and legitimacy of the rooming house industry.

2. Guide responses to challenges facing the development of the regulatory regime including unregistered rooming houses, local government regulatory capacity and proprietor and manager capacities to observe regulations.

3. Propose potential adjustments to the regulatory regime that supports the development of viable and legitimate rooming house industry.

A Final Report will be published in early 2015. It is expected that there will be a number of opportunities during 2015 for discussion of the findings and consideration of the next steps in the development of regulatory regimes that support growth, transparency and fairness in the provision of rooming house accommodation.

2 THE ROOMING HOUSE MARKET

2.1 Change in the rooming house sector

Despite expectations of a decline, there has been an apparent growth in the number and different types of rooming/boarding houses in the context of structural changes in the private rental market. Demand for private rental has grown, affordability has declined and many individuals and households are struggling to find and remain in affordable housing. In such cases, people find, or are referred to, rooming housing accommodation as their only housing option. On the supply side of the private rental sector, investment by small-scale investors has surged; and professional management of rental housing has increased. Of particular significance is an increase in the proportion of larger, suburban houses in the rental stock, some of which are used for 'multiple occupancy'.

Developments in the sector have been market-led with increasing growth in segments in the rooming/boarding house sector that appear to have outpaced policy and regulatory settings. The types of rooming houses described in terms of their built form include old, large, many-roomed late 19th and early 20th century houses, buildings that were previously used as hotels and motels, new purpose-built rooming houses, apartments in new apartment blocks, and suburban residential houses of various ages and styles. These changes indicate that the rooming house sector is changing and may play a positive role in housing people, particularly single people, who either cannot afford or do not want to live in self-contained accommodation.

2.2 The registered rooming house market

In June 2014 there was a total of 1131 registered rooming houses in Victoria listed on the public register of rooming houses published by Consumer Affairs Victoria.[1] The data drawn from this register has been analysed to provide an overview of the spatial distribution of rooming houses across the state.

The broad geographic distribution of Victorian rooming houses is presented in Figure 1 below. It shows that the greatest proportion of rooming houses, 25 per cent, is located in the south east of Melbourne. This represents a significant shift in the geographic distribution of rooming houses that in earlier decades were overwhelmingly located in the inner city of Melbourne (O'Hanlon 2009). Inner Melbourne remains significant with 18 per cent, closely followed by the inner east with 14 per cent of rooming houses.

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[1] The Rooming House Standards Taskforce (Vic) & Foley (2009) made five recommendations in relation to the registration of rooming house operators and rooming houses. Subsequently this led to the development of a Public Register of Rooming Houses published on the Consumer Affairs Victoria web site. Local councils provide the information used to compile this register that includes the address, business owner name and ABN or ACN number of the business.

Figure 1: Distribution of rooming houses (per cent) by region (SA4)
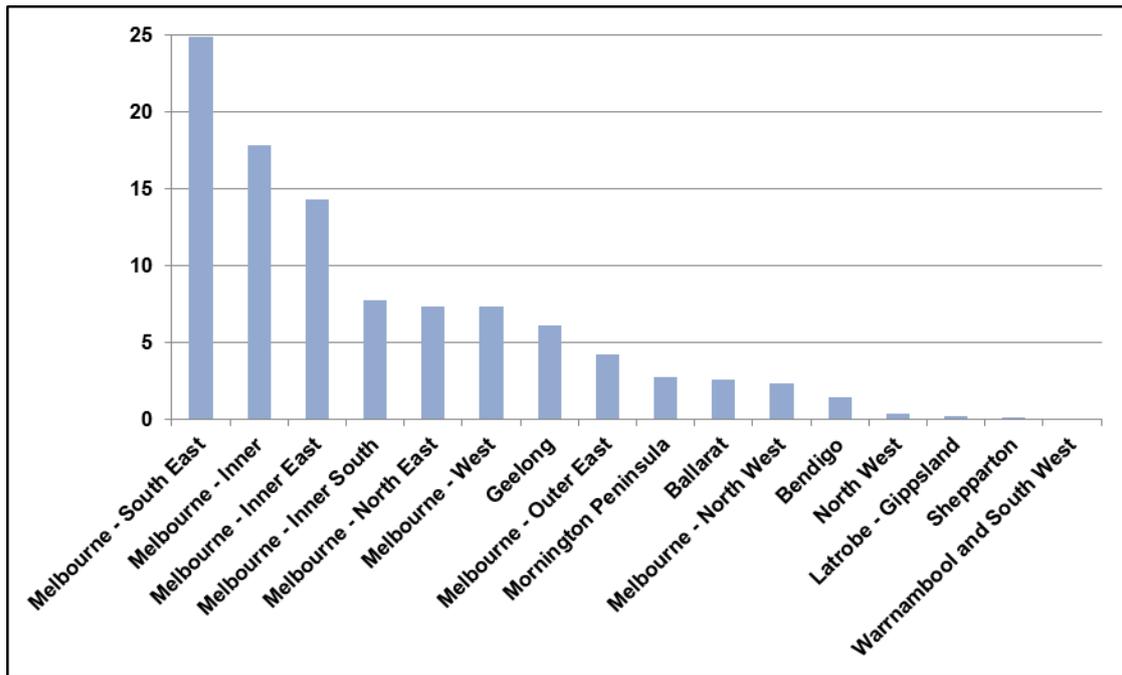
Figure 2 below provides a snapshot of rooming houses from the same database at the Local Government Area (LGA) level in metropolitan Melbourne. It shows that the LGAs with the largest number of rooming houses, Whitehorse, Monash and Greater Dandenong, are in the east and south east of Melbourne.

Figure 2: No. of rooming houses metro Melbourne LGAs 2014
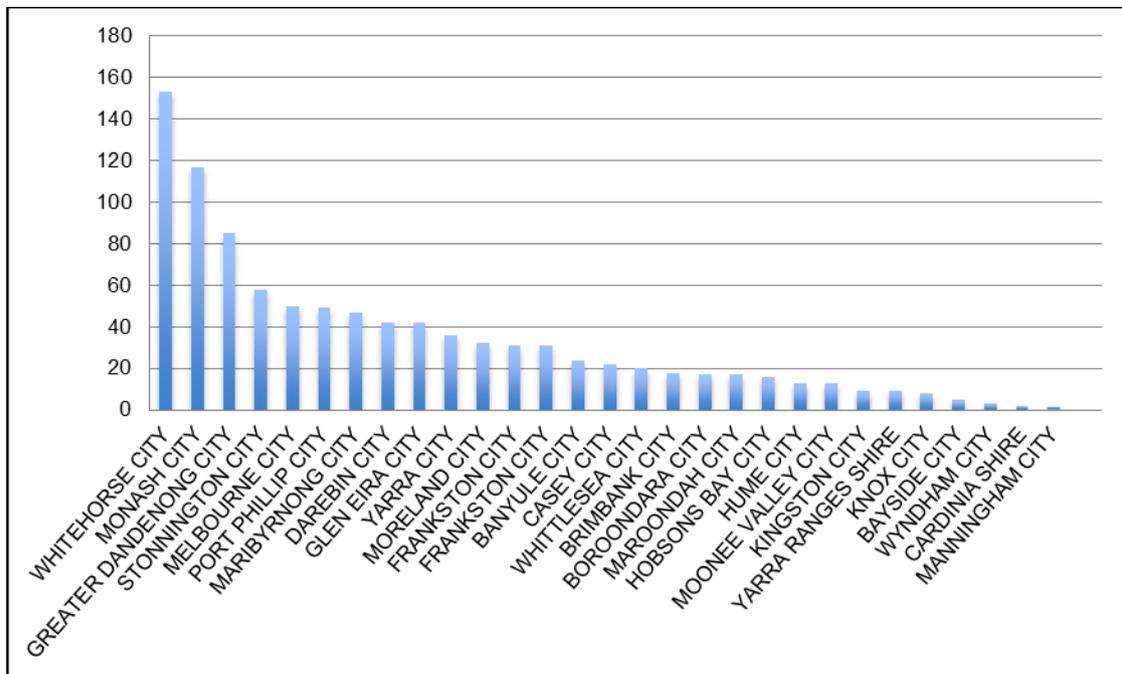
Figure 3 below provides a snapshot of rooming houses in Victorian provincial cities from the register database and shows that Geelong had 68, Ballarat 29 and Bendigo 16 rooming houses in mid-2014.

Figure 3: No. of rooming houses non-metro Victoria LGAs 2014
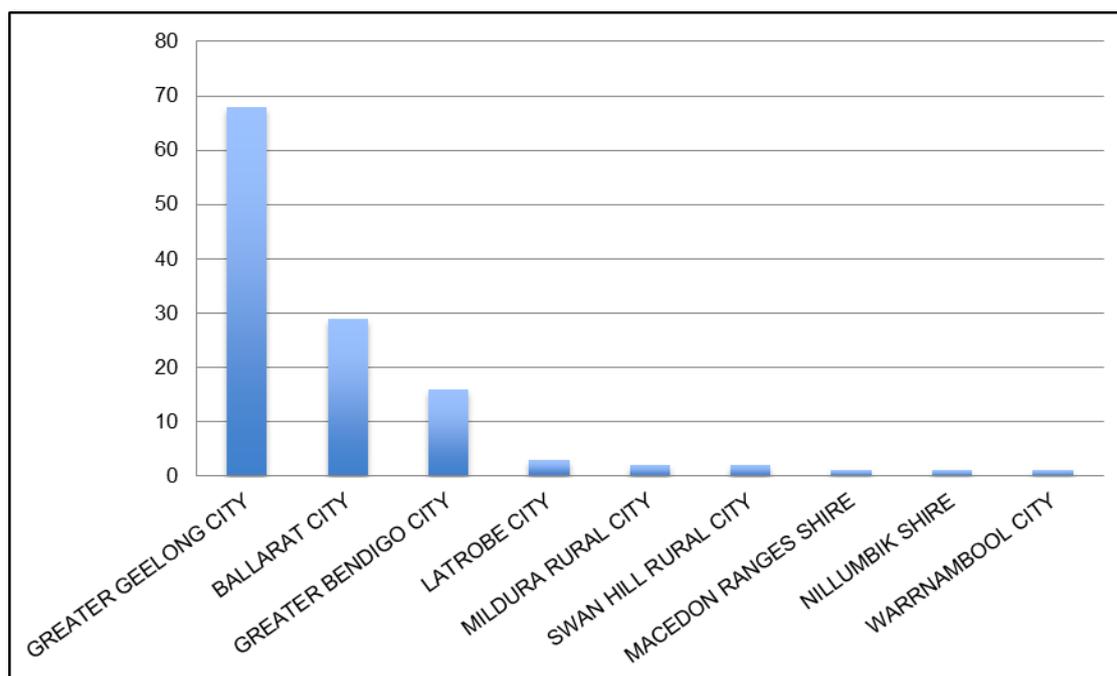
2.3 Trends in rooming house provision

Trends in rooming house provision in the recent past are difficult to track. In 2010, Chamberlain (2012) found that there were 810 for metropolitan Melbourne on the central register. Following direct contact with councils in Melbourne in 2011, Chamberlain reported a total of 1451 rooming houses. In July 2014, the public register maintained by Consumer Affairs Victoria (CAV) showed a total of 1131 in Victoria, with 89 per cent of this total in metropolitan Melbourne and 11 per cent in the rest of Victoria. However, Chamberlain (2012) also argues, based on analysis and re-evaluation of census population data, that there has been undercounting of rooming houses and that there has been growth in the number of rooming houses and the rooming house population.

2.4 The rooming house stock

The Building Code of Australia distinguishes between two forms of rooming houses and denotes them by using the codes '1b' and '3a'. A class '1b' is a small rooming house with up to 12 unrelated residents with a floor area of not more than 300 square metres. A class 3 rooming house is a large rooming house with 13 or more unrelated residents with a floor area of more than 300 square metres. However, there is no aggregate data source that can be used to distinguish between these two types or enumerate them.

It is understood that council local government inspectors distinguish between '1b' and '3a' buildings in their records of inspection. However, data on the size or class of the building is not carried forward into the data forwarded to CAV. The data forwarded to CAV for the compilation of the register is comprised only of the property address and owner information. Observations about trends in the average size or numbers of bedrooms in the rooming house stock would require analysis of records held by local government.

In this context a heuristic approach to describing the rooming house stock was adopted. This was done by obtaining a set of photographs by selecting rooming house

addresses from the register and locating the property on Google Maps and taking a screen shot from the 'street view' of the property.

The photographs are presented in Figure 4 below and underscore the observation that there is considerable variety in the rooming house stock. Besides their extensive geographic spread, there is also considerable variation in the type of stock and in the age of the stock. It is also clear that some of these properties are not readily identifiable as rooming houses from the exterior, and are well integrated into local neighbourhoods, at least in terms of physical presence and streetscape.

Figure 4: Melbourne rooming houses

Large inner city rooming house

New purpose built rooming house

Rooming house upstairs hotel conversion

Rooming houses in town house development

Rooming houses in new apartment building

Rooming house in semi-detached house

Rooming house in old weatherboard house

Rooming house in old public housing dwelling

2.5   Rooming house ownership

A number of observations can be made about the pattern of ownership of registered rooming houses based on the register or rooming houses managed by CAV. The broad distinction found in the register data is between rooming houses operated by individuals and rooming houses operated by organisations. As noted, the total number of registered rooming houses was 1131 with 684 (60%) rooming houses operated by individuals and 447 (40%) operated by organisations.

The following observations can be made about rooming houses operated by organisations:

→ There were 95 (21%) not-for-profit rooming houses providing accommodation to low-income people, such as North East Housing Service and students at universities and TAFEs, such as Holmesglen Institute of TAFE.

→ There were 352 (79%) rooming houses that appear to be run by for profit organisations, such as Ace Property Share and Linden Corporate Accommodation.

→ Organisational operators typically have small rooming house portfolios. The largest operator was SLM Housing that was operating 34 registered rooming houses in June 2014.

The following observations can be made about rooming houses operated by individuals:

→ Individual operators, like organisational operators, typically have small rooming house portfolios.

→ Twenty-six per cent of individually-owned rooming houses are owned by more than one person

→ Among the individual operators there is a pattern of family names with different first names perhaps indicating that family members combine to operate a small number of rooming houses.

2.6   Rooming house management

A provision of the *Public Health and Wellbeing Act 2008* requires operators to register their rooming houses with the local council if they intend to rent out one or more rooms to four or more people. In this context, an 'operator' can refer to the owner of the building who does the day-to-day management of the rooming house; the person who has leased the building and operates it as a rooming house; or an agent or 'head tenant' employed by the owner. However, the register does not indicate which form the 'operator' takes for each registered rooming house.

The importance of promoting best practice rooming house management has, however, been recognised as important through the formation of an association, the Registered Accommodation Association of Victoria (RAAV). It produced a best practice guide aimed at helping 'rooming house owners and operators run their rooming houses more effectively and responsibly'. With the support of CAV, the Registered Accommodation Association of Victoria (2011), it published *Running a better rooming house: A best practice handbook for operators*. It sought to improve rooming house operations; extend operator knowledge of social and legal issues; raise the standard of the rooming house sector; and encourage the growth of the sector.

Nevertheless, residents can experience difficulties in working out exactly who is providing them with the accommodation service. In other words, it can sometimes be unclear who is the 'operator' and where accountability lies. A tenant advocate noted:

> … at the really difficult end, it's almost impossible to get to the bottom of who the operator is. You ask the residents, the residents say, 'Oh I just deal with blah blah person.' They think they are renting from somebody else. Their receipts have got a different name on it again, if they get receipts. Or the Centrepay's going to somebody different … there's a whole pea and shell game just trying to figure out who the owner and the manager is.

2.7   Rooming house residents

The profile of people living in rooming houses has also been changing. Over time there is considerable evidence that rooming houses have provided accommodation to people who can be considered homeless. As Chamberlain and MacKenzie (2008) note, the ABS classifies people living in boarding houses as part of the 'tertiary homeless' population when it enumerates homeless people on census night.

In addition to those who fit the definition of homeless, rooming house residents also come from other socio-economic backgrounds. Indeed, this diversity was evident in early Victorian urban settlements. By the late 19th century this was apparent in the language used in regulatory framework that distinguished between 'common lodging houses' where transient poorer people lived and 'boarding houses' where more respectable people lived, often for extended periods of time. In the current context rooming house residents include, students, young workers, mobile workers and travellers in addition to the low-income people who experience 'tertiary homelessness'.

This diversity was evident in the interviews with operators, tenant advisors and service providers who assist tenants. Sometimes this diversity is apparent within one rooming house and at others it is evident across the broader rooming house market where some rooming houses are good places to live in while there are others that are very poor and perhaps dangerous places to live. The following quotes illustrate this diversity:

> Occasionally I'll have a student and I'll often have two or three workers in the house and then it is quite common for the rest of the residents to be out of work or looking for work. Some of those are actively looking for work, some of those have some sort of impairment and they may not be required to look for work. (Rooming house operator)

> Initially, maybe four years ago, up until, two, three years ago, it was all internationals. Now … the amount of internationals has dropped from what I can see and now we're getting a lot of low-income earners, … kids on apprenticeships, Centrelink, people on disability benefits, divorced, guys who are divorced because they will just need to go somewhere for six months, they end up staying quite a while if it's a good one they go in. Now we've recently got a lot of Greeks coming here. (Rooming house operator)

> It tends to be younger people who are, they can be studying, or … finished their studies or they [are] working in a trade. They're younger, … maybe in their early to mid-20s, just starting out, just getting out of home, just finishing university … just treating this as a bit of a stepping stone to once they've got themselves established …. (Rooming house operator)

> They're usually [from] overseas or from interstate. They're, you know, sort of young post-grad students or they're your, you know, interns, young doctors,

nurses that came here for like six months, all semester, or young travellers that do come here. And they've got a bunch of friends that they travel together, whether they met through a hostel and things like that. Don't have any local people per se. So, yeah, so they share the room together. So it cuts their cost down. (Rooming house operator)

We've got mental health institutions that put people into rooming houses … we've got people straight from prison that go into [rooming houses], the Justice department, the police put them straight in … hospitals. It is, it is a dire mix of people. When you get there, they've all got their own set of issues and huge problems. The mental health is the biggest. Drug and alcohol, and you've got all this mix of people. Boarding houses are run on a system of mutual dishonesty. The rooming houses operators don't disclose the state of their rooming houses, and agencies aren't disclosing the state of the people that they're putting into them. (NGO worker)

2.8   Finding a room in a rooming house

It appears that there are a number of means by which people find a room in a rooming house, although there is little systematic evidence on this point and different means of access attract different types of residents.

Tertiary education institutions sometimes refer students to known rooming houses in their catchment area when their own accommodation is full up. A rooming house operator described the process:

But as soon as they fill up [university apartments] she sends them all to me and she's given me clients as well. And people calling asking questions, but yeah, when she's full, they all come here. And also when there's a problem with a tenant, I've only had two in all this time, we talk and we get it solved.

Some rooming houses are well known to NGOs and their referrals are a major means through which residents access these dwellings. Typically these referrals are made when there are no other options available to assist a client. Such referrals indicate the conundrum faced by NGOs in extremely tight rental markets and where they cannot find any other immediate accommodation for their clients.

But I think you've heard from the homelessness services that actually rooming houses are used as emergency accommodation more often than actual emergency accommodation is.

Sometimes not-for-profit agencies learn about rooming houses from their clients, often they are unregistered rooming houses.

For us, I don't know whether you, it's word-of-mouth. We get to find out from another client or somebody who wants to, to go into there because they've heard there's a new rooming house and they'd like to go in there.

Other operators advertise their vacancies on Internet sites to a variety of people including intentional students and backpackers.

One other area of the market that we're seeing a lot more of, is newly arrived travellers to the country, so properties advertised on Gumtree where you've got 10 rooms in a suburban house, so that it's been converted.

2.9   Summary

→ There are 1131 registered rooming houses in Victoria according to the CAV register; other estimates suggest a higher figure indicating non-registration of some rooming houses.

→ The majority of rooming houses are in suburban areas and regional centres, unlike NSW where rooming houses are predominantly in inner Sydney.

→ There is considerable variation in the type of stock and the age of the stock and some are not readily identifiable as rooming houses from the exterior.

→ Sixty per cent of rooming houses are operated by individuals and 40 per cent by organisations, both having generally small property portfolios.

→ There have been initiatives to promote good practice in rooming house management but services providing support to low income and disadvantaged residents continue to report poor management practices within the sector

→ Rooming houses accommodate disadvantaged and vulnerable people but additional demand is evident from international and domestic students, travellers low-income earners and some types of key workers.

→ People access rooming houses in different ways including through tertiary education providers, referrals from not-for-profit agencies, internet sites such as Gumtree and through word-of-mouth.

3 THE ROOMING HOUSE REGULATORY REGIME

3.1 Development of the rooming house regulation

In recent years there have been a number of changes to legislation and regulations applying to rooming houses in Victoria. Although there had been earlier calls for reform the need for reform became very apparent following the tragedy of the deaths of two young people in a rooming house fire in 2006. The evidence at the subsequent Coronial inquest left no doubt that there were significant issues in the sector that required regulatory reform (Mohummadally 2009). Subsequently the coroner found that there had been 'a failure in the administration of applicable building code fire safety, planning and rooming house regulations and a failure to maintain both electrical wiring and electrical components (White 2009).

Also in 2009 a broad-based coalition of more than 50 organisations initiated the *Call this a home?* campaign. It was based upon the position that the regulatory system was 'unable to protect residents, guarantee decent housing standards, eliminate criminal operators or even ensure registration of properties' (Call this a home 2009). The campaign sought comprehensive minimum standards; registration, monitoring and enforcement; and a licensing system to regulate rooming houses. The Brumby Government responded by announcing that they would establish the Rooming House Standards Taskforce in July 2009 and that it would guide a government response to sub-standard rooming houses that accommodated low-income and vulnerable people (Rooming House Standards Taskforce (Vic.) & Foley 2009). Ultimately the work undertaken by this task force led to a set of legislative amendments introduced and passed into law by the subsequent Baillieu Government.

There were three main amendments made to existing legislation in late 2012. First, the government legislated for the establishment of a new state-wide register of rooming houses that would consolidate the existing registers maintained by local councils. Publishing the register would be the responsibility of CAV using powers incorporated in the *Residential Tenancies Act 1996*. Second, the government legislated to require rooming house owners comply with minimum standards for rooms, facilities and common areas. The provision supporting the setting of minimum standards would be established through amendments to the *Residential Tenancies Act 1996*. Third, other amendments to the *Public Health and Wellbeing Act 2008* increased the powers of councils to assess compliance with standards and registration (Parliamentary Library Research Service 2012).

The rooming house regulatory regime has also been shaped by regulations associated with the *Disability Discrimination Act 1992* requiring disability access. They require any conversion of buildings that will be used to offer short-term accommodation to observe the 'access requirements' that enable people with disabilities to be accommodated. This involves at a minimum 'one bedroom and associated sanitary facilities class (and at least one of each type of room or space for use in common by residents)' complying with the 'access requirements'. The guidelines specifically require the access requirements to be provided in existing dwellings that are converted from '1a' private dwellings to a class '1b' dwelling providing short-term accommodation. Rooming houses are included in the category of short-term accommodation (Australian Human Rights Commission 2013).

These premises standards are now reflected in the Building Code of Australia, which has in turn been adopted by the states and territories. The effect of this is that existing private class 1a residential houses being converted to class 1b rooming houses must

comply. During the course of the research the effect of this regulation was identified as an issue because of its effects on the supply of new rooming houses.

3.2 Federal, state and local government responsibilities

Based on this account of recent changes in legislation shaping the provision of rooming houses, it is apparent that agencies from all three levels of government are responsible for the regulatory regime. Figure 5 below presents a summary of the functions that each level of government is responsible for.

Figure 5: Rooming houses: summary of government responsibilities
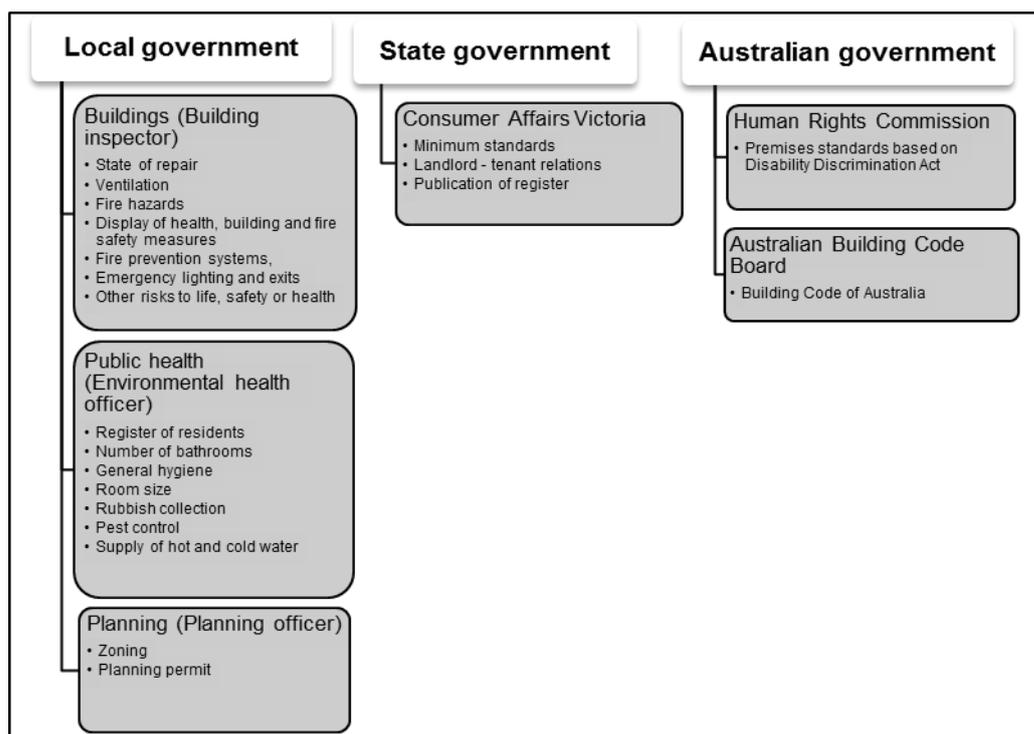
3.3 Stakeholder observations on the new regulatory regime

During the course of the research for this project, interviews were held with proprietors of registered rooming houses and with local government officers. Further, a focus group of representatives from a number of service and advice agencies was held. Broadly the questions asked during these interviews and the focus group directed participants to describe the rooming house sector and make observations about the way the system of regulation was working from their perspective.

Table 1 below presents a summary of observations made by these three stakeholder groups on their experience of working within the new regulatory system. It is important to note that this table reports on what interviewees say about their experience of working within the legislation and regulations. It shows that the stakeholder groups have particular interpretations and views on the efficacy of the legislation and regulation. Consensus on these interpretations and views cannot be assumed.

Finally, most research participants took as a given that most rooming house residents lived on a low income. Rooming house regulation could assist them live in dwellings they could afford and provide them with some certainty about minimum standards and security of tenure. Rooming house regulations on their own did not and could not address the broader issue of the under supply of low-income housing. This was an issue that only changes in housing policy and the housing market could address.

Table 1: Stakeholder observations on the new regulatory regime

Minimum amenity standards	
Broadly support the amenity requirements for locks, storage etc. However, operators find some of the detail overly prescriptive.	*Owners and operators of registered properties* *NGO welfare and tenancy advice organisations*
Broadly support the regular electricity and gas safety checks which increases the safety of rooming houses	*Owners and operators of registered properties* *NGO welfare and tenancy advice organisations*
Building standards	
Sometimes 'structurally unsound dangerous buildings becoming registered rooming houses' which may be associated with local government sub-contracting inspections to private licensed building surveyors	*NGO welfare and tenancy advice organisations*
Legal status of residents in rooming houses	
Rooming house operators often contest which form of 'prescribed accommodation' they provide or whether they provide 'prescribed accommodation'. They sometimes seek to use a 'loophole' by putting residents onto rental leases.	*Local government*
There is lack of clarity in the PHWA about the definition of 'unrelated residents' because residents living in what might be considered a rooming house then 'create a relationship and they want to be there' together	*Local government*
Lack of power by owner corporations in strata titled properties to deal with the consequences of over crowding due to sub-letting within apartments or the operation of unregistered rooming houses.	*Local government*
The value of the publicly available register	
The register is an 'amazing' resource because it provides advocates with a data base that assists them monitor the sector and keep track of particular properties, in particular assisting with identifying unregistered properties	*NGO welfare and tenancy advice organisations*
Agencies have so few options to house clients in affordable housing that they often place them in unregistered rooming houses, supported by HEF funds, that the regulatory process has not captured.	*NGO welfare and tenancy advice organisations*
Does regulation enable access/suitability for people with disabilities?	
Application of disability standards under the disability discrimination legislation requiring disability access provision for properties being converted from houses (1a) to rooming houses (1b) significantly increases the cost of establishing a new rooming house while the level of demand for rooming house accommodation from disabled people is not clear	*Owners and operators of registered properties*
Councils are refusing registration applications from operators because the dwellings/buildings do not meet the requirements of the Premises Standards of the *Disability Discrimination Act* that are now a requirement of the Building Code of Australia potentially resulting in growth in unregistered rooming houses	*NGO welfare and tenancy advice organisations*

4 BOARDING HOUSE REGULATORY REFORM: OUTSTANDING ISSUES

The report on stakeholder views in Chapter 3 indicates that the recent development of the regulatory regime at the state level is broadly supported and has led to improvements. This conclusion has also been stated more publicly by the Council to Homeless Persons (2014), following their assessment of progress on implementing the recommendations of the Rooming House Standards Taskforce (Vic.) and Foley (2009), in their statement that there had been 'significant improvements to minimum standards and legislation'. However, it was also clear from the interviews and the focus groups that there are continuing issues.

The existence of outstanding issues is, of course, not a surprising finding. Rooming houses are used by diverse groups of people. Further, the regulation of rooming houses within local government is distributed across environmental health, building and planning functions, which is framed by different and distinct legislative provisions. In addition, Consumer Affairs Victoria is responsible for ensuring minimum standards for rooms and common areas required by the *Residential Tenancies Act*. This agency is also responsible for publishing the public register of rooming houses. Finally, there are owners and operators of multiple occupancy residential dwellings that seek to remain outside the system of regulation and avoid registration.

This is the context for identifying four outstanding issues presented in summary form in Table 2 below that were identified by interviewees and focus group participants. These four issues are:

→ The continued operation of unregistered rooming houses.

→ Difficulties in identifying the operators of some rooming houses.

→ Coordination of regulatory enforcement roles.

→ Regulator working experiences and conditions.

As with Table 1 above, Table 2 reports on what interviewees say about the issues. Again it shows that stakeholder groups have particular interpretations and views on the efficacy of the regulations. Other stakeholders often contest these interpretations and views.

Finally, there is an issue about the limits of regulation. There was recognition among the NGO welfare and tenancy advice organisations that the regulation of rooming houses cannot address all issues. These organisations noted that in some rooming houses, even though they complied with the regulations and had operators who interacted conscientiously with their residents, they could still be unsatisfactory places to live.

They become unsatisfactory places to live when residents exhibit chaotic or criminal behaviours and lack the capacity to look after themselves. A focus group participant related this situation to the policy of deinstitutionalisation:

> We went through a process of deinstitutionalisation without a housing supply to meet [the needs of] a whole lot of people in congregate situations. So you have rooming houses becoming de facto institutions.

At the agency level this meant that workers on a day-to-day basis were confronted with the urgency of finding a place to live with few alternatives to adequately connect accommodation with necessary services. As another focus group participant noted:

'But if we don't use them [rooming houses], the client's out on the street. They do serve a purpose, but it's a Catch -22'.

Table 2: Stakeholder views on outstanding issues

Unregistered rooming houses	
Not enough is being done to follow up on the unregistered properties resulting in operators of unregistered rooming houses operating at a lower standard with lower costs than non registered rooming houses	*Owners and operators of registered properties*
Dissatisfied that not enough is being done to follow up on the unregistered properties—non-registered rooming houses—that are often of a poor standard and place resident safety and health at risk.	*NGO welfare and tenancy advice organisations*
Responsibilities are divided between state and local governments. Owners of a building, or a letting agent, are required to notify the council, under the provisions of the PHWA if they have reason to believe that a building is being used as a rooming house and is not registered. Councils are responsible for these prosecutions. However, responsibility for action on minimum standards under RTA rests with Consumer Affairs Victoria.	*Local government*
CAV will only inspect and enforce minimum standards in registered properties but not in unregistered properties. CAV requires councils to act first and follow up and complete the registration process first.	*Local government*
Difficulties in identifying operators	
The regulations do not support sufficiently the identification of operators and the suitability of the operator, which is exacerbated by the development of the 'franchise' model (new business models) and the difficulty of distinguishing between employees, operators and owner.	*NGO welfare and tenancy advice organisations*
Regulations requiring that rooming houses are kept clean are difficult to enforce in part because local councils do not have sufficient resources and because it is not always clear who is the operator. The regulations do not 'really capture the management issue'.	*NGO welfare and tenancy advice organisations*
Coordination of regulatory enforcement roles	
Dissatisfied when inspections are not coordinated across councils and with CAV resulting in the owner attending the property multiple times.	*Owners and operators of registered properties*
Considerable variation, or absence of standard response, between councils in the way they respond to reports on issues and requests for assistance in enforcing rooming house regulations.	*NGO welfare and tenancy advice organisations*
Distribution of regulatory powers within local government, between building and environmental health, and between CAV and local government creates complexities and makes enforcement more difficult.	*NGO welfare and tenancy advice organisations*
Within local government. coordination between building, environmental health and planning is on a case-by-case basis and different powers (right of entry) and requirements can lead to difficulties in coordination.	*Local government*
Regulator working experiences and conditions	
Regulators can experience health and safety issues in the course of their work when they enter some rooming houses, both registered and unregistered	*NGO welfare and tenancy advice organisations* *Local government*

5 QUESTIONS

This Discussion Paper has presented an account of the growth and development of rooming houses in metropolitan Melbourne. Issues have been recognised by government and there has been a period of review and change in the regulatory framework. The research conducted for this project suggests that the development of the regulatory framework can be considered as work in progress. All stakeholders in the regulatory system identify important issues. Also, there is some agreement about the issues and how they might be addressed.

This is the context for the conduct of a panel discussion in Melbourne and a similar panel discussion in Sydney. These two panels will bring together representatives of key stakeholders to respond to questions in a facilitated discussion. These two events will provide opportunities for clarifying policy objectives for regulation; clarifying the nature and the extent of challenges facing the regulatory regime; and possible further development of the regulatory regime that supports a viable and legitimate rooming house industry.

The questions that will guide the facilitated panel discussions under three headings are the following.

5.1 Regulatory regime

1. To what extent, if at all, has regulatory reform in 2012 and, in particular, the introduction of minimum amenity standards for rooming houses improved living conditions?

2. Is further adjustment required to the new minimum amenity standards after considering recent experience of regulation?

3. Is the register fit for purpose and what improvements, if any, could meet the needs of various users?

4. How could state and local government (and intra-local government) responsibilities in consumer affairs, building standards and health be streamlined to enable a more efficient and effective system of regulation?

5.2 Implementation of regulation

5. How can detection and follow-up of unregistered rooming houses be improved and who is best placed to follow this up?

6. How could implementation of inspections be improved to address multiple visits by different agencies with separate responsibilities?

7. How does the regulation requiring disabled persons access for new 1b rooming houses perform in terms of meeting the needs of people with disabilities and the future supply of rooming houses?

8. How well does the follow up to inspections work and in what ways could this be improved?

9. How should the costs of regulation be counted and how should these costs be met?

5.3 Future development

10. To what extent does the regulatory regime cover developments in the rooming house market and how could it be improved to reflect these without discouraging innovation and diversity?

11. Is there a role for regulation to be conducted in conjunction with the regulation of other types of housing for disadvantaged and marginalised people?

12. What other measures are required to improve *management* of rooming houses and support for residents and what would be the most effective means of achieving this?

13. What other measures could assist the development of the sector, such as aspects of housing, planning and community welfare policies and programs?

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