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Dear John

**ACTCOSS and ACT Shelter contribution to Towards a New Housing Strategy –
ACT Community Conversation**

Finding an affordable, accessible safe and secure home is the cornerstone for a connected and contributing life. It provides a foundation from which to participate both economically and socially in the life of our city. It is also a critical social determinant of physical health and social and emotional wellbeing.

ACTCOSS and ACT Shelter therefore welcome the discussion paper and the move towards a funded whole of government housing strategy that would address burgeoning inequality and the drag on the Canberra economy caused by the lack of affordable housing in this city.

We suggest the success of this strategy will go a long way towards helping the Chief Minister achieve his stated aims of a more economically diverse and socially inclusive capital - stimulating economic growth and productivity and enhancing liveability.

Our submission begins with this letter outlining our shared ask around core elements of a new ACT Housing Strategy. We then offer key messages for each of the four priorities we offer as a contribution to agenda setting at the upcoming ACT Housing and Homelessness Summit on 17 October.

We believe the strategy should include annual reporting, funding for housing advocacy and action to create affordable and accessible supply (including a \$100 million investment from current government bonds to create an investment fund for community housing), and action on universal design and energy efficiency in rental housing as promised by the government in its Parliamentary Agreement.

ACTCOSS and ACT Shelter have been on the record with substantial commentary over the last two years about the need for a strategy, so this response is tightly focussed on what a strategy should achieve and how it should be accountable for progress.

Calls for a strategy on housing affordability have garnered broad community support including from business, unions, planners and the community sector who issued a communique one week out from the last ACT Election.¹ We were pleased to see agreement from the government to a housing affordability strategy prior to the election.

¹ ACTCOSS, *Housing Industry Roundtable Communique: Canberra comes together for housing: an agreed way forward*, ACTCOSS, Canberra, 2016, viewed 8 September 2017, <<http://www.actcoss.org.au/publications/advocacy-publications/housing-industry-roundtable-communique-canberra-comes-together>>.

While we were disappointed that the ACT Budget did not include significant investments toward the housing affordability strategy we welcome this process and understand more substantive measures are likely to be tabled in future budgets and we welcome funding to support implementation of a Trauma Informed Care response across the homelessness service system.

The discussion paper provides a good framing of the issue and we share its contention that the major housing challenge for the Territory is the lack of access to homes for people in the lowest income deciles.

The Housing Strategy

We believe the ACT needs a **practical, measurable and well targeted** affordable housing strategy which should include the following components:

- **Developing a strategic planning framework** that responds to the diverse demographic groups in Canberra, and reviews planning regulations to identify ways to increase supply and construction housing choices that meets the needs of everyone in our city in terms of price, size, location, form and accessibility. These are the components we propose for a strategy:
- **Strategies aimed at increasing supply of housing options** for people in the bottom two income quintiles including a land release pipeline and changes to the Territory Plan to facilitate better utilisation of available land in greenfields, in-fill and renewal sites.;
- **A sizeable practical investment** is needed as a centrepiece of a housing strategy if it is to make a measurable impact in the chronic undersupply of affordable housing for low income people in the ACT. We have proposed diverting \$100 million from the current Government bonds to create an investment fund for community housing providers for the purpose of building new accessible, affordable rental housing. The fund would be held in perpetuity and repaid at government bond rates.
- Alternatively it could be the capital contribution necessary for the establishment of **a new vehicle for financing affordable and social housing**, enable asset recycling, and channel cash and in-kind contributions and investor capital from other sources.
- **Urban infill and densification** that acknowledges the existing neighbourhood and social fabric and is of high quality design and construction;
- **Access to urban infill sites for community housing organisations** and developers;
- **Increasing diversity of housing form**, including accessibility and size (e.g. micro-units);
- **Ensuring social housing is well located and facilitates access to opportunities** and resources that enable social and economic mobility; and
- **Ensuring the planning process addresses the gap between supply and demand** for different housing types.

Whole of Government accountability

We recommend **pooling funds from across portfolios** to:

- maximise prevention of and early intervention in homelessness;

- reduce demand for crisis services; and
- facilitate prompt access to, and maintenance of, stable, affordable, accessible, appropriate housing for people who have been homeless.

We also call on the government to **allocate a minimum of one percent of total funds** from the Justice and Community Safety, Education and Training, and Health Directorate budgets to contribute to expansion of housing crisis and transition support to improve access for:

- older women;
- people affected by domestic and family violence;
- Aboriginal and/or Torres Strait Islander people;
- people who have experienced trauma;
- people exiting the criminal justice system;
- people with a disability;
- people with mental health issues;
- people with drug and alcohol issues;
- young people;
- humanitarian entrants and people seeking asylum; and
- people from culturally and linguistically diverse backgrounds.

Public Housing and the Strategy

ACTCOSS and ACT Shelter note the paper's emphasis on public housing asset management as well as options which were discussed within the Joint Pathways Housing Strategy consultation workshop.

The options discussed included reviewing and waiving/raising charges for public housing tenants, introducing income deeming; and introduce measures to address underutilisation of public housing, such as through fixed term tenancies and/or providing tenure within the public housing system but not necessarily within the one property; as well as transferring stock from public housing to the community housing sector.

ACTCOSS and ACT Shelter **would not support** any measures that impose further imposts on public housing tenants, reduce the stock of public housing or create insecure tenure for public housing tenants. Having said that, ACT Shelter is receptive to the business case put forward about the \$6 million cost impost of water use on the Housing ACT budget.

We would advocate for **an additional significant investment in new community housing as a standalone measure**. The problem is the lack of supply of affordable housing stock to people in the bottom income quintiles in the ACT. Moving existing stock between systems should not be the primary objective of an affordable housing strategy.

We do not support weakening security of tenure. While we recognise the need to optimise the utilisation of public housing as family circumstances change we would counsel against any blunt edged or punitive approaches requiring people to move housing when excess bedrooms become available.

Uprooting vulnerable people from their neighbourhoods, friendship groups, natural supports and communities, when they don't want to move, should be an option of last resort. Voluntary approaches – including house swaps, practical support and incentives to move – would be a far better approach.

Informed choice is arguably a privileged concept and an anathema to a rationed system in which determinations about access are triaged according to need.

Affording social tenants more choice about features, location and dwelling type, allowing tenants to explore other housing opportunities within the portfolio could have positive benefits for tenants if they are afforded housing choices free of either implicit or explicit coercion.

As the old adage goes, feed the greater utilisation of public housing stock horse - with a carrot - rather than hitting better dwelling use targets with a big - notice to transfer - stick.

Better matching of tenants to available stock is something ACT Shelter will return to in our key messaging for the summit.

Future growth of social housing

There needs to be a commitment to grow social housing – both public and community – it is the only tenure type delivering the security of tenure AND low cost rents, that people with multiple support needs and fixed incomes usually require to stay housed.

The community housing industry must be supported by Government to become a growth provider of low rent housing in the ACT.

We respectfully suggest the Chief Minister and his relevant Cabinet Ministers renew their engagement with community housing organisations already providing social and affordable homes that demonstrates a serious commitment to their importance as providers of low-cost homes for Canberrans in need. We also urge the ACT Government to engage with the Community Housing Industry Association (CHIA).

CHIA has been appointed by Treasury to undertake work to establish a proof-of-concept for an affordable housing supply bond/demand and debt aggregator to liaise with Community Housing Organisations and the finance sector to improve access to low cost credit.

Why does this matter to the ACT? Access to low interest loans and longer repayment terms means greater capacity to build more homes – particularly beneficial to Tier two and three providers like almost all our local ones who cannot do so now.

CHIA may also be able to assist Government with suggestions of external providers it may want to talk to about expansion into the ACT – at a future time, once an aggregator has been established and the dream of a National Regulatory System is fulfilled.

As noted in the 'Towards a New Housing Strategy' paper, there are gaps in need of closure and groups who lack agency and choice and/or face barriers to accessing the range of housing options most Canberrans take for granted.

There are many and we have already mentioned those locked out of the housing market because of income. Others are locked out because industry is not producing enough homes that meet their needs or that they can visit without undertaking an onerous planning exercise.

We support plans target affordable housing incentives to focus activity on filling gaps in the market (price, diversity, tenure) including through the growth of affordable and social rental supply and investment in shared equity products that deliver:

- Permanent Supportive Housing for Canberrans with long histories of homelessness or multiple, intensive support needs (the numbers could be determined using the Vulnerability Index Service Prioritisation Decision Assessment Tool to undertake Registry Week homelessness counts twice yearly in the ACT).²
- Housing let at price points affordable for households in the lowest income quintile (rents of less than \$200 per week prior to accessing Commonwealth Rent Assistance) to prevent after-housing poverty and homelessness; along with:
- Rental housing in the bottom two quintiles under \$350 per week; and
- Housing for purchase for which repayments would be less than 30% of the income of a person in the second income quintile. Increasing housing expenditure will reduce expenses within other areas of government, such as the health and justice systems.

We also want Government to **fund services at an adequate standard and to an adequate level** so we can respond promptly and effectively to people who are homeless, to support recovery from homelessness and prevent recurrence of homelessness.

We support **minimal EER standards for rental properties** to ensure that housing is fit for purpose in Canberra's hot summers and cold winters and is environmentally sustainable and cost effective for tenants.

The initiative could also look at ways to **invest in improving the environmental efficiency of existing stock and review options to upgrade housing stock to EER standards** so low income tenants are not saddled with disproportionately high ongoing power bills. Specifically we support the proposal by Unions ACT for a comprehensive home retrofit program that would combine education and behaviour change with improvements to building shell and appliance performance.³

In addition we support the commitments in the Parliamentary Agreement **to initiate work on Universal Housing Design**. The Housing Strategy should encourage universal housing design initiatives to encourage Universal Design for people with disability and for people as they age.

ACTCOSS and ACT Shelter **support the future establishment of an Aboriginal and Torres Strait Islander community housing organisation** and recommend that this be developed in close consultation with Aboriginal and Torres Strait Islander people and Aboriginal community controlled organisations.

People with disabilities and the promise of the NDIS

For the strategy to meet the needs and aspirations of people with disability, we need to see genuine, funded commitments or undertakings from industry that achieve real progress in the provision of homes that are accessible and visitable.

2 The **VI-SPDAT** (Vulnerability Index - Service Prioritization Decision Assistance Tool) is a survey administered both to individuals and families to determine risk and prioritization when providing assistance to homeless and at-risk of homelessness persons. Source: Australian Common Ground Alliance Directory and Mercy Foundation CEO, Felicity Reynolds.

3 Unions ACT, *A Comprehensive Residential Energy and Water Efficiency Retrofit Program for the ACT*, discussion paper, Unions ACT, Canberra, 2016, viewed 8 September 2017, <www.unionsact.org.au/wp-content/uploads/2016/01/retrofit-report-DIN-A4.pdf>.

In the lead-up to the ACT election, People with Disability ACT, Shout! ADACAS and Advocacy 4 Inclusion and other groups made strong representations to Government about the lack of options for people with disability beyond group homes and public housing.

If these four outcomes make it to a final strategy document, measures to include targets for people with disability should be devised, in consultation with relevant bodies.

Private Rental – your keys to an insecure future?

Security of tenure is an enabler of community inclusion, economic and social participation and the concept of ontological security. Housing ACT tenants have security of tenure and value it highly. Inadequate Notice Periods, ‘no cause evictions’, poor minimum standards and the ownership profile of private rental housing means private tenants do not.

Occupants are subject to even fewer protections as park management can routinely inspect sites and there is limited protection for park residents who buy in – from having properties sold from underneath them. We welcome recent renewed attention to the need to provide greater clarity and resolve longstanding inadequacies.

Congregate settings are a different proposition to private, lockable dwellings; for specialist homelessness services staff and guests, safety is paramount.

Outcome three flags strategies to deliver more affordable housing. Depending on who builds and buys these, tenants covered by the *Residential Tenancies Act 1997*.

A critical gap and significant concern highlighted by ACT Shelter members in response to the community conversation paper therefore, is the lack of reference points to the RTA or the experience of tenants in private rental in the ACT.

We are now four years into a review of the RTA, seemingly progressing at a glacial pace and **arguably long overdue for significant reform – not incremental, piecemeal, non-controversial amendments.**

Private rental is unfortunately a long term option for many people and in short we have an Act that no longer reflects the realities of private rental (tenant profile or tenure).

We need significant enhancements in the key areas of tenure security (particularly inadequate notice periods and ‘no cause-evictions’ used frequently to dubiously evict tenants and arguably go against the intent of the Act). Other inadequate protections concern limited protection from excessive claims against the bond at the end of a tenancy, outdated minimum standards and Dispute Resolution and endorsement processes that too often favour lessors (in terms of access and orders).

Without urgent action to address these deficiencies, **ACT Shelter’s view is: private rental is NOT an appropriate tenure option for people** with substantive or cyclic histories of homelessness, enduring impacts of trauma, severe and enduring mental illness/psychosocial disability, or people wholly reliant on fixed incomes.

Getting industry and the community on board

There is a lot to like in the ‘Towards a New Housing Strategy’ paper, but the question of resourcing is an important one which has not yet been adequately addressed.

The outcomes in the Discussion Paper are appropriate and easy to support, as are most measures in the Parliamentary Agreement.

ACTCOSS and ACT Shelter understand macro-economic factors like Commonwealth allocations and returning global economic uncertainty and ongoing budgeted

commitments including loan repayments to the Commonwealth mean there is little room for a significant increase in resourcing in the short-term.

On the flipside, ACT Shelter understands the new Housing Strategy will guide decisions about planning, housing policy and funding from 2018/19 to 2027/28.

We therefore trust - in the medium-term - the expectation will not be that the four outcomes in the Discussion Paper are to be achieved:

“...Within the current funding envelope...”

We caution that if this is the directive, it will be hard to muster energy and enthusiasm from either community or industry players.

To ensure the strategy has the industry backing, political capital and public support it needs to succeed, we respectfully suggest genuine funding commitments are needed, particularly if we are to make measurable progress towards the achievement of outcomes one and two. Outcomes three and four will require commitment from community, public and private partners.

Until we get a sense of the dollar value of budgeted funding commitments to support identified priorities however, it is difficult for us to assess the likelihood they can or will be achieved.

To successfully take us from where we are, to where we want to be, the strategy will also require appropriate, targeted budget measures, new financing instruments, and additional funding and in-kind contributions (such as land or tax relief/incentives tied to affordable housing outcomes).

ACTCOSS and ACT Shelter thank the Deputy Chief Minister and Directorates for their work to date, including establishing the Ministerial Advisory Group and the opportunity to comment.

We look forward to providing further input, including further evidence on the need for action on affordable housing.

Land release, Planning and Zoning Reforms should be used to achieve affordable housing outcomes where they otherwise may not be

ACTCOSS and ACT Shelter suggest to achieve the third goal, the strategy must be supported by significant reforms to planning, land release and zoning to optimise its effectiveness and achieve affordable and social outcomes where we otherwise would not.

These reforms should be driven by the Economic Development and Environment and Planning Directorates and the two agencies established by the ACT Government when it delineated the functions of the Land Development Agency in the early life of the current assembly.

With optimal use of land, planning and zoning instruments we can also ensure affordable and social housing is well located, close to jobs, schools and community, health and professional services. This includes access to sites in the light rail corridors.

Planning and zoning optimisation should also include place making approaches and Transit Oriented Developments to enhance liveability, increase productivity and promote work/life balance for those participating in the labour force and reduce barriers to accessing education and training opportunities.

We support proposals to introduce caveats on the sale of homes purchased with an ACT Government subsidy. Learning from past action plans is important.

Strategy Monitoring and Reporting

The strategy should **mandate a reporting framework** that increases transparency of ACT Government agency activities with a consolidated public report specifying each agency's contribution to implementing the Strategy and how these activities have reduced demand for homelessness services and/or increased supply of affordable housing.

This reporting framework should be based on agreed targets.

We believe these targets will help identify constraints around capacity versus demand in the community and public housing space. It may also increase public confidence in social housing as worthwhile investment.

The ACTCOSS Director and ACT Shelter Executive Officer attended briefings earlier this year from Treasurer Morrison and his Assistant Treasurer, Michael Sukkar hosted by our national bodies.

Both Ministers made it clear to us they want greater accountability and 'return on investment' from States and Territories in return for Commonwealth dollars from the new National Housing and Homelessness Agreement.

To achieve this, ACT Shelter and ACTCOSS recommend the ACT lead the way by identifying and employing appropriate tools for monitoring and evaluating key social housing and homelessness initiatives in strategy. This will require a data scoping exercise to ensure we can measure outcomes against reliable baselines.

We suggest funding relevant peak bodies to undertake this and other work to support the implementation of key initiatives in the strategy will demonstrate the ACT is both willing and able to meet demands for more accountability by the Commonwealth.

This will ensure we develop a robust local evidence base to guide future decision making. Consumers and tenants must also be brought into conversations about a strategy that will affect their lives.

Indeed the development of robust local evidence base documenting could be a fifth goal included in the final draft of the new housing strategy when it goes to print.

We thank the Deputy Chief Minister for the opportunity to respond to the paper and accept her challenge:

"...Be brave and innovative in your thinking. Challenge the status quo and consider how we can do things differently..."

We offer this letter as our contribution to inform the agenda and key messaging at the upcoming summit in October.

Yours sincerely,



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Key messages for the Summit

ACTCOSS and ACT Shelter offer broad support for the four outcomes proposed in the Discussion Paper.

We understand this is the first of a staged consultation process with key ideas taken from submissions to inform discussions at the ACT Housing and Homelessness Summit on 17 October.

C.B.R – Comprehensive Brave and Responsive

The ACT Housing Strategy must facilitate access to existing and new investment opportunities and ensure the provision of housing assistance is effective and targeted where it is needed most.

We support the decision to quarantine housing assistance to households in Q1 and Q2.

Key initiatives and new measures adopted should be evidence based and subject to multi-purpose, staged evaluation.

A Comprehensive, Brave and Responsive #CBR Housing Strategy should incorporate:

- Demand-side interventions (including private rental assistance products to support people with low support needs to access and sustain tenancies in the private market and incentives to let properties at below market rents.
- Supply-side interventions – land release, planning and zoning and incentives to create ‘headwinds’ to support growth in the community housing sector into the future – small wins like equalising rates treatment could be a great start.
- New mechanisms for financing social housing supply and diversify built form.
- A growth fund or Capital Housing Trust which could pool cash and in-kind contributions from a variety of sources and be used as vehicle for asset recycling and investing revenue from housing and land tax of value uplift recapture mechanisms. Both options could utilise proposed federal financing vehicles, infrastructure and investment incentives.
- Evidence-based reforms to land release, sale and utilisation to better balance Territory revenue desires and the housing aspirations of Canberrans on low to moderate incomes.
- Planning and zoning reforms – instruments designed specifically to ensure low-cost housing (for consumers) outcomes are achieved in sites they otherwise would not be – close to essential services and jobs.
- Monitoring and evaluation mechanisms built into review points in the strategy including opportunities for consumer and tenant input as well as usual suspects. This should include public reporting of exits from care, corrections and health care settings – to drive improved accountability.
- Lines of sight to changes to housing and homelessness policy and funding federally to ensure the ACT can take advantage of new financing instruments such as the bond aggregator and Managed Investment Trust incentives.
- Similarly, the Productivity Commission Inquiry could trigger potentially huge reforms to commissioning and tender processes as well as rent setting and this could increase demand across other areas.

- Finally, noting Commonwealth interest in the New Zealand Investment Approach to Welfare and Social Impact Bonds – we suggest young people exiting out-of-home-care are a good target group if a single product were to be funded in the ACT.

A Fifth Priority – building a local evidence base

As noted in our letter, ACTCOSS and ACT Shelter suggest whole-of-Government responsibility for monitoring and evaluating the outcomes of key measures implemented to support outcomes in the strategy.

- Clear goals, targets and timeframes for implementation and where practical, funded amounts should be attached to significant measures.
- Revenue sources used to fund key initiatives and new models should be identified and published to improve accountability, oversight, and transparency and thus voter confidence
- Monitoring and evaluation tools should be embedded in the Strategy as well as designated review points – enabling earlier identification of trends.
- Research and reviews of evidence should inform the strategy in both design and delivery phases.
- The Australian Housing and Urban Research Institute is an obvious and prolific provider of housing and related research.
- Locally, the Centre for Urban and Regional Futures (UC), the Crawford School of Economics (ANU), the Institute of Child Protection Studies (ACU) and the National Centre for Social & Economic Modelling could be brought on board for larger projects.
- Local research projects and processes for gauging community and stakeholder reactions and responses to new measures should ideally be undertaken by locally based peaks or providers with research arms, not fly-in, fly-out large global consulting firms or peaks and providers should charge said firms for their intellectual property and labour.
- Review Points for evaluating key elements of the strategy against anticipated outcomes and take-up should be identified early so appropriate mechanisms can be included in future planning and funding decisions including Budget processes and Council of Australian Governments processes where appropriate or required.
- ACT Shelter recommends Government improve access to data it holds on housing demand and supply, housing assistance, land release and planning and demand for accommodation as measured by contacts made to One Link.
- This is a priority for the Federal Treasurer and can only serve to enhance genuine partnerships between Government and Not-for-Profits and potentially the voting public. In saying that, there will be times when external access is not permitted. Excessive gatekeeping impedes genuine partnership at times by giving rise to mistrust and scepticism about intent or motivations.
- We commend the work of the Economic Development Directorate on its *Housing Choices* project and look forward to seeing it align with planning reforms and industry innovation to diversify built form on offer in the ACT.
- We look forward to providing additional input to the consultation process in due course and to discussions leading to development of a charter at the Summit.