



**AUSTRALIAN FEDERATION OF
HOMELESSNESS ORGANISATIONS**

AFHO POSITION FOR CSHA NEGOTIATIONS

**POSITION PAPER
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Purpose of this paper

The Australian Federation of Homelessness Organisations (AFHO) is the national peak body that works to prevent and address homelessness in Australia.

AFHO develops and analyses policy, consults with and represents services for homeless people, and provides information about homelessness.

AFHO aims to represent the diversity of views within the homelessness sector, and undertakes policy work in a range of areas, including issues around the specific needs of young people, women, single adults and families.

The founding members of AFHO are:

The National Youth Coalition for Housing (NYCH)
Women's Services Network (WESNET)
Council for Homeless Persons Australia (CHPA)

These member organisations represent approximately 1200 supported accommodation services across Australia, many of which are funded under the Supported Accommodation Assistance Program (SAAP), a joint Commonwealth-State funding program.

This paper, which is based on internal consultation with AFHO's members, sets out AFHO's position regarding how the next Commonwealth-State Housing Agreement (CSHA) should address homelessness.

Summary of AFHO position for the CSHA negotiations

The next CSHA should operate over at least 4 years and address the following:

National Housing Policy

1. Australia needs a National Housing Policy, to improve co-ordination and integration of the wide range of policy issues impacting on the supply of, and access to, affordable housing across Australia.

Social housing

2. Government expenditure on social housing, particularly public housing, needs to be increased, to ensure adequate supply and improved access.
3. Eligibility criteria for social housing need to be widened.
4. Innovative means of funding social housing need to be examined.

Public housing

5. Public housing needs to be affordable for people on low incomes.
6. Public housing tenants should have security of tenure.
7. Links between public housing and support services need to be improved.
8. Public housing must be appropriately located.
9. Public housing must be adequately maintained.

Community housing

10. The development of the community housing sector must be additional to, not at the expense of, the public housing sector.
11. Community housing needs to be accessible to people with high and complex needs, who are at high risk of homelessness.
12. Community housing needs to be accessible to people on reduced or no incomes, who are at high risk of homelessness.

Supported accommodation

13. Increased funding is needed under the CSHA for the Crisis Accommodation Program, which underpins the Supported Accommodation Assistance Program.

Housing for Aboriginal and Torres Strait Islander people

14. A comprehensive and fully funded plan needs to be implemented to address the housing needs of Aboriginal and Torres Strait Islander people.

Private investment in affordable rental housing

15. As a supply side measure, Governments need to take leadership to promote increased private investment in affordable rental housing.

Private rental market

16. Adequate assistance needs to be provided in all jurisdictions for people on low incomes to meet private rental market entry costs.
17. Measures are needed to protect the rights of tenants in the private rental market.
18. All jurisdictions need to have adequate and consistent standards in place to ensure adequate quality standards for private rental accommodation.
19. Measures are needed to improve security of tenure in private rental housing.
20. Measures are required to assist tenants to address discrimination in the private rental market.

INTRODUCTION

Homelessness in Australia

Having a home to go to is fundamental to quality of life and participation in society. To have no home is to be excluded and disenfranchised from society.

Homelessness can be the devastating result of poverty, unemployment, violence, or discrimination in housing. It can also be triggered by family breakdown, mental health problems, alcohol and other drug dependency, financial difficulty, gambling, and social isolation.

Homelessness creates instability, leaves people vulnerable to chronic unemployment and ill health, and with limited or no ability to participate in the social and economic life of their community. Homelessness means that members of our community are living without their most fundamental human rights.

Any level of homelessness in Australia is unacceptable. It is estimated that at the time of the 1996 Census, around 105,000 people were homeless in this country. This is a national disgrace in a wealthy nation such as ours.

Homelessness is not a simple issue. There are many structural factors that contribute to homelessness, ranging from economic and social factors to cultural, familial, and personal issues.

Homelessness is multi-faceted and affects different groups of people in diverse ways. The causes and consequences of homelessness vary between groups such as young people, women escaping domestic violence, Aboriginal and Torres Strait Islander people, people with alcohol and other drug problems, people with mental health problems, and so on.

A flexible and holistic response to homelessness is urgently needed. The response must come from a range of levels of government and from the community, be co-ordinated across a range of portfolios, and be targeted at preventing, reducing, and ameliorating homelessness. It must address the many causes and consequences of homelessness – jobs, income, housing affordability, domestic and family violence, physical and mental health, disability, substance misuse, the criminal justice system, and the need for supported housing. It must be integrated, but it must also be flexible enough to meet the diverse needs of people who are homeless or at imminent risk of homelessness.

Housing policy and homelessness policy

One of the most significant causes of homelessness in Australia is to the inability of all citizens to access appropriate housing. Access to adequate housing in this country is prevented most significantly by an inability to *afford* available housing. The current chronic shortage of low cost private and public rental housing in many housing markets around the country is a key factor in contemporary homelessness. It is clear that the inadequate supply of low cost housing compromises the ability of our national crisis response to homelessness (the Supported Accommodation Assistance Program, or SAAP) to achieve its aim. SAAP aims to assist people to live independently, but experiences great difficulty achieving this due to the lack of appropriate affordable housing for people exiting the SAAP system.

It would seem then, that the policy relationship between housing and homelessness is quite straightforward. However, there are two important issues that need to be considered to gain a constructive understanding of this policy relationship. First, housing policy should not focus exclusively on homelessness. Second, and perhaps more obviously, housing policy is not the only policy response implicated in any effort to address homelessness.

The proposition that housing policy should not focus exclusively on homelessness is quite challenging, in the current context of minimal housing assistance resources. The immediate inclination is to expect limited resources to be channelled to those most in need. In the context of housing assistance, this could be interpreted to mean channelling limited housing assistance resources only to the homeless, to the exclusion of all others. However, there are a number of problems with this narrowly targeted approach.

For example, if governments were to focus housing policy exclusively towards alleviating the housing needs of the homeless, it would mean that Australian citizens would need to become homeless before they were eligible for housing assistance. This approach could create perverse incentives for people to make themselves homeless. It would also be a very cost intensive approach, because it would mean providing housing, or money to attain housing, to those who have got to a point where they have little or no ability to contribute towards this cost. In this sense, this narrow approach to housing policy could also result in a scenario where housing assistance is expected to fix the failures of other policy areas, such as health and employment for example.

Instead of such a narrowly targeted approach to housing assistance, AFHO suggests that housing policy should focus broadly on housing need across the whole community, as one strategy to prevent homelessness or the threat of homelessness from occurring. A broad approach to housing policy needs to pay attention to the overall supply and cost of housing in any market, design and urban planning issues, and ultimately housing's contribution to sustainable and strong communities. In the long term a broadly focussed approach to housing assistance policy could ensure that all people are housed adequately and appropriately.

On the other hand, a narrowly focussed approach to housing assistance, targeting only those who are homeless or at significant risk of homelessness, will never prevent homelessness occurring – and is very much a “parking an ambulance at the bottom of the cliff” policy approach to housing assistance. Responding to crisis in any social services system is inevitably more expensive per capita than broad preventative approaches.

The current approach to housing policy in Australia is already too narrowly focussed on those in acute need, running the risk of creating very high housing assistance costs for this country in the future, through forcing larger and larger proportions of our population into insecure housing and the related risk of homelessness before assistance is available.

This is not to suggest that housing policy should not provide housing assistance to the homeless: it must. However, this should not be its exclusive focus. To turn around Australia's current narrow policy approach to housing assistance will take considerable short term will and financial commitment from governments around the country. However, housing assistance, along with social support, should be regarded as a productive investment that has a demonstrated potential to enhance national wellbeing, and contribute to economic growth.

It is also clear, and widely accepted, that housing policy is not the only policy response implicated in any effort to eradicate homelessness. While housing is a fundamental requirement for all homeless people, the provision of housing alone is unlikely to address issues of homelessness for many. For example, the alleviation of poverty, access to general support and counselling services, drug and alcohol services, mental health and other health services, specialised trauma and sexual abuse services, assistance with gambling, and/or legal assistance are critical in assisting a very significant proportion of the homeless population to enter and/or sustain housing. The limited capacity of our income support system to alleviate poverty among the homeless, and the difficulty disadvantaged people experience in relation to labour market entry have a very significant impact on access to housing. These issues together with a general lack of support services, contributes to loss of housing and/or an inability to enter or sustain housing.

Put simply, addressing homelessness has to be about more than housing policy, but housing policy must be a fundamental aspect of any strategy to eradicate homelessness.

AFHO POSITION FOR CSHA NEGOTIATIONS

NATIONAL HOUSING POLICY

1. Australia needs a National Housing Policy, to improve co-ordination and integration of the wide range of policy issues impacting on the supply of, and access to, affordable housing across Australia.

One of the most significant causes of homelessness in Australia is to the inability of all citizens to access appropriate housing. Access to housing is prevented most significantly by an inability to *afford* appropriate housing.

Housing is one of the most basic human needs and most fundamental of human rights. An address and adequate, safe shelter are minimum requirements not only for survival but good health and an opportunity to participate in social life, including employment and education. Adequate housing means housing that is affordable, that provides safety to the occupant, that provides security of tenure, that is appropriate in design and location for the particular occupant, that is of good quality, and that can be accessed without discrimination.

There is a lack of integration and co-ordination between the range of government policies which impact on the supply of affordable housing in Australia. For example, there is little co-ordination between the CSHA, Rent Assistance, income support, employment programs, disability programs, taxation regimes, fiscal policy impacting on interest rates, supported accommodation programs, urban and land planning, and direct forms of intervention in housing markets. Impact studies are needed on these and other policies affecting access to affordable housing.

The nation's housing stock is a productive asset worth perhaps \$1,000 billion and provides accommodation for more than 7 million households. There is an urgent need for a National Housing Policy, to integrate policy and programs relating to all housing tenures. This would include better integration of policy and service delivery between SAAP, the CSHA and related programs such as Commonwealth Rent Assistance and the Commonwealth-State Disability Agreement. Such a policy should be developed in consultation with key stakeholders, including all levels of government, housing consumers, the housing industry, community groups and communities. It should be developed immediately, and should be the responsibility of a new national agency, led by a Federal Cabinet Minister. The national agency would work across the social, economic and environmental influences and policy issues shaping access to affordable and appropriate housing.¹

The next CSHA should include an in-principle agreement by all governments to a nationally co-ordinated strategic approach to housing policy and programs, through a National Housing Policy.

SOCIAL HOUSING

2. Government expenditure on social housing, particularly public housing, needs to be increased, to ensure adequate supply and improved access.

Social housing is a term used to collectively describe public rental and community rental housing in Australia. Commonwealth and State/Territory governments jointly invest in both forms of rental housing, and provide rental subsidies to low income earners who make up the large majority of tenants in these forms of housing. These forms of rental housing are funded under the CSHA.

¹ National Shelter et al. *Six Point National Housing Statement*, 2001; National Shelter, *The Way Forward: Affordable Housing for All*, 2001.

Social housing has proved the best option to date for homeless people and people at risk of homelessness. Social housing provides the greatest benefit to low income households of any housing assistance measure, particularly in terms of affordability and security of tenure. These two benefits can help to enable people to stabilise their lives, plan for the future, engage in education, training and employment, access health services, and develop community networks. Gaining access to social housing is the most likely avenue out of poverty for low-income households, and the most likely avenue out of homelessness. AFHO therefore has a strong interest in the good management of the social housing resource.

Public housing, in particular, is a critical resource in preventing and addressing homelessness. 6% of all Australian households live in public housing. Across the states and territories this proportion ranges from 4 per cent in Victoria to 20 per cent in the Northern Territory.² The Industry Commission found that public housing performs better than cash payments in addressing the goals of affordability, security of tenure, appropriateness, accessibility and targeting tenants most in need.³

Public rental housing therefore offers homeless people and those at risk of homelessness an important and viable housing option.

Disturbingly, the expansion of public housing stock has severely slowed in recent years. For example, the number of public housing stock additions provided nationally under the CSHA declined from around 14,000 in 1989-90 to around 4,000 in 1995-96.⁴ This decline has occurred in part because a greater proportion of CSHA funds are being applied to upgrading existing stock, and in part because real funding to the CSHA has declined over the period. In the face of reduced levels of Commonwealth and State funding for public and community housing, State housing authorities have curtailed stock acquisitions and construction programs.

Social housing has suffered from falling real grants, increasing demand, and increasing costs, and has increasingly catered to only the most needy households. Because of this, social housing has become a residual welfare housing system accessible not to all low income households, but only to the most disadvantaged, which impacts on both equity and sustainability.

Those who are allocated social housing are freed, perhaps for life, from housing stress, while others who may be almost as poor continue to pay market rents for often poor quality and insecure housing with only minimal Rent Assistance. Tenants on similar incomes may pay the same rent for vastly differing levels of amenity, location and quality. In addition, low income people unable to access social housing often fall into a poverty trap, due to high rents in the private market, which prevent them from accumulating a deposit for home ownership⁵.

The Six-Point National Housing Statement, 2001, noted that the contraction of social housing has led to increase pressure on Rent Assistance, which is not able to meet the demand for and availability of low-cost housing.⁶ Moreover, the provision of public housing to groups who are discriminated against in the private rental market is more cost-effective than providing incentive payments to landlords.

In the context of continuing demand for public housing, the reduction in supply of affordable housing, and the potential public housing offers in terms of reducing the risk of homelessness, there needs to be an immediate reversal to the decline in the quantum of public housing stock being constructed.

² AIHW, *Australia's Welfare 2001*.

³ Industry Commission, *Public Housing*, Report No 34, 1993.

⁴ DSS, *Housing Assistance Act 1989, Annual Report 1995-96*, 56.

⁵ Darcy, M., and Randolph, B., *Strategic Directions for Housing Assistance. Final Report Prepared for the NSW Department of Housing*, December, 1999.

⁶ National Shelter et al, *Six-Point National Housing Statement*, 2001, 3.

A well-managed and adequate stock of public housing will benefit the community as a durable, appreciating asset. Under the next CSHA, State/Territory and Commonwealth Governments should jointly commit to raising the proportion of public housing stock to 8 per cent of all housing stock, and sustaining this percentage as a minimum benchmark. Input from both Commonwealth and State/Territory governments and the non-government sector is needed to guide the development of social housing.

3. Eligibility criteria for social housing need to be widened.

Limiting access to social housing to the most disadvantaged groups in society, combined with long waiting lists, perceptions of poor housing quality, and location issues, have resulted in some housing estates containing high concentrations of poverty, crime and social isolation.

There is a need to improve access to social housing by all households on moderate incomes, not only the most disadvantaged. This will require increased government expenditure on social housing, and broader eligibility criteria. For example, tenants in social housing who achieve entry to the labour market and/or a rise in income could be provided with the option to retain security of tenure and pay market rent.

Broad eligibility for public housing among low and moderate income earners, including young people, is required to address housing need and to manage the risk of homelessness across Australia. In addition, eligibility criteria for priority public housing should not restrict access in emergencies, such as situations where women and children are fleeing domestic violence.

4. Innovative means of funding social housing need to be examined and implemented.

Because the social housing system is almost entirely reliant on government grants, the capital injection necessary for social housing to grow beyond its present residual role would require an increase in public investment. This is seen by some as highly unlikely in the current climate of asset divestment in favour of repairing debt⁷.

Innovative means of attracting capital funding from a range of sources into social housing need to be considered. Innovative means of attracting capital funds should not use CSHA funds as the core funds for any new projects.

PUBLIC HOUSING

5. Public housing needs to be affordable for people on low incomes.

While housing affordability for public housing tenants is comparatively good (compared for example with the private rental market), it is important to note that just over 17 per cent of public housing tenants pay more than 25 per cent of their income in rent, and almost 8 per cent pay more than 30 per cent of their income in rent.⁸

There is a need to ensure the ongoing affordability of public housing for all people on low incomes, including those on very low incomes, such as young people on Youth Allowance.

6. Public housing tenants should have security of tenure.

While security of tenure in public housing has been good compared with the private rental sector, this situation is changing as governments progressively offer housing only for the 'duration of need'. Nonetheless, given historical policies 83 per cent of public housing tenants still enjoy an indefinite tenure arrangement.⁹

⁷ Ibid.

⁸ ABS, 1999 Australian Housing Survey, October 2000, 14.

⁹ ABS, 1999 Australian Housing Survey, October 2000, 11.

Security of tenure is important for households at risk of homelessness because it reduces housing costs associated with frequent moves, and provides households with opportunities to develop and sustain important social and economic networks and supports. Inability to afford ongoing housing costs, and isolation from familial, social and economic opportunities, are all important factors in homelessness.

Security of tenure in public housing offers important benefits to those at risk of homelessness and should be re-incorporated in the next CSHA. There should also be measures to ensure that if tenants are required to move to make way for others with greater need for the accommodation, positive incentives are provided to assist with securing suitable accommodation.

7. Links between public housing and support services need to be improved.

Historically, the links between public housing and publicly funded support services such as the Supported Accommodation Assistance Program (SAAP), the Home and Community Care Program (HACC), drug and alcohol treatment services, and community health and mental health services, have been ad hoc and without formal planning. This has meant that tenancies for some tenants with high or complex needs have not worked, exposing this group to an unnecessarily high risk of homelessness.

With limited stock and increased targeting of disadvantaged people, people with high and complex needs will continue to make up an increasing proportion of public housing tenants, so the issue of inadequate links between housing and support is likely to become increasingly pressing.

Joint Commonwealth and State/Territory Government commitment to additional resources for a range of support programs is required, to assist public housing tenants with high and complex needs to sustain their tenancies.

8. Public housing must be appropriately located.

One of the main criticisms of public housing has been the limited choice of locations available to tenants. The 1997 Senate Report on Housing Assistance noted the poor location of public housing, particularly broadacre housing estates, in relation to employment opportunities and essential services. The report outlined concerns that this situation is resulting in pockets of disadvantage in the community, with tenants on poorly located and serviced public housing estates unable to access jobs and related services such as child care, and break out of poverty.¹⁰

If the location of public housing compounds disadvantage, this is of great concern in relation to pathways into and out of homelessness.

Governments need to examine the development and redevelopment of public housing estates, with a view to accommodating a mix of low and medium income households, to improving a range of amenities within estates, and to improving access to public transport. Housing options within regional and remote areas also need to be further enhanced, to ensure the safety and security of women and children who are fleeing domestic violence, and who should not be housed in proximity to the perpetrator.

9. Public housing must be adequately maintained.

Due to past levels of under-investment in maintenance and upgrading, there is a substantial public housing maintenance backlog in at least some jurisdictions. This needs to be addressed, to ensure that disadvantaged households are not forced to live in sub-standard housing, thereby compounding their disadvantage.

¹⁰ Senate Community Affairs References Committee, *Report on Housing Assistance*, 1997, para 3.61 – 3.62.

COMMUNITY HOUSING

While different States and Territories, currently have differing definitions of “community housing”, the definition used in this section relates to long term community managed housing funded under the CSHA, which accounts for approximately 62 per cent of community housing dwellings. Sometimes, the term ‘community housing’ also encompasses community managed short term or crisis housing – those forms of housing are discussed elsewhere in this document.

10. The development of the community housing sector must be additional to, not at the expense of, the public housing sector.

Community housing expenditure as a percentage of CSHA expenditure rose from 3 per cent in 1991-92 to 5 per cent in 1995-96.¹¹ However, in 1996, only 0.5 per cent of all households in Australia resided in community housing. As of June 2000, community housing accounted for just over 6 per cent of all social housing stock in Australia or approximately 24,316 dwellings. The proportion of community housing under CSHA varies from 1 per cent in Tasmania to 9 per cent in Western Australia.¹²

It is of concern that the development of the community housing sector in some jurisdictions is occurring at least in part through transfer of stock from the public housing sector. This is unacceptable given that the public housing sector is already starved of resources. Additional resources must be allocated for community housing, over and above those required for a robust public housing sector.

Commonwealth and State/Territory governments must commit to re-investing in public housing and investing in community housing growth with new monies.¹³

11. Community housing needs to be accessible to people with high and complex needs, who are at high risk of homelessness.

Clearly community housing has a lot to offer homeless people, and people at risk of homelessness. Indeed, community housing organisations do house people leaving SAAP, and SAAP services have also been involved in developing community housing options for some homeless groups including young people, people from non English speaking backgrounds and the elderly. However, the extent to which community housing assists households exiting homelessness is unclear.

A significant proportion of SAAP users, particularly long-term SAAP users, may be low skilled or have difficulty with social interaction, due to the level or length of social exclusion they may have experienced. These people may find it difficult to ‘fit in’ or contribute to community housing ventures, particularly those that rely on high levels of tenant participation.

¹¹ Senate Community Affairs References Committee, *Report on Housing Assistance*, 1997, table 2, chapter 3.

¹² AIHW, *Australia's Welfare 2001*, 2001, 75-76.

¹³ Community Housing Federation of Australia, *Community Housing, Building on Success: Policy Directions for Community Housing in Australia*, 2001, pp. 6-7, 10-11.

Community housing needs to be accessible to people with high and complex needs, such as mental health and chemical dependency problems, who may otherwise be homeless or at risk of homelessness. This will require joint Commonwealth and State/Territory Government commitment to resources for general and specialist support programs to assist community housing tenants with high and complex needs to sustain their tenancies. Expectations of tenant participation in the community housing sector need to take into account the skill levels and capacity for social interaction of some groups at risk of homelessness; and there is a need for an expansion of community housing co-operatives for women escaping domestic and family violence.

12. Community housing needs to be accessible to people on reduced or no incomes, who are at high risk of homelessness.

Catering for people on very low incomes presents a financial viability issue for community housing organisations, even those which wish to house people who are homeless or at risk of homelessness. These people might include young people on low incomes, those living on reduced incomes as a result of social security penalties, and migrants forced to wait for two years in order to be eligible for income support.

Community housing ventures need to be offered some form of ongoing housing subsidy to enable them to house homeless people with reduced or no incomes.

SUPPORTED ACCOMMODATION

13. Increased funding is needed in the CSHA for the Crisis Accommodation Program (CAP), which underpins the Supported Accommodation Assistance Program.

The provision of crisis accommodation and support through the Supported Accommodation Assistance Program (SAAP) is often the initial point of intervention with homeless people.

An expansion of both Crisis Assistance Program (CAP) funding under the CSHA, and of SAAP funding, which falls outside the CSHA, are needed. The CAP is the source of capital funding for the SAAP, and is critical to enabling the SAAP to operate and provide accommodation and other support services to the most vulnerable groups in our community.

Supported accommodation agencies across Australia were able to house 6,400 people each day, and provide other forms of support to thousands more people every day during a snapshot data collection period in 2000. However, they were also forced to turn away an average of 219 requests daily from people who were in urgent need of accommodation. This equates to around 80,000 requests per year that cannot currently be met.¹⁴ This is due to both an inadequate number of places in SAAP services; and to a lack of exit housing, which is forcing clients to stay in SAAP accommodation for longer periods, and preventing new clients from having access to places in SAAP agencies.

Increased CAP funding in the CSHA will provide the infrastructure which is necessary to expand the SAAP program; and the expansion of public housing and other forms of affordable housing through the CSHA will increase the supply of exit accommodation, and help to “unblock” the SAAP system. An increase in CAP funding is also essential to ensure that SAAP services have access to capital funds so properties and facilities are properly designed for clients. Appropriate accommodation can not be provided through the rental market as the design and type of property does not meet the needs of clients.

To meet the needs of homeless people for crisis accommodation and other forms of supported accommodation, funding for the CAP and SAAP sectors should immediately be increased by 25% in real terms.

¹⁴ Australian Institute of Health and Welfare (December 2001), *Demand for SAAP Assistance 1999-2000*.

HOUSING FOR ABORIGINAL AND TORRES STRAIT ISLANDER PEOPLE

14. A comprehensive and fully funded plan needs to be implemented to address the housing needs of Aboriginal and Torres Strait Islander people.

While other population groups, such as people from non-English speaking backgrounds, have specific needs in relation to housing, Aboriginal and Torres Strait Islander people have by far the highest rates of overcrowding and homelessness of any identifiable population group, and their needs therefore require specific targeting.

Housing assistance specifically for Aboriginal and Torres Strait Islander people is funded by the Aboriginal and Torres Strait Islander Commission's (ATSIC), Community Housing and Infrastructure Program (CHIP) and the CSHA's Aboriginal Rental Housing Program (AHRP), and managed by over 700 Indigenous community housing organisations.

These programs are currently not meeting need, and the level of homelessness amongst Aboriginal and Torres Strait Islander people is a matter of serious concern. SAAP data for the last financial year¹⁵ shows that while only 2% of the Australian population aged 10 years or over identify as Aboriginal or Torres Strait Islander people, 16% of SAAP clients (nearly 14,000 people) identified themselves as Aboriginal or Torres Strait Islander. Given the well documented reluctance of Aboriginal and Torres Strait Islander people to access services, along with a tendency to under-identification in administrative data collections, this indicates an alarmingly high rate of homelessness amongst these communities. The suspicion that there is an even higher level of "hidden" homelessness is confirmed by 1996 Census data showing that nearly one third of all improvised dwellings, such as sheds, humpies, and park benches, were occupied by Aboriginal and Torres Strait Islander people.¹⁶

Home ownership rates by Aboriginal and Torres Strait Islander people are much lower than the national average – 30% compared to 70%. Aboriginal and Torres Strait Islander people also experience difficulty in accessing private rental housing due to discrimination, while the current severe shortage of affordable rental housing impacts harshly on Aboriginal and Torres Strait Islander tenants, who have considerable difficulties in accessing and maintaining their tenure of rental dwellings.¹⁷

These trends, reflecting the experience of dispossession, dislocation, and disadvantage, provide a particular imperative to improve access by Aboriginal and Torres Strait Islander people to appropriate social housing. Unfortunately, in a significant number of cases, social housing for Aboriginal and Torres Strait Islander people has been difficult to access, poorly constructed, poorly designed, culturally inappropriate and not maintained.

Governments should work with ATSIC, with the national advocacy and advisory group on Indigenous housing (the National Organisation for Aboriginal Housing), and with other appropriate organisations to develop a staged, appropriate, and fully funded plan to improve Aboriginal and Torres Strait Islander housing, and to determine the level of direct and indirect subsidies that will be required.

PRIVATE SECTOR INVESTMENT IN AFFORDABLE RENTAL HOUSING

15 As a supply side measure, Governments need to take leadership to promote increased private investment in affordable rental housing.

¹⁵ AIHW, *SAAP National Data Collection Annual Report*, 2001.

¹⁶ ABS/AIHW, *The Health and Welfare of Australia's Aboriginal and Torres Strait Islander Peoples*, 1999.p.46.

¹⁷ Berry M, MacKenzie D, Briskman L, Ngwenya T (August 2001), *Victorian Indigenous Homelessness Study: Final Report*. Prepared for the Aboriginal Housing Board of Victoria, p.15.

Since 1986, the number of low-income urban households in dwelling stress across Australia has grown from 90,000 to over 250,000 households¹⁸. The most recent ABS Housing Survey (1998) found that nearly 55% of private tenants were living in housing that was unaffordable.¹⁹

While the payment of Rent Assistance provides poverty alleviation, improved choice and capacity to meet housing needs, it does not achieve housing affordability and has a limited impact on the key housing assistance objectives of security, adequacy, and appropriateness²⁰. Recent statistics reveal that in all parts of Australia studied, more than 19 per cent of Rent Assistance recipients were paying 25-30 per cent of their income in rent, while the percentage of Rent Assistance recipients paying over 30 per cent of their income in rent ranged from 29 per cent in non-metropolitan South Australia to over 50 per cent in Sydney. Therefore 48 to 69 per cent of households receiving Rent Assistance are living in after-housing poverty, depending on where they live²¹. For those in high rent housing markets, particularly people on low incomes and especially sole person or sole parent households, Rent Assistance is of limited help in making housing affordable, or in addressing other issues such as housing quality and discrimination²².

Home ownership is becoming less readily attainable, particularly for younger households and single people; and there is evidence that it is also becoming less desirable for younger moderate-high income earners choosing to investment in the share market over a home.²³ This trend is of particular significance for low-income households. As higher income households remain in medium and lower cost rental housing and the proportion of social housing stock continues to decline, low-income households experience a greater shortage in affordable rental housing.

The attractiveness of investment in the private rental market is declining. Alternative forms of investment are comparatively easy to manage, flexible and provide higher rates of return. The capital gains and tax advantages of private rental investment are diminished in a low-inflation, low-interest rate environment. Investment in low-cost housing has been found to be the least attractive option for private rental investors as it provides the least potential for capital gain.²⁴ As a result there has been a notable decrease in private rental stock at the low cost end of the market.²⁵

It is now estimated that there is an absolute shortage of 50,000 low cost rental homes across Australia²⁶. Measures are urgently needed to ensure an adequate supply of affordable housing in the rental market.

To improve the supply of affordable rental housing, in addition to direct government investment in social housing, the rental market needs to be restructured towards large scale institutional investment, rather than small scale personal investment. This could be achieved through direct government subsidies for private (debt) investment in affordable housing, using

¹⁸ Affordable Housing National Research Consortium (September 2001), *Affordable Housing in Australia: Pressing Need, Effective Solution*, p.2.

¹⁹ Cited in National Shelter, *The Way Forward: Affordable Housing for All*, 2001.

²⁰ National Shelter, *The Way Forward: Affordable Housing for All*, 2001.

²¹ Cited in ACOSS *Priced out of the Market: Low Income People and Affordable Housing 1998*

²² Burke T, Pinkney S, Ewing S, for AHURI, *Rent Assistance and Young People's Decision Making*, 2002, p. 39.

²³ Beer, A *Fast Forward to the Future? A Vision of Home Ownership and Housing Wealth in the Next Century in Australian Housing and Urban Research Institute*, Yates, J. and Wulff, M. Eds *Australia's Housing Choices*

²⁴ Darcy, M, and Randolph, B, *Strategic Directions for Housing Assistance*, prepared for NSW Department of Housing, Dec 1999.

²⁵ National Shelter, *Creating the Links Between Housing, Employment and Income Support*, 2001, 34.

²⁶ Yates and Wulff, *Housing Markets and Households Income Polarisation: A Metropolitan and Regional Analysis*, 1999; cited in National Shelter, *The Way Forward: Affordable Housing for All*, 2001.

the model developed recently by the Affordable Housing National Research Consortium. Under this model, governments would issue housing bonds with a guaranteed minimum after-tax return to investors. Research indicates that institutional investors such as superannuation funds would be very keen to invest in such bonds, and that this would make a major impact on the supply of affordable housing²⁷.

THE PRIVATE RENTAL MARKET

Private rental housing accounts for around 20.3 per cent of all housing in Australia²⁸ with approximately 1.4 million families privately renting their dwellings in this country. People living in private rental housing experience the highest incidence of housing affordability problems across all housing tenures,²⁹ largely because as a general rule the private rental market fails to supply enough affordable, adequate, secure housing to low income households in Australia. As a result many low income households are forced to pay higher rental costs than they can reasonably afford, requiring them to live in after housing poverty. Consequently, private rental tenants are at greatest risk of homelessness. Indeed, the most common form of housing for people utilising SAAP accommodation (targeting homeless people) prior to entry into this program, was private rental housing.³⁰

Public policy has historically tended to neglect the private rental market, focusing more on home ownership and public housing. This is probably due to both a lack of information about supply and demand in the private rental market, and a perception that private renting is a short-term and transitional tenure.³¹ A considerable portion of renters however, are not transitory. 40% have rented for more than ten years³². Private renters are therefore a significant and growing group.

The private rental market is the tenure that experiences the most housing stress, and has the greatest number of low-income renters. There needs to be much greater leadership shown by governments in addressing the needs of tenants in the private rental market.

16. Adequate assistance needs to be provided in all jurisdictions for people on low incomes to meet private rental market entry costs.

Entry costs to the private rental market, including bond, rent in advance, connection fees and relocation costs, are problematic for people on low incomes. For young people without an independent housing history, and homeless people who have lost everything, there are also the added costs of purchasing furniture, white goods and other household items.

Assistance with entry costs to the private rental market currently varies between jurisdictions. In all States and Territories, people seeking to leave homelessness require access to bond grants/guarantees and establishment grants. Bond and establishment loans are inappropriate as they create a regime of debt repayment which people exiting homelessness and/or on low youth wages are rarely able to meet in addition to the up front costs associated with initial attempts to increase social and economic participation.

In addition to bond grants, establishment grants need to include at a minimum two weeks rent in advance, electricity/gas connection fees/bonds, and relocation and/or purchase of essential furniture/white goods.

²⁷ Ibid, pp 30-33.

²⁸ AIHW, Australia's Welfare 2001, 52.

²⁹ Ibid, 136.

³⁰ AIHW, SAAP National Data Collection Annual Report 1999/2000, 36.

³¹ Chris Maher The Private Rental Market – Implications of Restructuring and Housing Reform *Housing Reform Which Way Forward?* National Housing Action Vol. 12, No.2 Dec 1996

³² Badcock B and Beer A, 2000. *Home truths: Property ownership and housing wealth in Australia*. Melbourne: Melbourne University Press.

17. Measures are needed to protect the rights of tenants in the private rental market.

People from disadvantaged backgrounds, many of whom may be at risk of homelessness, are often vulnerable to exploitation by landlords and agents because they are either unaware of their rights as tenants, find it difficult to assert these rights, or do not have adequate legislative protection of their rights. In a private rental market characterised by a shortage of affordable housing, tenants are in the least powerful position. The most disadvantaged tenants - young people, single parents, women escaping domestic violence, and people with mental health problems - are often accustomed to poor treatment and abuse of their rights, and are the least likely to use complaint mechanisms.

State/Territory residential tenancy legislation regulates the conduct, rights and responsibilities of landlords and tenants. State/Territory law similarly regulates rental bonds and appeal mechanisms. The adequacy of protection varies from State to State.

Each State and Territory should implement the following measures for the protection of tenants in the private rental market:

- Residential tenancy legislation to protect all tenants including young people, tenants of caravan parks, boarders, lodgers and people housed in other marginal tenures.
- Central bond authorities to administer rental bonds.
- Independent residential tenancy tribunals to ensure equitable resolution of tenancy disputes.
- Elimination of no-cause termination of tenancies, to be replaced by principles for just cause termination on reasonable grounds.
- Ability to appeal over excessive rent increases, to ensure that rent increases are limited to rises in line with inflation and to place the burden of proof that an increase is fair on the landlord.
- Minimum structural standards for all rental premises, to eradicate the renting of unsafe, unhygienic and inadequate premises.

The Commonwealth, through the CSHA process, should provide leadership in encouraging adherence to standards, and in developing options for voluntary State/Territory adoption of guidelines or codes.³³

The effectiveness of laws protecting tenants' rights is greatly dependent upon the extent to which tenants are aware of them and able to utilise them to enforce their rights. Education of the community, support for tenants seeking to enforce their rights, and resourcing of advocacy services therefore play a key role in realising tenants' rights. The level of advocacy and support services available to private, public and community housing tenants varies on a State by State basis. All State/Territory Governments should provide Tenants' Unions in their jurisdiction with adequate resources.

Another concern is "tenancy databases". There are a number of such databases in operation, containing apparently uncorroborated information on tenants, supplied by landlords/agents for other landlords/agents. There is no obligation on agencies to advise potential tenants that information is kept on them or whether the information has been used to assess their suitability for rental. There is no formal mechanism by which tenants can access the information or have it amended. These databases are currently unregulated. They are not covered by the Commonwealth Privacy Act or anti-discrimination legislation. They are of concern because decisions affecting vulnerable tenants may be made on the basis of information which may be untrue or unfair. Such decisions may keep people from obtaining private rental housing or lock tenants into a bad housing situation. Tenants being denied access to private rental properties on the basis that they are listed on a commercially driven, unaccountable tenancy database is a serious issue affecting access to private rental that has resultant, negative implications for the level of homelessness.

³³ National Shelter, *The Way Forward: Affordable Housing for All*, 2001.

The Commonwealth Privacy Act and Residential Tenancies Legislation should be amended to regulate the databases, and provide mechanisms to resolve disagreements on information included in the databases.

18. All jurisdictions need to have adequate and consistent standards in place to ensure the quality of accommodation available through the private rental market.

The incidence of poor quality housing in the private rental sector is, in general, much higher than that experienced in the home ownership sector, but, in most cases, lower than that of the public rental sector which shows the greatest incidence of problems.³⁴

Low income households are often forced to make trade-offs between housing quality, housing location and housing affordability. Houses of decent quality may only be available on urban fringes while the more affordable houses in inner city areas are more likely to be older, often run-down and in need of major repairs.³⁵

Residential Tenancy Legislation in most states does place an obligation on landlords to provide and maintain housing in a good state of repair.³⁶ However, in practice problems do occur in relation to enforcing such laws; for example, legislation may fail to adequately define and enforce 'good repair' as a benchmark for minimal acceptable standards; and there may be a lack of awareness on the part of tenants of their rights in relation to repairs and maintenance.³⁷

The Commonwealth Government should demonstrate leadership in negotiating agreed, enforceable and well defined national minimum housing standards with State/Territory Governments for inclusion in consumer protection and/or residential tenancy legislation in all jurisdictions.

State/Territory Governments should also ensure that tenants in the private rental market are fully informed of their rights to dwellings of adequate standard, definitions of adequate housing standards and avenues to appeal against poor housing standards.

19. Measures are needed to improve security of tenure in private rental housing.

The majority of leases for private rental housing in Australia are generally for either six or twelve months duration. The 1999 ABS Australian Housing Survey found that close to twenty per cent of private rental tenants had moved five or more times in the last five years.³⁸ Repeated relocation for households reliant on private rental housing over the long term is expensive and disruptive to employment, education, family and community connections. These unsettling effects exact a high cost on low-income households. Insecure tenure can be one of the stresses that tip a struggling household over the threshold into homelessness.

With the decrease in affordability of home purchase, many households are now spending long periods in the private rental sector. There is a need for appropriate measures to be taken to address the growing need for long term rental housing.

To reflect the growing reliance on private rental housing, and to avoid homelessness resulting from insecure tenancies, all government jurisdictions need to work with National and

³⁴ Department of Social Security, *Overview of the Australian Private Rental Market*, October 1996, p 9.

³⁵ Industry Commission, *Public Housing*, Vol 2: Appendices, Report No. 34, Nov 1993, 75.

³⁶ Kennedy, R, See, P et al, *Minimum Legislative Standards for Residential Tenancies in Australia*, for the Commonwealth Department of Housing and Regional Development, 1995, 31.

³⁷ Kennedy, R, See, P et al, *Minimum Legislative Standards for Residential Tenancies in Australia*, for the Commonwealth Department of Housing and Regional Development, 1995, 31.

³⁸ ABS, 1999 Australian Housing Survey, October 2000, 50.

State/Territory Real Estate Institutes on options to substantially increase the length of private rental market tenancies.

The Commonwealth Government in conjunction with State/Territory Governments undertake joint research to identify options for moving towards the implementation of longer private rental market tenancies throughout Australia.

20. Measures are required to assist tenants to address discrimination in the private rental market.

Many consumers seeking housing in the private rental market commonly experience discrimination: Aboriginal and Torres Strait Islander people and people from culturally and linguistically diverse backgrounds³⁹; young people; single parents⁴⁰; people with physical disabilities⁴¹; people with mental health problems and intellectual disabilities; and women.

An examination of the extent of discrimination in the private rental market as part of the 1994 Australian Housing Survey showed that 5.3 per cent of private renters had been refused housing at some point in time. The major grounds claimed for refusal were lack of references, family type, age and 'other' which included ethnicity, gender, being a student, etc. The highest level of reported refusals was experienced by sole parents, although only in about a quarter of cases were the grounds of 'household type' cited.⁴²

Most Commonwealth and State/Territory anti-discrimination legislation prohibits discrimination in relation to accommodation, on the basis of age, gender, race, ethnicity, family type, etc, but complaints dealing with discrimination in relation to accommodation are extremely rare. Measures are needed to encourage and assist tenants to bring specific examples of discrimination before the Human Rights and Equal Opportunity Commission and other relevant bodies.⁴³

³⁹ Craig Johnson *Cash and Cowboys barriers for entry to private rental by disadvantaged consumers* NSW Council of Social Services November 1999

⁴⁰ *Ibid*, 34 citing Keys Young 1998 *Fair trading issues in the rental property market: Research Report*

⁴¹ *Ibid*, 31

⁴² DSS, *Overview of the Australian Private Rental Market*, Policy Research Paper No 72, 1996, 50.

⁴³ Adapted from NYCH, *Your Dream, Our Nightmare, National Youth Housing Policy*, 3rd ed, 1997.