



Submission on
Senate Inquiry into Affordable Housing

March 2014

This submission has been developed in partnership with:



About ACTCOSS

ACTCOSS acknowledges Canberra has been built on the land of the Ngunnawal people. We pay respects to their Elders and recognise the strength and resilience of Aboriginal and Torres Strait Islander peoples. We celebrate Aboriginal and Torres Strait Islander cultures and their ongoing contribution to the ACT community.

The ACT Council of Social Service Inc. (ACTCOSS) is the peak representative body for not-for-profit community organisations, people living with disadvantage and low-income citizens of the Territory.

ACTCOSS is a member of the nationwide COSS network, made up of each of the state and territory Councils and the national body, the Australian Council of Social Service (ACOSS).

ACTCOSS' vision is to live in a fair and equitable community that respects and values diversity, human rights and sustainability and promotes justice, equity, reconciliation and social inclusion.

The membership of the Council includes the majority of community based service providers in the social welfare area, a range of community associations and networks, self-help and consumer groups and interested individuals.

ACTCOSS receives funding from the ACT Government - Community Services Directorate.

ACTCOSS advises that this document may be publicly distributed, including by placing a copy on our website.

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Acronyms

ACT	Australian Capital Territory
ACTCOSS	ACT Council of Social Service Inc.
ACOSS	Australian Council of Social Service
APW	Anti-Poverty Week
AHURI	Australian Housing and Urban Research Institute
NPAH	National Partnership Agreement of Homelessness
NAHA	National Affordable Housing Agreement
NRAS	National Rental Affordable Scheme
COTA	Council of the Ageing

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Overview

The cost of housing in Australia has risen rapidly over the past decade, particularly in the ACT, where housing costs have increased 63 per cent over the six years to 2012, making Canberra's housing market one of the country's least affordable for low and moderate income earners.

In 2011, there were 21,528 people living in poverty; 9,910 households experiencing housing stress; 14,148 people experiencing financial stress; 1,785 experiencing homelessness; and 28,639 disadvantaged people according to the ABS SEIFI Index in the ACT. In terms of suburb level data, there were suburbs that experienced worse poverty, housing stress and financial stress than the Australian average¹.

The ACT Council of Social Service (ACTCOSS) supports adoption by the federal government of a comprehensive affordable housing strategy that includes reform of housing taxation; direct investment in the growth of affordable housing stock and incentives for private sector and institutional investment in affordable housing; an increase in financial support to low income renters; and sustained support for homelessness services.

ACTCOSS believes adequate investment in low-income and affordable housing and supported accommodation will contribute to reducing unnecessary demand for other services such as crisis accommodation, mental health crisis services and domestic violence crisis services.

In a city as wealthy as Canberra it is unacceptable that we have around 1800 people who do not have a home to call their own. Homelessness is profoundly damaging to mental and physical health and to a person's life chances. Increased availability of affordable housing and well-resourced housing and homelessness support services that can respond well to diverse causes and impacts of housing stress can support people to transform their lives for the better, and in turn transform our city into a place where everyone has the right and the opportunity to live a life of safety, dignity, respect and fulfilment.



¹ ACT Government, *Detecting Disadvantage in the ACT: Report on the comparative analysis of the SEIFI and SEIFA indexes of relative socio-economic disadvantage in the Australian Capital Territory*, ACT, 2012.

Introduction

The ACT Council of Social Service (ACTCOSS) welcomes the opportunity to provide input to the Inquiry into Housing Affordability being undertaken by the Senate Economics References Committee.

National organisations such as the Australian Council of Social Service (ACOSS), Homelessness Australia and National Shelter are making submissions to the Inquiry and we recognise their expertise in the detail of particular areas. As the peak body for the community sector and people living with disadvantage in the ACT, ACTCOSS aims to make more visible the challenges faced by low income and vulnerable people in the ACT who are trying to secure affordable, appropriate, stable accommodation.

Our submission will focus on these Terms of Reference;

- a) The role of all levels of government in facilitating affordable home ownership and affordable private rental, including:
 - i. the effect of policies designed to encourage home ownership and residential property investment,
 - ii. the taxes and levies imposed by the Commonwealth, state, territory and local governments
 - iii. the effect of policies designed to increase housing supply,
 - iv. the operation, effect and future of the National Rental Affordability Scheme,
 - v. the regulatory structures governing the roles of financial institutions and superannuation funds in the home lending and property sectors, and
 - vi. the operation and effectiveness of rent and housing assistance programs;
- b) the impacts, including social implications, of public and social housing policies on housing affordability and the role of all levels of government in providing public and social housing;
- c) the impact of Commonwealth, state and territory government policies and programs on homelessness;
- o) the impact of not having a long-term, national affordable housing plan;

ACTCOSS recognises the link between provision and availability of affordable housing and the rates of homelessness not only in the ACT but nation-wide. Any submission on housing and homelessness support services has to be premised on the understanding that **lack of affordable housing is both a cause of homelessness and a reason for people being unable to break the cycle of homelessness**. This submission refers only briefly to those issues. An increase in the number of affordable housing options in both the purchase and rental markets is essential if the ACT, and other state and territory jurisdictions, are to reduce the number of people who experience homelessness, the duration of homelessness and the frequency with which homelessness recurs.

Housing Affordability in Australia

Affordable housing remains one of the primary concerns of Australians, impacting on the safety, health and well-being, and economic security of families, couples and individuals, particularly those who are marginalised or are living with disadvantage and vulnerability.

Properly funding the housing and homelessness support system is a social justice issue. Nationally over a million lower income households are paying housing costs which exceed 30% of household income, a figure commonly used as a benchmark for housing affordability. In the ACT nearly 10 000 households pay more than 30% of their income in housing with low incomes disproportionately devoting more of their income to rent and housing costs. This means there is not enough money in household budgets for other essential needs such as food, medications and utility bills.

Research released in the annual *Rental Affordability Snapshot* report produced by Anglicare Australia showed that on a given day in 2013 there were practically no affordable rental options available in Canberra for low-income households. Out of a total of 14 affordable properties available on that given day, there were;

- 8 share accommodation options that were affordable for single people on the minimum wage;
- Four 1 bedroom properties that were appropriate and affordable for couples on the Aged Pension and;
- Two 3 bedroom properties that were appropriate and affordable for couple families reliant on the minimum wage².

Rising housing purchase costs and rising rents are increasingly putting pressure on public housing and crisis accommodation services. Increasing numbers of people are accessing homelessness support services purely as a result of being unable to afford private housing. According to the St Vincent De Paul Society, nearly 50% of homeless people seeking assistance are private renters unable to make ends meet. Almost 20% of people seeking help from specialist homelessness services in 2009/10 said they were homeless because of accommodation issues. For homeless families (who make up more than 16% of the homeless population), the main reason for seeking assistance was eviction or being asked to leave their accommodation. This was the case for 22% of couples with children and 14% of homeless couples without children³.

ACTCOSS supports the recent Australian Council of Social Service (ACOSS) submission to the 2014-15 Federal Budget that outlines the factors influencing housing affordability. We agree with the recommendations to address issues of housing stress and rising housing costs for low income and disadvantaged peoples;

² Anglicare Australia, 2013, *Anglicare Australia Rental Affordability Snapshot, Canberra*, p23

³ Homelessness Australia, *Homelessness and Affordable Housing*

Despite significant policy and funding commitments to improve the availability of affordable housing and reduce homelessness in recent years, Australia is facing a housing affordability crisis. High housing costs are the biggest source of financial stress in many households, particularly those on low incomes. Decades of rent and mortgage increases above the rate of inflation have left more than a million people on low incomes experiencing housing stress, with housing costs exceeding 30% of household income. The majority of those in housing stress are in private rental, with 60% of people on low incomes who are in private rental experience housing stress, and 25% spending over half of their income on rent.

ACOSS advocates a comprehensive affordable housing strategy which includes reform of housing taxation; direct investment in the growth of affordable housing stock and incentives for private sector and institutional investment in affordable housing; an increase in financial support to low income renters; and sustained support for homelessness services⁴.

It is widely recognised, and has been highlighted in research by bodies such as Anglicare Australia and the Australian Housing and Urban Research Institute (AHURI) among others, that for low income households housing prices are rising faster than incomes⁵. Home ownership is declining, particularly among young couples and families looking to gain entry into the housing market, and growing numbers of older people (especially women) do not own their home in retirement. Neither private rental options, nor a mortgage are in the reach of households in the ACT in the bottom 40% income bracket⁶.

ACTCOSS endorses the broader considerations of housing reform called for in the National Shelter submission to this Inquiry, including advocating for the development of a national housing policy based around the following principles;

Housing is affordable. People on low and moderate incomes should not have to pay more than 30% of their income on housing costs.

Housing is adequate. Everybody is entitled to housing that meets acceptable community standards of decency and their own needs.

Housing is secure. People should not live under threat of loss of home and shelter. A secure base enables people to form constructive relationships, grow families and seek employment and community engagement.

Housing is accessible. People should be informed about available housing options and access to these should be free from discrimination. Most housing should be built to Universal Design principles.

⁴ Australian Council of Social Service, *Budget Priorities Statement 2014-15*

⁵ Phillips, B. (2011), *The Great Australian Dream - Just a Dream? AMP.NATSEM Income and Wealth Report*, Issue 29, July, AMP Sydney.

⁶ ACT Shelter – Homelessness in the ACT – Fact Sheet

Housing is in the right place. It should be located close to services and support networks, to job opportunities, to transport networks and to social and leisure activities.

Housing meets people's life-cycle needs. People have different housing needs at different stages of their lives, and housing should be available to match these changing needs.⁷

The NRAS, in the five years to June 2013, delivered almost 15,000 dwellings, with almost 24,000 under construction. It has provided secure, affordable housing to many people on low and moderate incomes, including people at risk of homelessness. The Scheme plays a key role in stimulating private investment in affordable rental housing at a time when the scarcity of supply is contributing to high rents. In particular, the continuation and expansion of the NRAS is essential in ensuring an increase in available housing stock, as noted by ACOSS:

To ensure the financial viability of low-rent housing, the Government should establish an Affordable Housing Growth Fund to increase the supply of affordable housing, through direct government investment. It should also ensure that current funding under the National Affordable Housing Agreement is indexed appropriately to ensure future adequacy. The Government should also encourage private sector and institutional investment in affordable housing stock, by maintaining and expanding the NRAS into the future and exploring other innovative models to leverage private investment (e.g. housing bonds). The program has been consistently and dramatically over-subscribed, with high demand from potential investors. While the program is funded through to 2015-15, investors are looking for certainty from Government now about the future of NRAS and a clear commitment is needed to maintain and expand the program beyond the forward estimates⁸.

Organisations providing homelessness services play a vital part in keeping the most vulnerable of our society safe and secure at critical points of risk and transition.

ACTCOSS supports maintenance of the current level of funding provided to ACT based housing and homelessness services through the continuation of the NPAH, NAHA and NRAS and additionally, the growth of funding for these schemes to adequately meet demand. ACTCOSS believes that federal and territory investment in low-income and affordable housing, as well as supported accommodation, will deliver a twofold return on investment. Firstly, it will increase access to affordable, stable accommodation. If services that are effective can access adequate funds for a long enough period to address the factors that cause homelessness, these services can provide an additional

⁷ National Shelter, *Submission to the Senate Standing Committee on Economics; Inquiry into Affordable Housing, March 2013*

⁸ ACOSS, op sit.

return on investment by contributing to reducing for other government funded services such as emergency financial assistance, mental health crisis services and domestic violence crisis services.

Housing and Homelessness – The ACT Context

Appropriate, affordable stable housing is foundation of social and economic participation. At a time when more than 105,000 Australians are homeless, crisis accommodation services are turning away more than half of all those seeking new accommodation, mostly due to a lack of accommodation, and lack of access public housing stock that has not grown substantially despite



Number of ACT households experiencing housing stress in 2011: **9910**

substantial failure of the private housing market to meet the needs of low income households, and households at significant points of transition (leaving family home in young adulthood, at times of family breakdown, for people leaving the care of the state, at the onset of disability or frailty related to aging).

The ACT is facing a crisis in housing affordability for low income and vulnerable households. We have one of the most expensive housing markets of all states and territories, with private rental costs in the ACT among the most expensive in the country⁹. In addition, the ACT housing market is characterised by a scarcity of housing appropriate for people with specific housing needs – such as affordable housing for older people; people living with disabilities, chronic health conditions and increasing frailty; and housing for larger families on low incomes;

For example, for those on the minimum wage in the ACT, about 20 per cent of the total housing stock is affordable compared to 25 per cent nationwide. The rate in the ACT was just above rates in Sydney and Melbourne¹⁰.

For most low income people, renting is the only option for housing as a mortgage is difficult to secure on a low income. **Rent costs in the ACT are some of the highest in Australia.**

Priorities for Provision of Support Services

There are critical gaps in the ACT housing market and housing support services that must be considered and addressed in any examination of housing policy in Australia, particularly in relation to some of the more disadvantaged and marginalised groups in our community.

⁹ Tanton, R, Vidyattama, Y and Mohanty, I (2013), *Disadvantage in the ACT: Report for ACT Anti-Poverty Week*, NATSEM, Canberra, 2013.

¹⁰ *ibid.*

Access to housing for Aboriginal and Torres Strait Islander people

Aboriginal and/or Torres Strait Islander peoples are disproportionately exposed to homelessness, housing (affordability) stress and discrimination in the private rental market. Improving access to secure, appropriate and affordable housing is an essential part of any serious agenda to close the gap between the Aboriginal and non-Aboriginal population.

Aboriginal and Torres Strait Islander people are over-represented in the homeless population. Whilst Indigenous Australians represent around two and a half per cent of the Australian population they accounted for around 9% (9,000) of the total homeless population on Census night in 2006. Also, considering clients of government funded specialist homelessness services we can see that, for the 2008–09 reporting period, Indigenous Australians represented 17% of all people who were homeless or at risk of homelessness and accessed these services¹¹.

We know from consultation with ACTCOSS members and ACT providers of housing and homelessness services that compared with Canberra averages, there is a higher prevalence of Aboriginal and Torres Strait Islander and Culturally and Linguistically Diverse families who are homeless, and these families are more likely to be receiving other support and assistance from additional services within the community.

There are no Aboriginal or Torres Strait Islander community controlled housing support services in the ACT. This is a critical gap in our housing support system.

Addressing the lack of housing provision is key to reducing homelessness for Aboriginal and/or Torres Strait Islander peoples in the ACT. It is also important to address the systemic barriers to accessing support services and provision of effective services.

One of the initiatives that the ACT Government has supported through federal government funding is the Gulunga Program, run by ACTCOSS. The Gulunga program is designed to assist ACT Homelessness Service Providers to improve the systemic response to Aboriginal and/or Torres Strait Islander peoples who are homeless or at risk of homelessness by:

1. Supporting the employment of Aboriginal and Torres Strait Islander workers within the homelessness sector. The rationale for this is that an increased number of Aboriginal and Torres Strait Islander peoples working and engaging in the housing and homelessness sector, organisations will increase their effectiveness in responding to Aboriginal and/or Torres Strait Islander people's needs and emerging issues.

¹¹ *Disadvantage in the ACT (2013) op sit.*

2. Building the capacity of the sector through the provision of learning, development and advice services to mainstream service providers to increase access for Aboriginal and/or Torres Strait Islander peoples to their programs, and improve the effectiveness and positive impact of services in the lives of Aboriginal and Torres Strait Islander peoples.

This program is one example of the important sector development services that build capacity across the homelessness sector, and other support services, and complement provision of more direct housing support.

Access to housing for people leaving the criminal justice system

One of the primary risk factors for re-offending post release from prison is the lack of affordable, stable accommodation for offenders when they complete custodial sentences. Specific requirements regarding place of residence are often included as conditions of bail and parole, and the lack of suitable housing options is reported (by the ACT Corrections Thoroughcare Program, the Aboriginal Justice Centre and by Prisoners Aid ACT) as a significant cause of breach of these conditions.

In any consideration of programs to increase the supply of affordable housing for at risk groups in the community, ACTCOSS would advocate for specific focus and attention to be given to those people coming out of state care, be that prison, the out of home care system, and/or medium to long term mental health care.

Access to housing for young people

ACTCOSS agrees with the Youth Coalition of the ACT, who have stated in their submission to this Inquiry that housing is a fundamental determinant of the wellbeing of young people and should be treated as highly important in policy development and program design.

Many young people in the ACT experience severe financial hardship associated with the high cost of living. Factors contributing to the high numbers of young people facing housing stress and homelessness include young people being engaged in casual or unstable work, and/or living on inadequate incomes (such as Youth Allowance and Apprenticeship wages) when completing tertiary studies, participating in training programs or looking for employment, which makes it hard to compete in the private rental market. As the Youth Coalition of the ACT have noted;

In December 2012 median weekly house rentals in the ACT were \$480 per week and median weekly unit rentals were \$430 per week. Over the last three years rents have risen by an average of 10 per cent nationally, while the maximum rates of Commonwealth Rent Assistance (CRA) have increased by only 2.7 per cent. Even if

students receive Rent Assistance 43% of recipients experience housing stress because they are paying more than 30% of their income in rent.

Housing stress for a young person means having to forego living close to shops, schools and public transport. It could also mean forgoing other items such as food. Rent assistance paid to students is subject to more restrictions and is paid at a lower rate than rent assistance pays to people on other payment types. The Commonwealth Rent Assistance is capped at the rate of inflation, but due to extremely low vacancy rates (especially in the ACT), rents have risen much more quickly than the inflation rate.

Various groups of young people have particular problems accessing housing including: tertiary students, apprentices, Aboriginal and Torres Strait Islander people and women. In general, young people require housing that is located close to transport, educational institutions, employment, and universal services. They also require a range of different accommodation models and choices to ensure their needs can be met to the highest possible standard¹².

ACTCOSS supports the recommendations set forward in the Youth Coalition of the ACT submission to this Inquiry, particularly the need for an increase in income support and access to rental assistance given the high rates of young people in the ACT who are living with housing stress.

Gender specific options for housing support for people leaving violence and/or with histories of trauma

Beyond the basic lack of affordable housing, family violence is a primary cause of homelessness. Women and children represent a large proportion of the homelessness statistics due to issues such as domestic violence. 24% of all clients of specialist homelessness services report domestic violence as their main reason for seeking assistance.

Housing and homelessness support services that work with people escaping and recovering from the impacts of domestic violence need to provide much more than a bed for people who seek their support. Especially for families, a bed is only the start of what they provide. Funding cuts to the ACT from the National Partnership Agreement of Housing (as a result of re-calculating the allocation to states and territories in 2009) have led to significant cuts to gender specific services, and consequent withdrawal of therapeutic programs provided by gender specific housing support programs for both adults and children.

ACTCOSS recommends restoration of adequate investment in gender specific supported accommodation, and trauma informed recovery services, to increase the capacity of these services to address the causes of homelessness and the

¹² Submission to the *Inquiry into Affordable Housing*, Youth Coalition of the ACT, March 2014

factors that lead to people getting stuck in cycles of violence and homelessness.

Affordable housing options for older Australians

ACTCOSS notes the research conducted by organisations such as the Council of The Ageing (COTA) in highlighting the vulnerability of older people in Australia in accessing stable, affordable housing. While access to affordable housing for all low income groups is a growing problem in Australia, older people dependent on the Age Pension and who are not homeowners are particularly vulnerable in the private rental market and there are a growing number of newly homeless older people who are unable to find suitable, safe, affordable housing. COTA has previously pointed to importance of the NRAS in ensuring continued growth in affordable housing options;

Access to affordable and appropriate housing has been recognised by government inquiries as a key issue for older people, influencing their wellbeing, their capacity to continue to contribute and their choices about support and care as they age. COTA is very concerned about the increase in homelessness amongst older people, particularly older women, and the increase in older people suffering from housing stress.

The longer term solution to housing affordability requires national action on the supply of housing. The National Rental Affordability Scheme (NRAS) has made a very useful contribution to increasing the supply of affordable housing and there needs to be a commitment to grow it into the future. In addition there needs to be a source of capital to provide the social component of the mix. State and Territory Government have demonstrated that they do not have the resources to grow the social housing supply so the Federal Government needs to put in place an ongoing source of funding¹³.

Older women are particularly at risk of homelessness. A report by the National Council of Women in the ACT outlines the statistics, causes and consequences of homelessness for older women¹⁴. The report, produced in 2013, states that the situations that contribute to homelessness for older women include:

Relationship breakdown

Unsuitable housing situation - Partners refusing to move out post separation. Having nowhere to go, or lack of knowing of where to go, the challenge of proving that they are separated but living under one roof with their ex-partner, couch surfing – where the women has temporary accommodation, but can, in some cases lead to survival

¹³ COTA Australia, *Federal Election Platform; A New Deal for Older Australians*, 2013, p17-18

¹⁴ http://designmanagers.com.au/wp-content/uploads/2014/01/NCWA_Older-Women-and-Homelessness-Seminar_13-11-11.pdf

sex where the women may exchange sex for an (insecure) roof over her head, stuck in a waiting list, or in a refuge (if one can get in)

Health Situation – often escalated by the insecure housing situation, particularly impacting existing mental health issues.

Employment Situation – loss of employment, low income or part-time work

Poverty – lacking the resources to own your own home or afford rental accommodation.

Women new to the country with little support, or English as a second language.

This report also found that there were barriers to older women's housing needs being met:

Lack of community housing options

Accessing the private rental market is difficult in Canberra not only because of cost, but also because of the need for home modifications and a lack of willingness to see elderly women as desirable tenants.

Support for young people leaving the out of home care system

A national study conducted in 2009 found that 50 per cent of young people in care had to leave their placement when they turned 18, with as many as 40 per cent of these young people not knowing where they would be living after this time¹⁵. Good transition support when leaving care services plays a vital role in preventing homelessness for young people leaving care, particularly for those who have had negative in-care experiences. Those who have had unstable or volatile in care experiences can, with a combination of the development of their own networks and support services, gain the stability they need for the future. When young people received consistent transition from care support this was almost always found to be very useful, and a pathway to accessing a broader range of support that will help sustain positive outcomes in early adulthood¹⁶.

As previously stated, ACTCOSS believes that increasing the supply of affordable housing for at risk groups in the community should prioritise access for young people coming out of the out of home care system.

¹⁵ CREATE foundation, 2012, *Experiences of Homelessness for Young Care Leavers*

¹⁶ Crane, Kaur and Burton, *Homelessness and leaving care: The experiences of young adults in Queensland and Victoria, and implications for practice*, July 2013

Affordable housing options for people accessing health services

Poor housing, and a lack of choice and control about housing, is frequently associated with poorer health status, especially mental health status. Stable, secure, affordable housing underpins development of connections with the wider community through education, employment, and community networks.

Evidence also shows that provision of appropriate and adequate support (in maintaining housing, social connectedness, engagement in education and work) is effective in enabling people with mental illness to maintain meaningful, engaged independent lives and consequently reduce hospitalisation and unnecessary demand for other support services. These approaches by extension also reduce involvement with the criminal justice system. Provision of adequate support is cost-effective because it minimises future expenses associated with significant psycho-social disability, including hospitalisation and incarceration.

There are a range of systemic barriers that prevent mental health consumers accessing suitable and affordable housing. Availability of accommodation alone will not lead to successful and sustainable tenancies nor recovery unless appropriate services are established. Effective housing support is dependent on 'developing service responses that allow for consumer-centred and active outreach (through the assertive outreach model), time to build relationships, responses to unpredictable fluctuations in needs and capacities, consistent support, cross service coordination, planning for crises and addressing interagency confidentiality issues¹⁷.

Supported tenancy services are a vital component of the ACT housing and homelessness support system, and are a priority for continued funding. These services work both to prevent homelessness, and to reduce the recurrence of homelessness.

Addressing regulatory and taxation settings that increase the cost of housing

The Federal Government has stated that reform of land release policy is a critical measure to reduce the cost of housing longer term. The other key policy reform is changes to taxation policy that reduce the reliance of state and territory governments on stamp duties paid on housing transactions.

At the ACT jurisdictional level, the Territory government has progressed a number of key initiatives to address taxation and regulatory barriers to

¹⁷ ACT Government Budget Submission 2014–2015 Mental Health Community Coalition ACT Inc. “*Real ACT Government savings through innovative community mental health investment*”

affordable housing. Measures undertaken by the ACT Government under the ACT Affordable Housing Action Plan include:

- Working towards abolition of stamp duty - a major barrier to affordable home ownership, and relieving blockages to affordable purchase and releasing sites for short-term accommodation
- Increasing income thresholds for Home Buyer Concession Schemes, developing a Sustainable Land and Affordable Housing Guide, and the introduction of variable thresholds for affordable housing based on dwelling size
- Increasing supply of rental accommodation through reducing land tax, land transfer of surplus properties into the community housing sector, and encouraging institutional investment in affordable rental properties
- Better utilising existing community purpose sites through looking at grants for small clubs to look at viability of their site for residential development, assessing options for facilitating residential development on underutilised community facility land, and lease variation charge remission for redevelopment or adaptive reuse of commercial accommodation that delivers affordable housing

Even with action in these areas, at least in the medium term there is a need to sustain funding to homelessness and housing support services.

Sustainability and Energy Efficiency of new and existing housing stock

Programs which address energy poverty in low-income households while promoting sustainable and energy efficient design in new housing stock are vital. There are clear financial and social benefits for tenants in having access to environmentally sustainable housing. Well-designed housing can reduce energy costs for occupants by reducing heating and cooling costs, and features such as solar electricity can further reduce these in the long term. These issues are very important to low income households as energy costs are a key (and rising) element of their household budget. However, the current financial arrangements in rental housing present some clear challenges to achieving this.

Energy-efficient features present an up-front cost to the owner/purchaser of the home, while saving operating costs in subsequent years. However in rental housing these up-front costs are borne by the owner (be they a private individual or a social landlord) while the benefits accrue to tenants. This creates little incentive for owners to implement such measures, while the short-term nature of leases means that tenants have little incentive to make the alterations for themselves even if they had the means to do so. The solution to this

problem is not immediately apparent but this is an issue that warrants further research and analysis¹⁸.

While existing programs target public housing tenants, ACTCOSS supports extending these measures to the private rental market, where low income households face significant barriers in lowering their utilities bills and would benefit from support to engage landlords and property managers in ways to increase water and energy efficiency in their properties.

¹⁸ *National Shelter, 2014, op sit.*