

SAFE+WELL

GREEN PAPER

redefining the affordable housing crisis



Anti-Poverty
11-17 oct 2015 **Week**



The **Safe + Well** *Green Paper* features the voices of representatives from Canberra's Community and Private Sector as they unite around the issues surrounding the ACT housing affordability crisis.



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The Safe + Well Green Paper features the voices of representatives from Canberra's Community and Private Sector as they unite around the issues surrounding the ACT housing affordability crisis. The paper features a compilation of reports written on critical topics such as domestic violence and homelessness, homelessness and young people, the effects of extreme housing stress and the links with debt, and after-housing poverty.

This Paper will reveal the extent of the housing affordability crisis in the ACT, analyse the costs of not addressing the issue, and provide constructive and practical ways to resolve this seemingly never-ending issue.

SAFE + WELL GREENPAPER

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Anti-Poverty 11-17 oct 2015 Week



Foreword

Anti-Poverty Week is a community-led campaign aimed at raising awareness of poverty within Australia.

In Canberra, one of the greatest drivers of inequality is housing affordability. Issues include the lack of community housing options and the rental stress experienced by low-income earners in private rental.

The purpose of this Green Paper is not to present a definitive list of recommendations but to show there is a range of options here before the government.

We recognise that it is a complex issue and want to open up a dialogue with the ACT Government in order to find sustainable solutions.

We also recognise that any solution must involve engagement from government, the community sector and the private sector.

Jeremy Halcrow

Co-Chair ACT Anti-Poverty Week Committee
CEO Anglicare NSW South, NSW West & ACT



Anything but average:

Understanding rental housing affordability in Canberra

Dr Angie Bletsas

Policy & Advocacy Coordinator, ACTCOSS

Summary of organisation

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' 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.

Abstract

In the relatively small and affluent ACT it is often difficult to persuade people that deprivation and housing crisis are real problems. Our higher than average performance on a range of liveability indicators makes Canberra appear to be free of such issues. In this paper we show that, just like the old joke about the statistician who drowned in the lake that averaged only 2 inches of water, if policy makers do not look beyond averages they risk losing sight of the extent and degree of housing crisis in the ACT.

Canberra has so frequently ranked well on liveability evaluations in the last several years that we could almost be forgiven for becoming complacent about our high quality of life here. Indeed, Canberra has ranked so well so often that we sometimes forget to look beyond the averages to see what these various indices really tell us about life in the nation's capital. Take for example the Auspoll survey commissioned by the Property Council in 2013 (Wyatt 2013). This quantitative survey has developed a liveability index drawing on 17 different indicators. It weights the different indicators depending on the value attributed by a sample of the population and then calculates the liveability score of Australian cities as determined by their residents. It should come as no surprise perhaps that in 2013 Canberra outranked all of the other Australian cities as most liveable (Wyatt 2013: 11).



“...on the issue of whether cities have a good range of quality affordable housing Canberra ranked next to last.”

However, the Auspoll/Property Council survey ranking relies on an aggregate score. When we look at how people rate Canberra's performance across the full range of indicators a somewhat different picture emerges. Canberra out-performed other cities on a range of measures, including approach to environmental sustainability and climate change (Wyatt 2013: 34); and in being a safe place for people and property (30). Canberra also ranked highly against criteria including having an attractive look and design (Wyatt 2013: 29) and having a good road network and minimal traffic congestion (32). However, on the issue of whether cities have a good range of quality affordable housing, Canberra ranked next to last. Only Darwin ranked lower – the least liveable city as determined by the Auspoll survey¹ (Wyatt 2013: 36).

The survey also asks respondents to rate the performance of their state/territory government against the different liveability indicators. While Canberra ranked highest in how residents rate the Territory Government's performance in releasing land for new homes (Wyatt 2013: 43), Canberra ranks second lowest in a judgement of the government's performance in making housing more affordable (Wyatt 2013: 42). Fifty-six percent of those surveyed judged the ACT Government's performance as poor or very poor in regard to making housing affordable (Wyatt 2013: 42). When we look more deeply at our high aggregate performance on this liveability index, we find a very low ranking of the ACT in relation to affordable housing.

The Auspoll liveability survey records people's perceptions. It is a record of what people believe, what they care about and how they judge the governments' efforts. Though important for all of these reasons, the survey does not, necessarily, prove that the cost of housing is high in the ACT, but that people perceive it to be so. In this instance, if we look to other research we find strong evidence that backs up these perceptions.

¹ And the report notes that the results for Darwin are less reliable due to a smaller sample size of participants in the survey (Wyatt 2013: 8).

Research on housing costs in the ACT published by ACTCOSS and ACT Shelter in April 2015, drawing on ABS data, shows that: 'households in the ACT spend \$328 on average weekly housing expenditure, which is \$63 per week more than the national expenditure on housing' (ACTCOSS & ACT Shelter 2015: 8). While it is the case that average incomes in the ACT are also higher than the national average² (ACTCOSS & ACT Shelter 2015: 8), this does not mean that the rent to income ratio is evenly shared. Instead, 'low income households in the ACT, on average, spend more than double the proportion of their weekly household income on housing costs than households in the highest quintile' (ACTCOSS & ACT Shelter 2015: 7). The ACTCOSS/ACT Shelter report (2015: 7) also finds that: 'the proportion of rental stock in the ACT that is affordable for someone on the minimum wage is lower than the national average'.



"...households in the ACT, on average, spend more than double the proportion of their weekly household income on housing costs than households in the highest quintile."

People on low incomes have been particularly affected by rents growing faster than incomes. A report by the Grattan Institute notes that between 2002 and 2012 'average nominal rents increased 76% for houses and 92 % for other dwellings, while average nominal earnings increased 57 % and house prices 69 % over this same period.' (Kelly et al 2013: 19) The same report notes that in '2009-2010, 67 % of capital city renters in the bottom two income quintiles paid more than 30 % of their gross income in rent, and 31 % paid more than half their gross income in rent' (Kelly et al 2013: 19).

The 2015 Anglicare Australia 'Rental Affordability Snapshot' helps us understand critical gaps in the ACT rental market:

Aside from a small number of dwellings affordable to Aged Pensioner households, there were only two appropriate housing options affordable to any household which derived its income from a Centrelink benefit. Of particular concern was the lack of affordable rental options for young people on Youth Allowance, Newstart Allowance, the Disability Support Pension recipients, or Parenting Payment (single).

Young people had no affordable options in this market, the closest being a single shared accommodation option which specified that it was a lounge room. Even this property could not be rented affordably on a Youth Allowance (including Rent Assistance) income, although the slightly higher Newstart Allowance was sufficient to rent this rather unusual option. (Anglicare Australia 2015: 42)

These findings all substantiate Canberra residents perceptions of housing affordability documented in the Auspoll/Property Council report.

² As point of note, this statistic is also potentially misleading. A graph showing the income distribution in the ACT published in the Report of the Affordable Housing Steering Group shows that income distribution in the ACT is double peaked (ACT Government 2007: 6). This means that most people's income is actually closer to the national median than it is to the higher ACT median. This point was highlighted at a public presentation by ACT ex-treasury official Dr Khalid Ahmed in May 2015.

Not being able to afford housing costs, including rent, has significant consequences and costs to individuals and to the community. Challenges meeting weekly housing and rental costs mean that people sacrifice other essentials like food and health expenses (ACT Shelter et al 2015). In turn, this means that people have less income to contribute to the consumer economy which is a concern given that the retail sector in the ACT, in terms of employment numbers, has been contracting (Economic Development Directorate 2013: 3). At the more fundamental level, not being able to afford the cost of rent also means that people are at risk of becoming homeless or of returning to being homeless after a period in supported accommodation because of a lack of long term affordable housing options.



The 2011 Census finds that the ACT has the second highest rate of homelessness in Australia and that the homelessness rate in the ACT has risen from 29.3 persons per 10,000 in 2006 to 50 persons per 10,000 in 2011 (ABS 2011: 8). Ongoing demand for crisis, transition and other accommodation support services suggests that this trend continues. A recent evaluation report of reforms to the ACT Specialist Homelessness Service [SHS] system commissioned by the ACT Government found that:

“The 2011 Census finds that the ACT has the second highest rate of homelessness in Australia and that the homelessness rate in the ACT has risen from 29.3 persons per 10,000 in 2006 to 50 persons per 10,000 in 2011 (ABS 2011: 8).”

Over the reform period [2009-2014] the SHS system has experienced greater demand from service users with higher needs accessing the system in less stable housing situations. The SHS sector has provided more services, particularly non-accommodation supports, and has achieved better non-housing related outcomes for service users, especially in employment. However, while the ACT still has a much higher rate of exits into social housing than in other jurisdictions, exits into stable accommodation have declined over the period. ... Integration has improved across all service types, but gaps remain—a core challenge remains the availability of social housing and private rental accommodation for people moving out of the SHS sector, with implications for the development of products and services designed to help people rent in the private rental market. (ARTD 2015: 12)

To put this into context, in July 2015, First Point, the central intake service which links eligible individuals seeking support to the wider SHS system reported that 356 presenting units (total of 645 people)³ in Canberra were actively seeking homelessness support (First Point: Up.). This is consistent with the 12 monthly average (First Point: Up.). The number of presenting units who were newly homeless in July was 127 (208 people) and this is also consistent with the 12 month average (First Point: Up.). The First Point data report states that ‘11 % of families/individuals waiting for accommodation were placed

³ The reason that the number of total people seeking services is greater than the number of ‘presenting units’ is that presenting units can include single individuals, couples or families.

in homelessness accommodation in July' (First Point: Up.). This amounts to 40 presenting units and is higher than the 12 monthly average of 33 presenting units. (First Point: Up.)

Housing affordability is a policy problem in the ACT and we need to understand and to define it as a problem of rental affordability. Defining the housing problem in this way will not preclude government or the private sector from intervening to address the affordability issues faced when people buy in the housing market; nor should it because in many ways the two issues interconnect and interrelate. But we need to pay more attention to addressing the profound lack of affordable rental housing if we are to make substantial, sustainable progress in fixing the affordable housing problems we have in Canberra.

We need to set clear goals against which we can evaluate government policy measures, and community and private sector interventions to grow the affordable housing rental market. If we are vigilant, we may even be able to proudly claim to be the most liveable city not only for high income residents, but for everyone.



“We need to set clear goals against which we can evaluate government policy measures, and community and private sector interventions to grow the affordable housing rental market.”

Cost of not addressing the issue and recommendations

There are many individual, social, and economic costs in government not recognising or addressing the issue of rental housing affordability.

- **High housing costs – in particular, high rents – prevent successful transitions out of the homelessness service system**
- **High housing costs limit discretionary spending**
- **High housing costs impact on citizen’s experience of and perception of Canberra’s liveability**

Recommendations:

ACTCOSS recommends three inter-related strategies for addressing rental housing affordability.

- **Continue to provide funding for accommodation and support services to enable them to meet demand**

As long as people need accommodation and/or support services we must provide them – at an adequate level and to an adequate standard. The evaluation report commissioned by the ACT Government and published in 2015 shows that demand for specialist homelessness services is growing in a context where funding, as a consequence of recent Commonwealth cuts, is

decreasing (ARTD 2015: 9).

- **Develop whole-of-government responsibility for homelessness which includes reporting requirements and minimum funding requirements for each ACT Directorate**

Ending homelessness is a whole-of-government responsibility. Effective transitions out of the human services system – whether it is out-of-home care⁴, the justice system⁵, or mental health facilities⁶ will have a positive impact on the number of Canberrans experiencing homelessness. Preventing and addressing homelessness therefore cannot be seen narrowly as the domain of ACT Housing. Instead, all Directorates should be required to report on how their policies impact on homelessness as part of their annual reporting requirements. Additionally, a percentage of the operating budget of each Directorate should be quarantined to fund measures that increase provision of services to reduce homelessness and increase supply of accessible, affordable housing.



“Effective transitions out of the human services system – whether it is out-of-home care, the justice system, or mental health facilities will have a positive impact on the number of Canberrans experiencing homelessness.”

- **Address housing supply and increase accessible and affordable rental housing in the ACT**

There are many suggestions for how to best achieve this goal. On the basis of the academic literature and our insight into community need, ACTCOSS recommends a four pronged approach that includes (1) an overarching policy commitment to addressing rental housing affordability; (2) annual reporting by the Land Development Agency (LDA) on how their activities have contributed to housing affordability in the ACT; (3) funding ACT Shelter to aggregate data on the many housing affordability endeavours and enterprises that are currently being carried out in the ACT, and report publicly on how the ACT is tracking. There are many different actors trialling different strategies for different population groups in the ACT – having a central repository where this information could be collected and disseminated would help the government, private and community sector learn more about what is happening, what works and what can be replicated or scaled up to improve the impacts of our efforts. And (4) we need to develop a land release pipeline to increase certainty and reduce the costs associated with housing development and construction.

4 The CREATE Foundation 2009 survey of young people transitioning from out-of-home-care found, for example, that ‘over one-third [of survey respondents] had at least one experience of homelessness in their first year of independence’ [from care] (McDowall 2009: 6).

5 The Journeys Home Report, which documents the findings of a longitudinal survey of people with high levels of housing insecurity, for example, finds that survey ‘[r]espondents that have ever been incarcerated, whether in juvenile detention, adult prison, or remand are particularly prone to homelessness, even when comparing to similarly vulnerable people’ (Bevitt et al2015: 3).

6 There is no data kept in Australia that systematically records the number of people experiencing homelessness that have a mental illness. However, available data demonstrates a strong correlation (for an overview of the research see MHCA 2009: 14-15). This data includes a survey of people living with mental illness by SANE that ‘found that 94 % of respondents had been homeless or were without suitable accommodation at some point in their lives’ (as reported in MHCA 2009: 14).

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Locked out: The high cost of after-housing poverty

Travis Gilbert,
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Summary of organisation

ACT Shelter is an independent peak community organisation that provides strategic advice and advocacy on housing policy issues that affect people with no, or on low to moderate incomes. This includes people who are experiencing, or are at risk, of homelessness.

Abstract

This article explores the impact of relatively high housing costs on people on fixed and low incomes in the ACT. It uses estimates of fortnightly household expenditure for individuals and families at or below the poverty line to illustrate the impact of high housing costs on the ability to meet basic costs of living and discusses the potential consequences of after housing poverty for the ACT community and economy.

Introduction

The right to adequate housing is recognised as universal by the United Nations. Yet in a society where housing is very much a commodity, is it reasonable to expect people with the lowest share of income and resources to 'go without' a range of other essentials simply to realise that right?

This article explores the issue of poverty, and the impact of high housing costs, on the ability of people on low and fixed incomes to meet the costs of living in the ACT.



“In 2013, the ACT Council of Social Service produced a report for Anti-Poverty Week. It found 21,528 people were living in poverty at the time of the 2011 Census...”

How is poverty measured?

What constitutes poverty and how it should be measured is a matter of conjecture and debate in Australia at the present time.

Two methods are commonly employed to measure poverty. They are:

Relative income poverty: The proportion of the population that fall below a given percentage of mean or median income (40% - 60%). This is useful for determining the prevalence of poverty.

The relative income measure used in Australia is the Henderson Poverty Line. Households with incomes below the line are said to be in poverty (Melbourne Institute of Applied Economic and Social Research).

Indicators of deprivation

More recently researchers have focused on measuring poverty on the basis of a person or family's routine inability to afford a defined set of goods and services deemed to be essentials for a basic standard of living in Australia (See tables below).

Not living the dream – Living below the line in Canberra

In 2013, the ACT Council of Social Service (ACTCOSS) produced a report for Anti-Poverty Week. It found 21,528 people were living in poverty at the time of the 2011 Census (using a relative income measure) and just over 28,500 were facing economic disadvantage (ACTCOSS 2013).

In November 2014, ACT Shelter commissioned Newspoll to conduct an Omnibus survey on housing affordability, housing stress and the labour market in the ACT. It found 19,600 households in the

ACT were facing housing stress under the 30/40 rule ¹. All of the households depicted below are in the lowest two income quintiles (Australian Bureau of Statistics 2014).

As the table indicates a single person on the Henderson Poverty Line is likely to be in debt at the end of a typical fortnight after meeting the cost of 'essentials'. (See table 1 below):

Table 1: Fortnightly household budget – Single person with a fortnightly income on the Henderson Poverty Line March quarter 2015 (\$1020.32 per fortnight)

Expense	Cost (\$) / Fortnight	Difference +/- (\$)
Private rental (1 b.r.)*	620.00	+ 400.32
Groceries**	163.54	+ 236.78
Utilities (Electricity, Gas)***	137.20	+ 99.58
Transport^	50.40	+ 49.18
Internet/phone^^	45.00	+ 4.18
Medical expenses^^^	32.80	- 28.62
TOTAL (Expenses)	1048.06	- 28.62



“A single parent household with three children on the poverty line would be left more than \$260 ‘in the red’ after basic expenses are accounted for each fortnight.”

*Based on median weekly rental cost for 1 b.r flat/unit in the ACT (Source: RP Core Logic Data March Quarter 2015).

**Based on ABS Household expenditure data, March quarter 2015 (Note: this is below the average spend for a single person per week).

***Based on ACTEW AGL av. electricity & Gas usage for 1 person household (December 2014) & costings per quarter divided by 6 (to provide fortnightly cost estimate).

^Assumes a single person takes 20 individual trips on ACTION buses per fortnight using MyWay card and allowing for 5% discount for pre-loading online.

^^Assumes monthly internet plan costing \$50.00 (ADSL 2) and pre-paid monthly mobile cap of \$40.00.

^^^This estimate is arrived at using figures from the ABS Healthcare & Financing Report 2013 and dividing the mean weekly spend on healthcare for a family of four by four and then multiplying it by two to produce a fortnightly figure.

A single parent household with three children on the poverty line would be left more than \$260 ‘in the red’ after basic expenses are accounted for each fortnight. (See table 2 below).

¹ The 30/40 rule holds that households are in housing stress if their income places them in the lowest two quintiles of income earners and if they are allocating more than 30% of their income to servicing the costs of housing (rent or mortgage).

Table 2: Fortnightly household budget (essentials) – Single parent (in the labour force) with three dependants on the Henderson Poverty Line March Quarter 2015 (\$1861.26 /fortnight)

Expense	Cost (\$) / Fortnight	Difference +/- (\$)
Private rental (4 b.r.)*	960.00	+ 901.26
Groceries**	392.00	+ 509.26
Utilities (Electricity, Gas)***	231.30	+ 277.96
Transport^	94.80	+ 183.16
Internet/phone^^	65.00	+ 118.16
Medical expenses^^^	131.2	- 13.04
Child care~	251.27	- 264.31
TOTAL (Expenses)	2125.57	- 264.31



“For people on the Disability Support Pension the situation is also dire, though mitigated somewhat with the benefit of the public housing rent subsidy...”

* Based on median weekly rental cost for a 4 b.r in the Belconnen or Tuggeranong region in the ACT (Source: RP Core Logic Data March Quarter 2015).

**Based on ABS household expenditure data (household groceries) March quarter 2015 (Note: the figure quoted above is below the ave. spend per four person household per week.

***Based on ACTEW AGL av. Usage per 4 person household (Belconnen December 2014) & costings per quarter divided by 6 (to provide fortnightly cost estimate).

^Assumes adult takes 20 individual peak trips per fortnight, 2 school age children take 20 peak trips per fortnight while 3rd dependant is aged under 5 years and travels free.

^^Assumes adult in the household and oldest dependant have individual mobile phone accounts capped at \$40 per month and the family has a home ADSL 2 account capped at \$50 per month.

^^^ This estimate is arrived at using figures from the ABS Healthcare & Financing Report 2013 on mean weekly spend on healthcare (including dental) for a family of four and multiplying that by two to produce a fortnightly figure.

~Productivity Commission Review of Child Care and Early Learning (2015) Costs of occasional care averaged out over a fortnight after factoring in the 50% child care rebate.

For people on the Disability Support Pension the situation is also dire, though mitigated somewhat with the benefit of the public housing rent subsidy in this example (see table 3 below).

Table 3: Fortnightly household budget, single person receiving Disability Support Pension (in public housing), using rates designated in The Guide to Australian Government Payments (March quarter 2015) \$860.20/fortnight:



“individuals and families living on the poverty line or who are reliant solely on income support payments are doing it tough.”

Expense	Cost (\$) / Fortnight	Difference +/- (\$)
Rent (Housing ACT 2 b.r.)*	215.05	645.05
Groceries**	163.54	481.51
Utilities (Electricity, Gas)***	137.20	344.31
Transport^	190.00	154.31
Internet/phone^^	45.00	109.31
Medical expenses^^^	111.93	- 2.62
TOTAL (Expenses)	862.82	- 2.62

*Assumes maximum Housing ACT rent subsidy in place capping rent at 25% of assessable income.

** Based on ABS household expenditure data (household groceries) March quarter 2015 (Note: the figure quoted above is below the av. Spend per two person household per week.

***Based on ACTEW AGL ave. usage for a 2 person household (Belconnen December 2014) & costings per quarter divided by 6 to provide a fortnightly cost estimate).

^Transport costs are higher in this example as it assumes a combination of travel on ACTION Buses using My Way concession rate fares as well as 3 access cab fares in a given fortnight. The estimate may not be relied upon as accurate.

^^ Assumes monthly internet plan costing \$50.00 (ADSL 2) and pre-paid monthly mobile cap of \$40.00.

^^^Assumes 1 specialist appointment per fortnight (\$100 out of pocket expense) no gap payment for GP visits (concessional bulk billing) and a PBS (concession script) plus annual dental visit divided by 26 to arrive at fortnightly estimate. (ABS 2013)

As the tables above indicate, individuals and families living on the poverty line or who are reliant solely on income support payments are doing it tough. In none of the above examples is a person left ‘in the black’ at the end of a typical fortnight.

Table 3 illustrates the significant benefit of the public housing rental subsidy (in comparison to private rental) in mitigating after-housing poverty.

While one could argue about the amounts allocated to individual areas of expenditure in the tables and where savings could be made, it is clear after housing poverty is a significant issue leaving people no opportunity to put money aside in case of emergency.

Missing out: After housing poverty and deprivation

For households below the poverty line, particularly people in private rental, life in after housing poverty means missing out.

Missing out on opportunities for social and economic participation. Missing out on opportunities to participate in education, employment and training. Missing out on school excursions. Missing out on dental care which can lead to chronic health problems down the track. Missing out on opportunities to develop and thrive.

Respondents to our Newspan survey with incomes below the poverty line who were in housing stress were twice as likely to have compromised on discretionary spending (such as leisure activities and eating out) and three times as likely to have compromised on health and medical treatments in the past twelve months in order to meet the costs of housing than those not in housing stress (ACT Shelter, ACTCOSS, Youth Coalition of the ACT, Women's Centre for Health Matters 2015).

In addition to the survey, we conducted a series of focus groups to get a better understanding of the sorts of compromises Canberrans are making in order to meet the costs of housing. We felt this was important as it was difficult to get a picture of the significance of the 'compromises' people were making to meet housing costs and the impact on day to day living.

We found households in the bottom two income quintiles were significantly more likely to compromise on the following items and to consider doing so to be a 'fact of life' (ACT Shelter 2015)²:

- Dental care;
- Food and groceries;
- Going to the doctor when I need to;
- Heating and cooling their homes;
- Owning a motor vehicle; and
- Paying utilities and other bills on time.

While many people find they need to compromise on some or all of the above from time to time, the experience of poverty means going without and/or missing out on a regular basis.

In addition to missing out on things many of us might take for granted we heard people are increasingly falling prey to high interest short term lenders. This is driving people further into debt and putting people further at risk of bankruptcy and homelessness.

² ACT Shelter conducted a series of focus groups in the first half of 2015 as part of our work with the housing and homelessness policy consortia. We used the focus groups to get a better sense of the types of sacrifices people were making in order to meet the costs of housing to provide some broader context to our Newspan survey findings on household compromises.



"In addition to missing out on things many of us might take for granted we heard people are increasingly falling prey to high interest short term lenders. "

Costs of not addressing the issue

The costs of not addressing the issue of after-housing poverty, particularly in situations where it has become intergenerational, are enormous. Individuals suffer emotionally and financially. There are also significant costs borne in multiple areas of public expenditure and the economy/society more broadly.

People fare much better when they are in affordable, safe and secure housing. Economic and social participation costs money and reducing housing costs would mean people on low to moderate incomes have more available to invest in other areas of their lives and other sectors of the economy.

Not addressing the issue means another generation of people risk being locked out of the economic and social structures necessary to help break the cycle of poverty.



“The costs of not addressing the issue of after-housing poverty, particular in situations where it has become intergenerational, are enormous..”

Recommendations

- The ACT Government should work in partnership with Shelter, community housing providers and industry players to diversify the range of affordable housing options available to Canberrans. These should include:
 - › Additional social housing properties let using income based rent setting (30% or less of assessable income);
 - › Additional affordable rental properties (rent setting model at 74.9% of market rent or below); and
 - › Options for affordable home purchase to create wealth transferability (including expanding the land rent scheme, rent to buy options and shared equity).
- Progressively expand the Better Services Network model to all regions of Canberra and add dedicated targets for improving access to and supply of affordable housing to the existing four priority themes. Progress towards the achievement of goals and targets should be tabled in a report in the Legislative Assembly each year.
- Establish a central database or clearinghouse where data about economic and social indicators of disadvantage are stored. The clearinghouse would enable Government and community partners to track progress over time to determine whether initiatives developed through the expansion of Better Services (Recommendation 2 above) are contributing to the achievement of agreed upon goals and targets for the alleviation of poverty and homelessness in the ACT.

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Additional non-text resources

ACTION Buses fare schedule:

http://www.transport.act.gov.au/catch_a_bus/myway/fares - Accessed August 2015.

Selected ACTEW AGL Household Gas and Electricity Quarterly bills, March quarter 2015.



Adaptive reuse: Accommodating Canberra's working and ageing poor

Alastair MacCallum
Director – AMC Architecture
FAIA

Never has there been a better time for the adaptive reuse of older office buildings as part of the solution to the homelessness that afflicts our privileged city. The problem is real with ACT having the second highest homeless rate and largest expenditure demands on housing per capita of Australian capital cities, a lower than average proportion of affordable rental stock and rental prices that continue to outstrip inflation. The result is a growing class of working and ageing poor who can no longer afford to live in the Nation's capital.

The idea of adaptive reuse as a solution to homelessness is not a new one. It has been successfully implemented in many cities around the world so it has and can be done...(for example refer to: <https://uclaluskinabroad.wordpress.com/2015/04/08/reformatory-to-residential-adaptive-reuse-social-housing-in-vancouver/>) and

given the worryingly high office vacancy rates in Civic and our Town Centres, should be taken seriously. My experience is that the Canberra community cares about its most vulnerable and is also concerned about re-engineering vibrant and safe civic centres that are not empty on an evening or weekend – Government and the private sector can surely work with the Canberra community as, at least in part, a solution to both problems.

Commercial building owners are rightly very concerned about the future of their ageing assets which have reached their use-by date with poor NABERS ratings, floorplates that are considered too small for the Government agencies, limited on-site parking and significant capital outlay required to reposition the buildings in an increasingly competitive tenancy market. They are keen for solutions but feel paralysed by indecision.



“My experience is that the Canberra community cares about its most vulnerable and is also concerned about re-engineering vibrant and safe civic centres that are not empty on an evening or weekend...”

The Australian welfare system is based on the assumption that older persons will be home owners and that their tenure will lift them out of poverty in their older age (Castles 1996) but increasingly this is not the case as people fall out of home ownership, particularly women who compared to their male counterparts tend to earn less, have less secure work tenure, have lower superannuation, live longer and have lower workforce participation rates in their later years.

The ACT Government recently commenced a process actively seeking solutions from the private sector to house some of its 1,200 tenants in their expression of interest for “Proposals for the Delivery of Suitable Public Housing” released in June 2015. The initiative is seen as a “once-in-a-generation commitment to renew its public housing stock to build new, modern homes that better meets tenants’ needs, now and into the future”. Adaptive reuse could surely be seen as an option worthy of serious consideration to meet immediate and longer term demands.

There are many reasons to consider adaptive reuse of old office buildings as homes of the future:

- These buildings already exist and are well located. Many of them have good bones for re-purposing and, from an environmental perspective, have up to 95% of the embodied energy that is required to construct a new building contained within their structure – a fact which can’t be ignored. Moreover, adaptive reuse works can be undertaken quickly and real results achieved in a timely manner.
- Canberra, like Australia and indeed the western world, will experience a dramatic increase in its aging population over the next 40 years, many of whom will be financially vulnerable. It is well documented that the current provision of appropriate housing will simply not meet this future demand. Indeed there is a sense of bewilderment from the retirement living sector that



“There is a new breed of creative developers who are up for the challenge of adaptive reuse and are actively looking for new and innovative opportunities...”

- this issue has not reached the status of a national priority with a direct and clear policy support framework.
- High rise office buildings are ideal for aging in place given they:
 - › Are usually conveniently located to employment, services, recreation options, public transport and even learning institutions with a lesser demand for parking
 - › Can be made compliant with relevant standards and required design features
 - › Accommodate a cohort who can efficiently buy in effective support services under the 2013 Living Longer Living Better reforms instigated by the Commonwealth Government
 - › Afford a sense of community and security for residents
 - Canberra, of all cities in Australia, has an economy built on a population of public servants– ideal work for a well-educated but aging employment base. The ever diminishing labour supply, combined with an increasing life expectancy, will see many Canberrans needing to continue to work longer to support their lifestyle. This has the added benefit of retaining a potent and experienced workforce. As mobility or interest in driving a car diminishes, there will be an increasing need for resident populations in our city and town centres to be conveniently located near workplaces and services.
 - The Canberra planning framework and land release program should be further refined to assist in arresting the doughnut effect where parts of Civic and the town centres are becoming ghost towns given the lack of demand for commercial office space in older buildings, while modern, new, more attractive developments are offered on the city fringes effectively cannibalising the potential for urban renewal.
 - Civic and the Canberra town centres are characterised by drab office buildings which should arguably be torn down. However, this is highly unlikely given the costs involved and what is needed are well-considered incentives for adaptive reuse facilitating a new lease on life for old buildings. Such development, in my experience, will become an exciting juxtaposition of old and new architecture, and in doing so, an intriguing reference point for a city coming of age.
 - Many of Canberra's buildings have good bones. Their metamorphosis is not just a possibility but a necessity for a city that is apparently committed to environmental and indeed social sustainability. It will help revitalise our civic centres.
 - There is a new breed of creative developers who are up for the challenge of adaptive reuse and are actively looking for new and innovative opportunities – is the ACT Government also up



Adaptive Reuse - 210 Northbourne Avenue, Turner (HTI)



Abode the Apartment Hotel (Adaptive Reuse of Juliana House - before and after)

for that challenge and can they play their part to finally facilitate adaptive reuse?

- Our city would also benefit from a resident population who can provide support services to our most likely engines of growth - tertiary institutions, hotels and businesses, without which the city cannot function.



“...adaptive reuse is reliant on building owners and developers challenging their own paradigms, thinking creatively, engaging with the broader community and giving the ACT Government good reasons to be partners in redevelopment.”

With new and more creative planning and financial incentives, and innovative models of tenure, building owners and developers would, I believe, more willingly partner with the ACT Government to repurpose some old buildings for retirement living, affordable housing and innovative social housing for the working and ageing poor. There are many interesting ideas to break the stalemate – for example, starting to think about redevelopment on a precinct (Section) basis where building owners work collectively to make sense of each building and the associated public realm to achieve high occupancy rates in the better office buildings, the adaptive reuse of other buildings that lend themselves more to residential purposes and a collective approach to complementary/common uses such as childcare, car parking and green spaces. Another driver for adaptive reuse might be additional development rights including air rights for balconies beyond the building line and an increase in permissible building heights. These in turn would facilitate exciting new architectural solutions that build on existing structures becoming a distinguishing feature of Canberra.

This is all possible but it needs the ACT Government to take the issue of our dying civic centres seriously, to carefully consider new land releases that may negate the opportunity to redevelop old empty buildings and to show strong leadership and vision with real incentives. At the same time adaptive reuse is reliant on building owners and developers challenging their own paradigms, thinking creatively, engaging with the broader community and giving the ACT Government good reasons to be partners in redevelopment.

In this, Anti-Poverty Week, I firmly believe that adaptive reuse is a highly topical concept that is worth kick-starting as a joint initiative between the ACT Government, the private sector and the broader Canberra community.



Youth and Housing Affordability

Claire Lloyd Jones

Anglicare Research and Advocacy Officer

Summary of organisation

Anglicare is a not for profit, faith based organisation providing services for vulnerable people in NSW South, NSW West and the ACT. Anglicare provides Early Childhood Education and Care Services, Disability Services, Foster Care and Residential Care for children and young people, Homelessness Services and Emergency Relief, Youth and Family Community based services, Retirement Living and is a Registered Training Organisation.

Abstract

Every year, Anglicare's Rental Affordability Snapshot demonstrates the lack of affordable housing available in the ACT and surrounds. Low income households, particularly young people, find increasing difficulty in securing affordable housing suitable to their needs.

For low-income households in the ACT, housing affordability has long been an intractable problem. The ACT's high median income allows rents to remain elevated, excluding lower income households from the market. Australia-wide, government benefits have not kept up with the cost of living and those on fixed incomes such as older people who do not own their own home and people living with disabilities face increasing difficulty in finding affordable accommodation which meets their needs. Meanwhile the combination of high youth unemployment, increasing casualisation of the workforce resulting in underemployment, and a lack of affordable housing can have a devastating impact on young people, especially those living independent of any family support.

The Anglicare Rental Affordability Snapshot examines the properties available for rent on a given day each April and compares rental prices to what a number of low-income households could affordably pay. Each year, findings reiterate that there are very few rental options that would cost less than 30% of a low-income household's budget.

A closer look at the Anglicare Rental Affordability Snapshot reveals that for those on the lowest income support payments, such as Youth Allowance and Newstart Allowance, options in the private rental market barely exist. The following charts show how much of each household type's income would cover what percentage of appropriate dwellings as observed in the Snapshot, evidencing some long-standing frustrations of the ACT community sector.



“Each year, findings reiterate that there are very few rental options that would cost less than 30% of a low-income household's budget.”

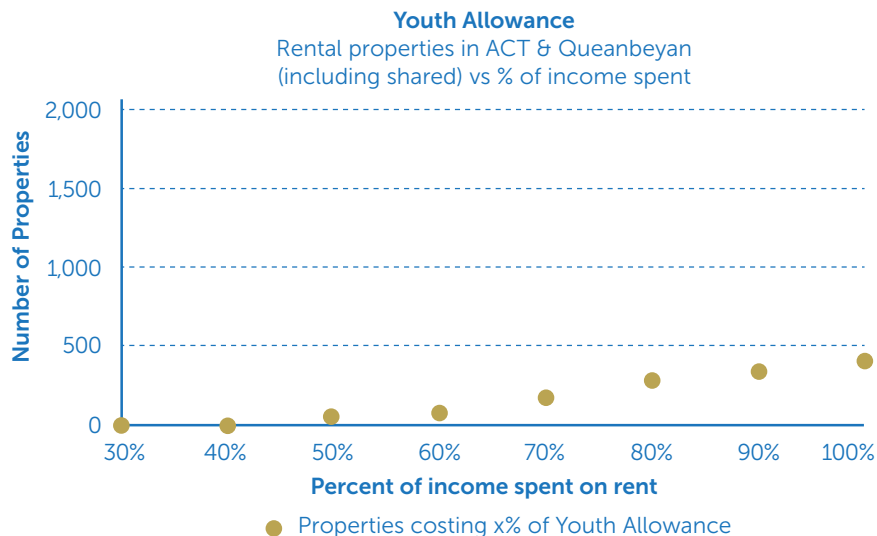
Students and Young Jobseekers on a Youth Allowance income

Young people who are studying at a secondary or tertiary institution are eligible to receive Youth Allowance under certain circumstances. In some cases students will be able to combine work and study, in which case their income will be supplemented. However if this is not possible for any reason, students living independently face significant issues in finding affordable accommodation or indeed any accommodation that their Centrelink benefits will cover.

Young people who are trying to enter the workforce experience similar issues. Those who are living independently on Youth Allowance while seeking work or organising future training opportunities have significant problems finding accommodation. The assumption inherent in Youth Allowance, that young people in this situation have family or other supports to fall back on, lets down our most vulnerable young people.



“Young people, including students and young jobseekers, renting in the ACT and surrounds are at significant risk of poverty and homelessness in an economic environment such as this.”



Young people living in shared accommodation are not eligible to receive as much Rent Assistance as those in non-shared arrangements, and as a result the above chart slightly overstates the number of properties available to young people at each price point. In the ACT and Queanbeyan market, there are very few properties for rent that would cost less than 70% of a Youth Allowance payment including Rent Assistance. Young people, including students and young jobseekers, renting in the ACT and surrounds are at significant risk of poverty and homelessness in an economic environment such as this.

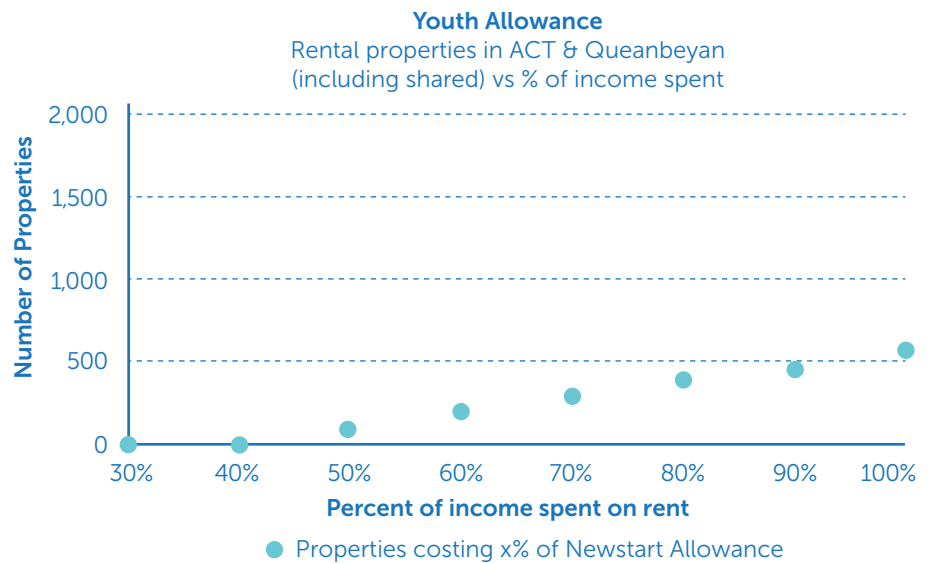
Jobseekers receiving Newstart Allowance

Young people receiving the Newstart Allowance are similarly impacted by the lack of affordable options in the Canberra rental market. While Newstart is slightly higher than Youth Allowance, there are still next to no properties affordable to anyone unprepared to spend 50% or more of their income on housing. Indeed, even compared to other types of Centrelink payment, Newstart and Youth Allowance recipients are twice as likely to experience housing stress (National Welfare Rights Network, 2014, p. 8).

Again, the nuances of Rent Assistance make the following chart a generous estimate of dwellings at each price point in the ACT.



“The Rental Affordability Snapshot statistics show that those without a means of support outside Centrelink, already more vulnerable for a number of reasons, are at extremely high risk for rental stress.”



The ACT’s youth unemployment rate of 11.7% (ABS, July 2015) indicates that a significant proportion of young people in Canberra are supported either by Centrelink benefits, family or a combination of the two. The Rental Affordability Snapshot statistics show that those without a means of support outside Centrelink, already more vulnerable for a number of reasons, are at extremely high risk for rental stress.

Australia-wide, youth underemployment has steadily risen since 2011, currently peaking at 17.3% (ABS, May 2015). Some young people who are underemployed may receive some support from Centrelink, while others may be earning too much for Centrelink criteria without being able to afford high private rental prices. Indeed, even full time lower-waged workers struggle in the ACT private market, as evidenced by Anglicare’s national Rental Affordability Snapshot (Anglicare Australia, 2015).

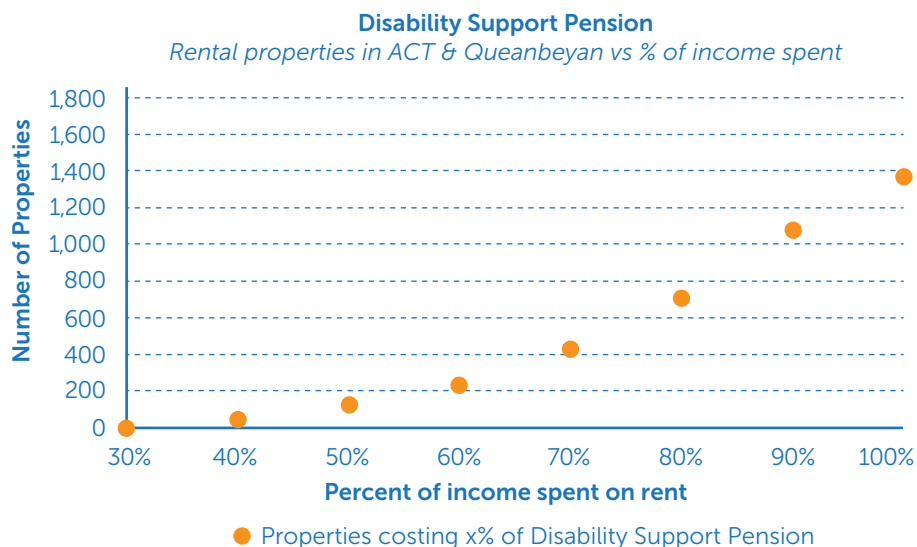
People with Disabilities

Young people with disabilities receiving the Disability Support Pension similarly had highly constrained options in the ACT & Queanbeyan area, unless they were prepared to spend more than 50% of their income on rent. The Anglicare Rental Affordability Snapshot considered that people with disabilities were more likely to experience difficulty finding a share house that met their needs, so shared accommodation options are not present in the following analysis. However, the varying layouts and situations of individual properties (such as the presence of stairs or accessible transport routes) mean that for some people with disabilities, many of the affordable options identified by the snapshot would be inappropriate or attract considerable other costs. These figures

do not speak to the number of other issues people with disabilities face in the private rental market, including discrimination and the landlord's willingness to make reasonable adjustments.



“A person living alone whose income was the Disability Support Pension would have great difficulty finding a rental property for less than 60% of their income.”



A person living alone whose income was the Disability Support Pension would have great difficulty finding a rental property for less than 60% of their income. Young people with disabilities already face a number of challenges in reaching independence, including accessing employment that can accommodate particular needs they may have in a climate of high youth unemployment across the board, and accessing services which enable them to participate fully in the community. The high cost of accommodation in the ACT can prevent young people with disabilities from taking an important step towards independence through moving out, and perhaps more problematically, significantly disadvantage those who have no other choice but to live independently.

Young Parents

Young people with children, especially single parents, can be at risk of economic, educational and other disadvantages. Unaffordable housing can mean that these families experience particular difficulties such as homelessness, insecure housing, or financial stress as a result of excessive housing costs. In the ACT, there were very few properties affordable to single parents whose income was derived from the Single Parent Payment, and even fewer affordable to those who had been moved onto the Newstart Allowance, despite the assistance in both cases of Rent Assistance and Family Tax Benefit.

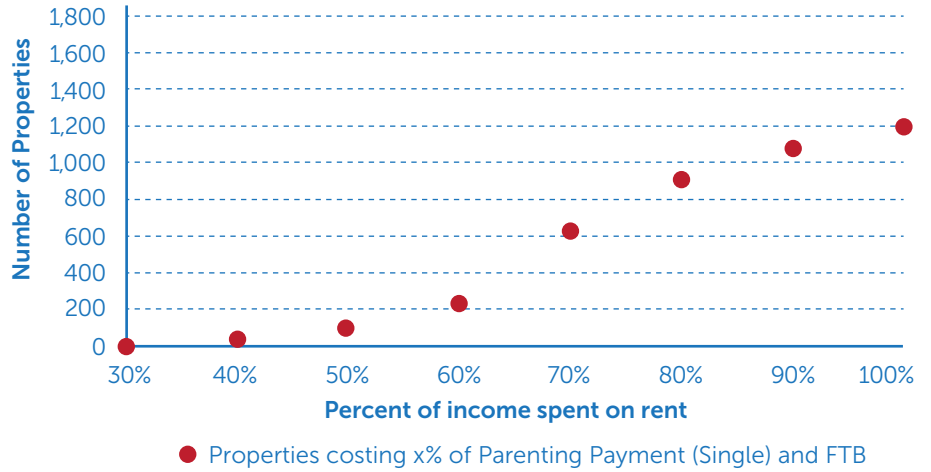


“The quality, amenity and safety of the cheapest 8% of properties is likely to be poor, while the high price of the market would mean often stiff competition for even these properties.”

Parenting Payment (Single) + FTB A & B

Rental properties in ACT & Queanbeyan vs % of income spent

Note: family requires 2 bedrooms

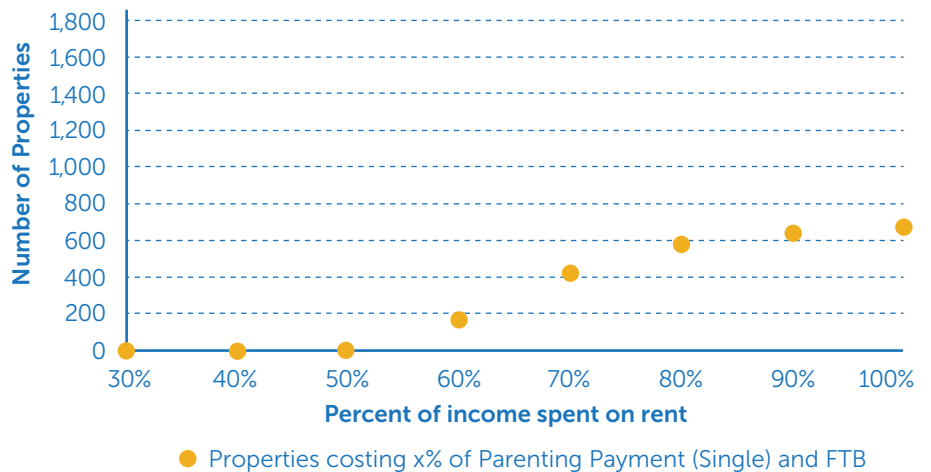


For families of one parent and one child receiving Parenting Payment (Single), Family Tax Benefit and Rent Assistance, even those spending 60% of their income on rent could only afford 12% of suitable properties in the ACT. 60% of income going directly to housing costs would leave a family with this income only \$240.11 per week to cover all other expenses, including utilities, transport, food, and other expenses of raising a young child.

Parenting Payment (Single) + FTB A & B, 2 children

Rental properties in ACT & Queanbeyan vs % of income spent

Note: family requires 3 bedrooms

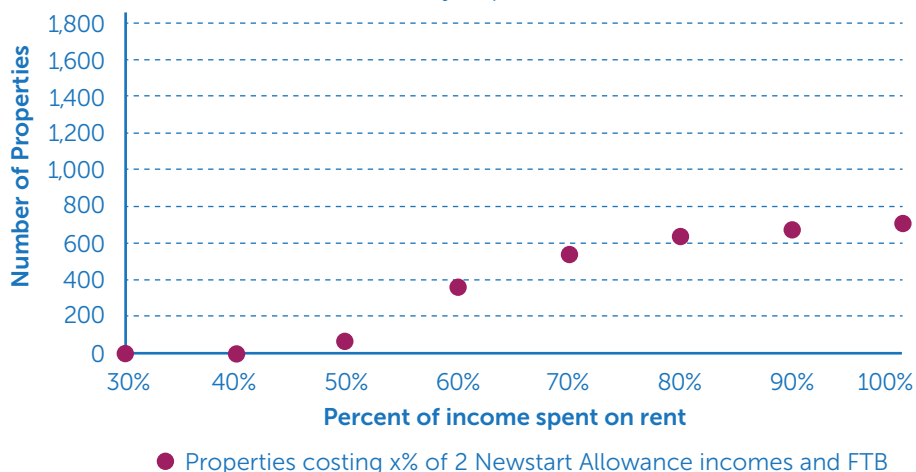


Single parent families with two children had even greater difficulties, with 60% of income enough to afford only 8% of suitable properties. The quality, amenity and safety of the cheapest 8% of properties is likely to be poor, while the high price of the market would mean often stiff competition for even these properties.



“Some commentators question whether a single person or couple without dependents might be able to sustainably spend more than 30% of their income on rent”

Parenting Payment (Single) + FTB A & B, 2 children
 Rental properties in ACT & Queanbeyan vs % of income spent
 Note: family requires 3 bedrooms



Definitions of what constitutes affordable accommodation for a given household are subject to ongoing debate. Some commentators question whether a single person or couple without dependents might be able to sustainably spend more than 30% of their income on rent. However, these figures show that low-income households have few options to spend less than 50% or in some cases much more of their income on rent, leaving little for other expenses such as utilities, transport, and food.

Conclusion

The continuously unaffordable state of the ACT and Queanbeyan private rental market is putting considerable pressure on young people, including families headed by young people. This financial, social and at times physical and psychological pressure impacts young people’s development, social inclusion, and ability to engage in education and employment. For young people with dependent children, these issues are intensified as they try to provide for and parent their children while also needing to address education and training needs and transition into the workforce. Unaffordable housing not only constrains material resources but creates instability and disrupts social and economic participation.

Costs of not addressing the issue:

- A high proportion of people experiencing homelessness in the ACT are aged under 25. Young people who experience homelessness are more likely to experience it again later in life (Flatau et. al., 2013) and are more likely to experience disrupted education and transition into the workforce (YFoundations 2013).

Addressing the systemic issues that contribute to this problem would prevent higher costs of supporting people to exit the cycle of homelessness and educational disadvantage later in life.

- People experiencing homelessness in the ACT have the longest support periods in specialist homelessness services in Australia, in part owing to the lack of housing options for those ready to enter the private rental market (ACT Shelter 2012). Specialist homelessness services, including those focused on young people, have difficulty supporting existing clients to exit into stable housing other than social housing options, and in turn cannot support others who enter into homelessness.
- Services funded by the ACT Government to provide assistance to vulnerable young people are thwarted in attempts to facilitate stability and growth to clients who are unable to access the fundamental human need of safe, stable housing. An increase in the availability of affordable, safe and stable housing options for young people and their families would increase the efficiency of other youth services including education services, employment services, mental health supports and parenting supports targeted at young people.



“Specialist homelessness services, including those focused on young people, have difficulty supporting existing clients to exit into stable housing other than social housing options, and in turn cannot support others who enter into homelessness.”

Recommendations:

- Advocate for a market-based solution to providing more affordable housing options for young people in the ACT, such as the restriction of negative gearing on future investment properties to those rented out at below market rate.
- More supported housing options targeted at young people engaging in education and building their independence, such as Anglicare & Barnardos’ Foyer-like Our Place program
- Explore with the ACT Government and the private sector a replacement model to fill the gap left by the demise of the National Rental Affordability Scheme (NRAS) in order to expand the scope of community housing developments, particularly those to support young people in training at CiT or apprentices not just university students.
- Implement a better targeted private rental subsidy program for young people in education or training.

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“An increase in the availability of affordable, safe and stable housing options for young people and their families would increase the efficiency of other youth services including education services, employment services, mental health supports and parenting supports targeted at young people.”



Safe and Well:

The importance of sustainable and realistic rents for low income households

Liisa Wallace

Financial Counsellor
& Policy Advisor

Summary of organisation

Care Inc. Financial Counselling Service (Care) has been the main provider of financial counselling and related services for low to moderate income and vulnerable consumers in the ACT since 1983. Care's core service activities include the provision of information, financial counselling and advocacy for consumers experiencing problems with credit and debt. Care has a Community Development and Education program, provides gambling financial counselling as part of the ACT Gambling Counselling and Support Service (AGCSS) in partnership with lead agency Relationships Australia; provides a specialist service for public housing and community housing tenants and makes policy comment on issues of importance to its client group. Care also operates the ACT's first No Interest Loans Scheme which was established in 1997 and hosts the co-located Consumer Law Centre (CLC) of the ACT.

Abstract

Low income households experience relative as well as actual poverty compared with higher income households in the rental market. Building a healthier and more connected community by providing properties where rent is both realistic and sustainable given a household's income, in conjunction with support services to assist in sustaining tenancies, should be a priority.

Safe and Well



“Our focus is to assist our clients to deal with their debts; including housing debts and to try and help them structure their finances to fit within their income.”

Financial counsellors work with clients experiencing housing stress on a daily basis. Few clients would access a service such as Care without at best a minimal level of housing stress; or at worst threatened, imminent or completed eviction. Depending on the client, they could be in private rental, government or community housing or have a mortgage. Each group faces challenges in maintaining their rent or mortgage depending on their life circumstances. When a financial counsellor sees a client who is in housing stress the client will also undoubtedly be struggling to meet their other expenses such as paying for medical expenses, food and utilities. For many clients keeping their home at an appropriate temperature or being able to prepare nutritious meals can become a luxury. The flow on effects of rental or mortgage stress can have profound effects on the household's ability to function.

Our focus is to assist our clients to deal with their debts; including housing debts and to try and help them structure their finances to fit within their income. Care sees clients in some of the most 'at risk' groups for potential or actual homelessness including clients with mental illness, gamblers, sole parents, people who have experienced domestic violence, aged people, prisoners, an increasing number of culturally and linguistically diverse (CALD) clients and Aboriginal and Torres Strait Islander clients.

Beneath the lives of clients experiencing housing stress can be found multiple and highly complex causes including unaffordable rental costs, over-commitment on mortgages and other debts, mental and physical illness, domestic violence, trauma, unemployment, inadequate incomes, being caught in cyclical credit borrowing traps such as 'payday loans' or 'rent to buy' schemes and family breakdown. It is often impossible to discern which issue ultimately leads to an eviction. What is clear from our work is that if people can pay a level of rent (or mortgage) that is sustainable and realistic given their income, they are more likely to be able to meet their housing costs and remain housed.

Threatened eviction needs to be addressed as a priority. Unlike other debts where people can ignore things for longer e.g. credit cards or a personal loan perhaps, a housing debt has to be dealt with and a resolution or agreement with the landlord or financial institution reached or the client will be homeless. Keeping people 'safe' in their homes in turn provides a platform for them to be 'well' as participating and contributing members of this community.

Homelessness, or the threat of it, remains one of the most distressing and difficult positions people can find themselves in. Our experience with clients who have been evicted is that it puts them at risk of becoming disconnected from their support services, lowers their levels of resilience, forces them to rely on emergency services and make do with stop-gap sleeping arrangements. All of these issues add to the burden of trying to maintain connections to work, school, friends, family and community. If the situation becomes long term this can affect the life chances of the client (and any children) and potentially lead to intergenerational problems with housing and finances. The earlier an intervention can occur in a potential eviction, the more likely it is that a client will remain housed.



“Homelessness, or the threat of it, remains one of the most distressing and difficult positions people can find themselves in.”

Measuring the level of housing affordability stress that is being experienced is an important aspect of looking towards reducing potential or actual homelessness. It is generally accepted that a person with earnings in the bottom forty % of income earned and who is paying more than thirty % of that income in housing costs will be experiencing housing stress.¹

Care's experience is that these households actually begin to experience housing stress at a lower level than thirty % of income paid in housing costs and that those households paying above this are likely to be suffering extreme housing stress. Given the restricted income of some clients it is critical that housing costs paid as a percentage of income (particularly for low income people) do not keep rising.

The following table illustrates at a basic level the relative poverty experienced by a person on Newstart (\$528.00² per fortnight) compared to a wage earner (\$2544.00³ net per fortnight) after rent is calculated at thirty % of income. There is little income left for even the basics required to live including food, medical expenses, transport, education, communications and utilities.

1 http://www.ahuri.edu.au/themes/housing_affordability#sthash.317PLQSC.dpuf

2 <http://www.humanservices.gov.au/customer/enablers/centrelink/newstart-allowance/payment-rates-for-newstart-allowance>

3 <http://www.abs.gov.au/ausstats/abs@.nsf/Latestproducts/6302.0Main%20Features6May%202015?opendocument&tabname=Summary&prodno=6302.0&issue=May%202015&num=&view=>

Income	Amount*	Rent per fortnight at 30%	Income after rent
Newstart	\$528.00	\$155.76	\$372.24
Wage	\$2,544.00	\$763.20	\$1780.80

*No tax deducted from Newstart Allowance figure - includes energy supplement of \$8.80 in total amount but deducted prior to rental calculation; May 2015 Full-Time Adult Average Weekly Ordinary Time Earnings with tax deducted multiplied by 2: see footnoted reference 3.



“Many people on low incomes are just making ends meet, so it only takes a single event to plunge them into a situation where they are facing eviction.”

It becomes impossible to sustain a tenancy the higher the rent goes, let alone deal with the exacerbation of existing problems and stresses that low income households face. Growing an inclusive community means it is essential that housing supply for low income households is addressed and that housing is designed to be both affordable and accessible. Many people on low incomes are just making ends meet, so it only takes a single event to plunge them into a situation where they are facing eviction. Cassie’s case below indicates the precarious nature of just getting by and suddenly there is an event, a change of circumstances or in some cases an accumulation of ongoing life stressors and very swiftly there is the potential for homelessness:

*“I used to be able to pay bills on time, my money just stretched even though I didn’t have any left each pay. Then my boy got robbed at knifepoint outside the supermarket. He’s gone from being happy and going round with his friends and stuff; to me having to be home and not working so I can look after him. He jumps at shadows now. I’ve lost my job. I can barely even manage to feed us let alone pay the rent or other bills. I just want to get back to work.” Cassie**

In Cassie’s case the financial counsellor was able to negotiate with the landlord and her other creditors to defer payments until she found another job.

Even people who are able to be housed in Housing ACT rental properties where their rent is set at twenty five % of their gross household income and who access Care’s dedicated Housing Financial Counselling Service will generally come because of housing arrears. Many of them will also be dealing with a range of other difficulties - both financial and personal. While they will often be struggling to maintain their rent payments, they are at least somewhat protected if they have a drop in income as their rent can be reassessed at twenty five % of the lower rate, unlike in the private rental market where they would be evicted. There is also the opportunity for government housing tenants to make an arrangement to repay arrears over a longer term as Sam explains:

*"I don't know what we would've done without 'our house'. I know it's not really mine or the kids but we've been here all the time they've been at school and now two of them are at uni. Once I missed the rent a few times because my youngest was really sick. The financial counsellor helped me to talk to the housing manager who made an arrangement with me to pay the money back slowly. It saved my bacon 'cos I don't know where we would of gone if we'd been kicked out. It hasn't always been easy but I don't think my kids will need government housing like me, at least I hope not." Sam**

Current options for lower income ACT residents include Affordable Housing which tie rental to a percentage of market rent. Given the high rental costs in the ACT, this can place tenants in a difficult situation: their rent is deemed affordable but while it is tied to rising market rental prices, it will most likely result in payments that are higher than many can afford. Housing ACT's system for tying rents to a proportion of income is generally more sustainable for low income residents.



"Being unable to afford the rent can result in a level of desperation and despair that makes it more likely people will go to extreme lengths to obtain money to stay housed."

Being unable to afford the rent can result in a level of desperation and despair that makes it more likely people will go to extreme lengths to obtain money to stay housed. Care has occasionally seen clients who have been caught in a destructive cycle of borrowing to remain in a tenancy. 'Lily' came to our service with several loans from a 'payday lender'. She continued to borrow from this lender each fortnight to cover her rent. She said she was desperate to maintain her current tenancy, as she previously had to leave a private rental property due to falling behind in the rent when she developed a mental illness:

*"I didn't really think I would get stuck like this...I can't see a way out of having to take money even though it's not what I want to do...they do give me the money, but I reckon they charge through the nose for the fact of borrowing plus I missed a few payments and have to pay that back as well. Now my rent is costing me pretty much double what it should because of how much I have to pay back each pay. It's really getting me down...." Lily**

Negotiating an outcome for Lily is presenting challenges because she is fearful that the payday lender will stop her borrowing and at this stage she cannot see an alternative. It appears that Lily may be the victim of unconscionable lending practices, but at this stage her mental illness affects her ability to engage with the financial counselling process to get a resolution; although her financial counsellor will continue to work with her.

Having appropriate and affordable housing for lower income ACT residents is of the utmost importance. The stability provided by secure affordable housing means people can connect to their

local community, make friendships and access support services that will nourish and sustain them and their children into the future. Early intervention in all aspects of housing stress is fundamental to maintaining tenancies; as a result clients are then less likely to need intensive government support, particularly accommodation services, as they will more likely remain housed. Not attending to this issue leaves us as a community with a growing section of disenfranchised and extremely vulnerable people who are at risk of ongoing homelessness with all the attendant health and social concerns.

Stability of housing cannot be underestimated as a sound basis for growing a healthy community; all ACT residents deserve this opportunity to enable them to be 'safe and well'.



“Early intervention in all aspects of housing stress is fundamental to maintaining tenancies...”

Care’s recommendations are as follows:

1. Ongoing provision of funding for accommodation and support services; including early intervention services
2. Increased supply of government housing targeted to the needs of people on the waiting list and people currently in government housing who are ageing and whose families have left home
3. Regular reviews of the concept of ‘affordable housing’ to ensure it is realistic and sustainable for tenants into the future.

*clients’ names have been changed for this paper.
September 2015



“Missing Middle” housing: A solution to Canberra’s growing affordable housing problem

Michael Hopkins

Deputy Executive Director, Master Builders Association of the ACT

Summary of organisation

Master Builders Australia (MBA) has been operating for over 125 years, representing the interests of more than 32,000 members Australia-wide and with around 1,200 members in the ACT. The MBA ACT represents the interests of commercial builders, residential builders, civil contractors, suppliers, subcontractors and professionals. The MBA ACT is also a Registered Training Organisation and a Group Training Organisation.

Abstract

The ACT’s housing stock is dominated by single detached houses on large blocks in the suburbs. However, the demographics of the ACT indicate that a more diverse stock of housing is required.

Providing a broad range of dual occupancies, triplexes and small town homes in suburban areas – called the ‘missing middle’, is a vital part of providing affordable housing that meets the needs of ACT residents.

Introduction

By any traditional measure of housing affordability, Canberra should not need any help addressing the housing affordability problem that is strangling other Australian economies.

This article reasons that housing affordability in the ACT is not a significant problem when measured using accepted income to price ratios. However, because of Canberra’s low density suburban settlement pattern, constrained supply of residential land and increasing community opposition to densification, housing affordability is still a significant problem, but in a different way to other Australian cities.

The growing problem with affordability in the ACT is due to a widening gap between the type of houses required to house our changing community, and the types of housing being supplied as a product of ACT government regulatory settings. This forces our increasing number of small households into large unaffordable single detached housing. Providing a range of dual occupancies, triplexes and small town homes in suburban areas to address this growing issue is referred to as the ‘missing middle’.



“Providing a range of dual occupancies, triplexes and small town homes in suburban areas to address this growing issue is referred to as the ‘missing middle’”

Housing Affordability Measures

Traditional indicators of housing affordability include average household income compared with average housing costs either as a percentage, or a ratio. Indicators of social disadvantage include unemployment levels, more specifically youth unemployment levels. Measures of housing costs include median house prices.

On all of these measures, Canberra is the envy of the rest of Australia. Canberra residents enjoy the highest weekly income in Australia at \$1,707 (as at May 2015)¹. Canberra’s unemployment level is the lowest of any Australian State or Territory at 3.6%, and lower than the national average of 5.5%². Further, the ACT’s youth unemployment at April 2015 was 11.49%, less than the national average of 13.56%.

In terms of housing prices, Canberra maintains a healthy difference between the median prices of both houses and units, compared to our closest capital cities of Sydney and Melbourne. CoreLogic³ reported in 2015 that Canberra’s median prices are \$593,000 (for houses) and \$412,200 (for units). At the same time, Sydney’s median prices were \$921,500 (for houses) and \$660,000 (for units). In Melbourne median prices were \$630,000 (for houses) and \$483,500 (for units).

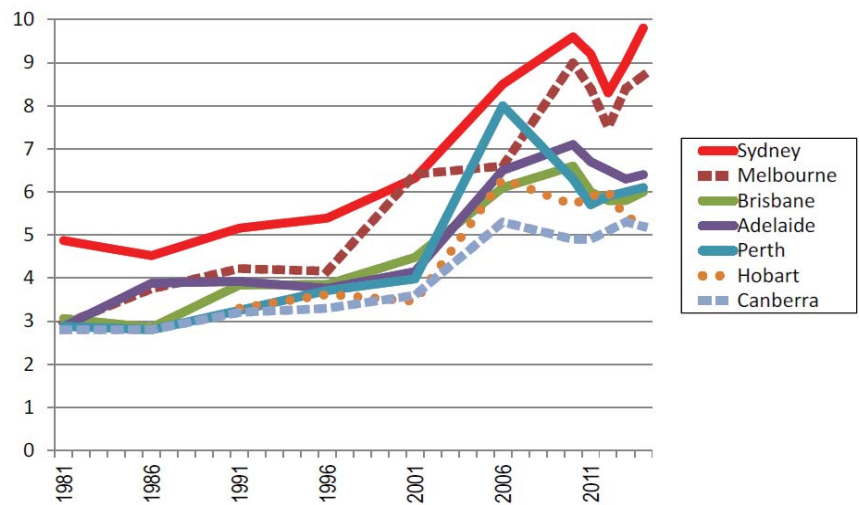
1 ABS, Average Weekly Earnings Australia, 2015

2 Australian Government Department of Employment, Australian Regional Labour Markets December Quarter 2013.

3 CoreLogic, Housing and Economic Update, August 2015

In terms of measures of housing affordability, Demographia publish an annual international housing affordability survey. Demographia rates housing affordability using the Median Multiple method which produces a price to income multiple. The 11th annual survey published in 2014 ranks Canberra as the most affordable of the major Australian markets.

Housing Affordability Trend: Australia MEDIAN MULTIPLE MAJOR MARKETS: 1981-2014



Source: Demographia, 2014



“Many commenters, including the MBA’s own submission to the Senate Inquiry into Housing Affordability in March 2014, shows that all major Australian cities are ranked as either ‘not affordable’ or ‘severely unaffordable’.”

Another direct measure of affordability in the ACT is the level of government provision of public housing. On this measure, ACT Shelter recognise that the “ACT has more public housing stock than other states and territories”⁴.

Now, I am not suggesting that the ACT does not have a housing affordability problem. Many commenters, including the MBA’s own submission to the Senate Inquiry into Housing Affordability in March 2014, shows that all major Australian cities are ranked as either ‘not affordable’ or ‘severely unaffordable’. However, based on traditional indicators, it is clear that Canberra’s housing affordability problem is not based on house prices or income levels. The ACT’s problem is different and more complex.

Changing Household Structure

Australia’s changing household structure has been well documented. Key changes include the ageing of Australia’s population, which is driving a decrease in the number of persons per house, and a corresponding increase in sole-person and couple households.

⁴ ACT Shelter Fact Sheet, page 2

The ACT’s household structure is typical of the overall Australian make-up. According to 2011 ABS statistics:

- The dominant household size in the ACT was a two-person household (33.8%), followed by single person households (23.4%)⁵,
- The largest increase in household size was two-person households, increasing by 4,445 between 2006 and 2011,
- Couples without children contributed the largest increase in household type (+4,311 households)⁶, and
- The dominant housing form in the ACT was the single detached house (70.7% in the ACT, compared with 73.8% in Australia) ⁷.

In other words, as our households continue to decline in size, our housing stock remains dominated by large single detached houses.



“Unlike any other mature housing markets in Australia, Canberra is starved of land for new housing by the ACT Government’s land release policies and land delivery mechanisms.”

Supply Issues

In addition to an increasing mismatch between the housing needs of our community, and the housing stock being provided, is a severe restriction of new housing supply.

Unlike any other mature housing markets in Australia, Canberra is starved of land for new housing by the ACT Government’s land release policies and land delivery mechanisms. In the ACT, new land estates are released by the ACT Government and developed, almost exclusively, by the Land Development Agency (LDA), a government owned developer. The LDA has under-supplied the local housing market over many years, leading to a situation where there is currently no stock of residential land available for immediate purchase and building. Despite being a government developer, the time needed to obtain planning approvals is lengthy, during which time demand is built up for new land. Once development approvals are in place, the LDA releases land to the market en-masse, leading to a massive burst of available land. This is followed by months of land drought while planning approvals are obtained for the next release.

Because the profits from the development and sale of land by the LDA is returned to government, the ACT Government directly benefits from restricting land supply to drive up prices, with little or no incentive to deliver affordable housing.

At the same time, planning controls restrict opportunities for re-development of land within existing suburban areas. Proposals for

⁵ Australian Bureau of Statistics, Census of Population and Housing 2006 and 2011. Compiled and presented in profile.id by .id, the population experts.

⁶ Australian Bureau of Statistics, Census of Population and Housing 2006 and 2011. Compiled and presented in profile.id by .id, the population experts.

⁷ Australian Bureau of Statistics, Census of Population and Housing 2006 and 2011. Compiled and presented in profile.id by .id, the population experts.

urban infill and redevelopment are often met with significant local opposition. Community opposition is often supported by local politicians not wanting to upset voters.

The Missing Middle

While constraints on the supply of new land for single detached housing on the urban fringe remains a significant part of the housing affordability problem in Canberra, and in fact Australia, another important problem is the ‘missing middle’. That is, missed opportunities to build low to medium density forms of housing in middle or inner Canberra suburbs to service Canberra’s diversifying household structure.

The term “missing middle” housing was coined by Daniel Parolek of Opticos Design, Inc. in 2010 to define a range of multi-unit or clustered housing types compatible in scale with single-family homes that help meet the growing demand for walkable urban living ⁸.

Missing Middle housing includes dual occupancies, triplexes, small town homes, and the like. This form of housing is ideal to accommodate Canberra’s changing household structure.



Source: www.missingmiddlehousing.com

The City of Seattle in the USA has embraced missing middle housing in its Housing Affordability and Liveability Report (September 2014). The Seattle Mayor has set a bold target of building 50,000 new homes, including 20,000 new homes for low and moderate income residents over the next decade, with the primary aim of helping to solve the cities affordable housing problem.

It is important to emphasise that providing more diverse housing in the inner and middle suburbs is critical to solving the ACT’s housing

⁸ Source: <http://missingmiddlehousing.com/about/>

affordability problems. The ACT’s housing affordability problem, unlike other Australian cities, is not a function of income and price ratios, but rather are a product of not providing forms of housing that suit our population’s changing needs. This problem is unique to the ACT because of our low density suburban settlement pattern, and our failure to embrace alternative forms of housing.

Cost of not addressing the issue

The costs of not addressing this issue are threefold:

- Firstly, by resisting housing diversity in suburban areas we are perpetuating a society comprising the wealthy elite that can afford large single detached houses in the inner suburbs, and the working poor relegated to tiny apartments located wherever community opposition to change is the least.
- Secondly, by not tackling the ACT’s unique housing affordability problem we are putting Canberra’s economy at risk. The ACT needs to compete for economic investment, and the provision of a diverse range of affordable housing must be seen as part of the ACT’s competitive economic advantage.
- Finally, by failing to provide opportunities to build alternative forms of housing throughout the city, our construction industry will continue to stagnate. The success of our local building companies will depend on whether they ‘win the lotto’ at the next LDA land ballot.



“... by failing to provide opportunities to build alternative forms of housing throughout the city, our construction industry will continue to stagnate.”

Recommendations

- Embrace ‘missing middle’ housing as a vital part of the housing affordability solution. Planning and design controls which restrict low to medium housing options in suburban areas should be lifted.
- Monitor the ACT’s housing stock and the community’s housing needs, with the objective of providing housing types throughout the city which match community demand, and which ensure a ready supply of a wide range of housing forms.
- Review community consultation processes and third party appeal rights for urban infill projects, with a view to making it easier for ‘missing middle’ housing projects to be delivered throughout the ACT.



Housing vulnerability for women in the ACT

Frances Crimmins

Executive Director, YWCA Canberra

Summary of organisation

YWCA Canberra is a feminist, not-for-profit organisation that has been providing community services and representing women's issues in Canberra since its establishment in 1929. Through our advocacy we work to improve the quality of life for women, their families and communities in the ACT.

We are a membership-based, non-religious organisation that encourages the participation of women of all cultures, beliefs and ages. We provide leading and innovative services to women and the broader Canberra community in the areas of children's services, community development, housing, youth services, personal and professional training, and women's leadership.

Abstract

Canberra is regarded as a prosperous city with higher than average income and education levels. However, this assessment ignores the significant disadvantage experienced in the ACT, particularly in regard to housing vulnerability.

YWCA Canberra supports the definition of homelessness advanced by ACT Shelter, which reveals the scope and magnitude of homelessness in the ACT. This definition captures those sleeping rough (primary homelessness), couch surfing or living in crisis accommodation (secondary homelessness) and living in inadequate housing with no security of tenure (tertiary homelessness) (ACT Shelter 2014:8).

Analysis and discussion

Housing vulnerability in the ACT is a significant and growing issue. Although the gross domestic product per capita is well above the national average at over \$85,000 (Invest Canberra 2015), the prohibitive cost of living means that those who are disadvantaged face severe housing challenges.

People in the ACT face the highest cost of living of all Australian capital cities, primarily due to rental prices which are the highest of any state or territory (ACTCOSS & ACT Shelter 2015:2). Additionally, the ACT has the second highest rate of homelessness in Australia, with many crisis response services simply unable to meet demand (ACTCOSS & ACT Shelter 2015:2).

Although housing vulnerability can affect all Australians, women are particularly susceptible. This issue must be considered through a gender lens, with policy responses designed to meet the specific needs of vulnerable women.

This submission will explore the unique circumstances which place women at a higher risk of housing vulnerability and will also consider certain groups of women who are at particular risk.



“This issue must be considered through a gender lens, with policy responses designed to meet the specific needs of vulnerable women.”

Domestic violence and homelessness

The Australian Bureau of Statistics reported in 2006 that one in three women over the age of 15 has experienced physical violence, and one in five has experienced sexual violence. Sadly, these shocking statistics are considered conservative. In Canberra, calls for help to the Domestic Violence Crisis Service surged by almost 50 % over the past five years (YWCA Canberra).

Male violence against women is a significant contributing factor to homelessness. Fifty-five % of women presenting to specialist homelessness services cite domestic violence as the cause, with many of these women often cycling in and out of homelessness over a substantial period of time (Homelessness Australia).

The Australian Housing and Urban Research Institute identifies two reasons for this. Firstly, that violence destroys the sense of safety and belonging normally associated with home, and secondly that leaving a domestic violence situation usually requires fleeing home (AHURI 2011:12).

Women (and their children) may be forced to leave their homes suddenly out of fear for their personal safety. Although many women escaping violent situations have rights to their home as a mortgage or lessee holder, they are often unable to access the house due to the risk of violence.

Additionally, 32 % of women escaping violence face poverty or financial hardship, with many perpetrators cutting off access to finances and assets. This negatively impacts on a woman's ability to find a home after escaping domestic violence (Homelessness Australia).

There has been a growing interest in policy responses which allow women and children to stay in their home by forcing violent perpetrators to leave. While this approach may be appropriate for some women, it requires significant legal, judicial, police and housing interventions (AHURI 2011:16).

Women choosing to stay in their homes following a domestic violence situation are often confronted by two serious barriers to remaining there. Firstly, there is the risk to their personal safety and to that of their children, as the perpetrator knows their location and is familiar with the home.

Secondly, women face a financial burden as they are required to maintain mortgage or rental payments by themselves, and may face lengthy legal proceedings to be able to sell the home or break a lease, if the perpetrator is uncooperative.

It is also crucial to consider appropriate housing options for young women escaping violence. Young women who are no longer able to live at home can be at serious risk of sexual violence in unsafe housing situations.

Current statistics on domestic violence indicate that safe and appropriate housing options for women and children escaping violence will continue to be an urgent issue requiring action.



“It is also crucial to consider appropriate housing options for young women escaping violence.”

Older women

It is often assumed that older people own their own home and thus do not experience housing vulnerability. Sadly, this isn't the case, with single, older women more likely to face housing vulnerability than any other demographic (ACT Shelter 2014:9).

A landmark research project undertaken by ACT Shelter last year explored older women's housing vulnerability in the ACT. They found that in 2011 there were 11,431 women in the ACT over the age of 45 on low to medium incomes who did not own their own home. In contrast, there were 7356 men living in the ACT in the same category (ACT Shelter 2014:10).

Older women facing homelessness tend to avoid seeking help and feel ashamed of their situation. As such, it is believed that statistics on this issue are conservative and do not reflect the extent of the problem (ACT Shelter 2014:26).

Older women are particularly vulnerable to homelessness due to



“Housing options also need to take into account proximity to transport, health facilities and other community services...”

gender-based economic and financial inequality (Homelessness Australia 2013:2). On average, Australian women earn less than men, have lower superannuation and are more likely to work in part-time or casual positions (ACT Shelter 2014:9). Additionally, throughout their lives many women take significant periods of time out of the workforce to care for children and fulfill other caring responsibilities, further diminishing their financial position once they become older.

Significant life shocks including the death of a partner or divorce can quickly lead to housing crisis. A 2010 study of homeless women found that a third of women became homeless after a separation or the death of a partner (ACT Shelter 2014:10).

Many women surveyed by ACT Shelter stated that long-term tenure was their biggest concern, rather than owning their own home (ACT Shelter 2014:29). Moving house is financially, physically and mental draining. One woman surveyed had moved eight times within one year (ACT Shelter 2014:16).

It is essential that housing options for older women are appropriate - the issue is more than simply one of supply, but of ensuring that housing options for older women allows for their specific needs, including potentially managing a disability.

Housing options also need to take into account proximity to transport, health facilities and other community services, and the ability for older women to have space for grandchildren or pets - seemingly simple factors which can contribute greatly to overall wellbeing.

Women’s housing services in Canberra

YWCA Canberra currently provides several housing support services for women.

The Supportive Tenancy Service (STS) is a partnership between YWCA Canberra, Woden Community Service and Belconnen Community Services. This service works directly with people to help them retain their current tenancies (private and public) or mortgages by providing practical information, referrals and advocacy. Funding for the STS is currently extended until June 2016, however long-term funding is required to ensure the longevity of this essential service.

As part of YWCA Canberra’s Affordable Housing Program, Lady Heydon House and Betty Searle House provide safe, affordable housing for 13 single older women. Each woman has her own bedroom, sitting room, ensuite and kitchenette, and shares a larger kitchen, dining room and living spaces.

In addition, there are several specialist housing services in Canberra

including Beryl Women Inc., Doris Women's House, Reach Home and Toora House.

While these and many other organisations have provided invaluable services to Canberra women for many years, they currently face significant challenges. There is an extreme shortage of emergency and transitional housing in the ACT, and funding cuts have significantly reduced the ability of services to respond to women in need.

Conclusion

Costs of not addressing the issue

- Without strong, well-supported services ranging from adequate emergency and transitional housing to longer-term support for women including trauma counselling, the cycle of homelessness and violence will continue.
- The fiscal cost of homelessness is extremely high as those experiencing homelessness are high users of government services. This cost has been estimated to range from \$18,021 per individual (for tenant support clients) to \$44,147 per individual (for supported accommodation clients). (AHURI 2014).
- In contrast, it has been demonstrated that homelessness programs for single women produce significant benefits, with the cost of providing the programs offset by reductions in health, justice and welfare costs (AHURI 2014).
- Substantial indirect costs of inadequate housing services include people spending longer periods in health care facilities, increased use of emergency health services, increased risk of criminal offending, and a reduced capacity to complete education and obtain and retain employment (ACTCOSS & ACT Shelter 2015 6).



“The fiscal cost of homelessness is extremely high as those experiencing homelessness are high users of government services.”

Recommendations

- It is recommended that there be a greater focus on homelessness prevention for vulnerable women, including the provision of tenancy support and advice and legal assistance
 - › Considering Canberra's tight housing market, these services are particularly crucial to support vulnerable tenants (ACTCOSS & ACT Shelter 2015 6).
- It is recommended that all housing policy is developed with the specific needs of women in mind.
 - › In the ACT, this involves a boost to the supply of affordable and appropriate housing for women, for example to support the specific needs of women with a disability or women escaping violence.

- It is recommended that specific housing options for older women be given greater attention. Practical measures include:
 - › Promoting older women as preferred tenants
 - › Providing government incentives for landlords to make modifications in houses for older women
 - › Ensuring that housing for older women is not confined to the outer suburbs of the ACT so that women are close to essential services and networks.



“...housing for older women is not confined to the outer suburbs of the ACT so that women are close to essential services and networks.”

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