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17 September 2021

Mr Jason Falinski MP

Chair of the House of Representatives Standing Committee on Tax and Revenue Parliamentary Inquiry: Housing affordability and supply in Australia

Parliament House, Canberra ACT 2611

Via email: TaxRev.Reps@aph.gov.au

Dear Mr Falinski

**Submission to Parliamentary Inquiry: Housing affordability and supply in Australia**

Thank you for the opportunity to make a short submission to the Parliamentary Inquiry into Housing Affordability and Supply in Australia. We appreciate the offer of extra time from the Committee Secretariat.

The ACT Council of Social Service (ACTCOSS) recognises that the ACT is in an ongoing housing crisis characterised by a lack of affordable rental housing to people in the lowest income quintiles. This situation has worsened in the second year of the pandemic. We believe that the ACT needs more social housing controlled by community landlords. This makes social and economic sense. For every dollar invested, direct public investment in social housing is estimated to boost GDP by $1.30.[[1]](#footnote-2)

According to our most recent annual ACT Cost of Living Report the number of Canberrans living below the poverty line has increased to an estimated 38,000 during the COVID-19 pandemic, including approximately 9,000 children.[[2]](#footnote-3) Canberra is the most expensive capital city to rent while also having low vacancy rates for private rental properties and a shortfall of over 3,000 social housing dwellings.[[3]](#footnote-4)

The ACT has the highest rate of rental stress among low-income households (at 73%).[[4]](#footnote-5) CoreLogic’s quarterly rental review for June 2021 found that Canberra is the most expensive capital city in which to rent, with a house typically costing $668 per week and units $521 per week to rent.[[5]](#footnote-6) The current single rate of JobSeeker is just $315 per week.[[6]](#footnote-7) In March 2021, out of 1,002 private rental properties advertised in Canberra none were affordable for households on income support – this represents a consistent finding from Anglicare Australia’s annual Rental Affordability Snapshot since 2016, reflecting a chronic shortage of affordable rentals in Canberra.[[7]](#footnote-8)

Housing affordability disproportionately impacts Aboriginal and/or Torres Strait Islander people, people experiencing domestic and family violence and people with mental illness. It also disproportionately impacts people with disability who face a lack of affordable housing as well as a lack of accessible built housing form.

Housing stress is even impacting the community sector workforce that is responding to the consequences of the affordable housing shortage. Recent research, published by the Everybody’s Home campaign for Homelessness Week 2021, found that essential community sector workers would need to use between one third and two-thirds of a normal week’s wages to rent an apartment in most Canberra suburbs. To rent in the inner North or South, an essential community sector worker would need to sacrifice more than two thirds of a full working week’s income to rent an apartment.[[8]](#footnote-9)

Monthly data released by the Australian Institute of Health and Welfare shows that demand for specialist homelessness services in the ACT has increased during the COVID-19 pandemic. While people on low incomes and in housing stress experienced some relief during the first wave of COVID19 in 2020, the second 2021 wave of COVID19 is seeing increased reports of housing stress and homelessness. Research from UNSW Sydney and Australian Council of Social Service’s Poverty and Inequality research partnership shows that gains made during the pandemic last year are slipping away.[[9]](#footnote-10) It shows less than a third of those assisted with temporary hotel accommodation during the crisis were later transitioned into longer-term affordable housing, mainly due to a shortage of social housing available. At the same time, tens of thousands of people renting across the country now owe mounting rental debts, after having their payments deferred (but not reduced) while eviction moratoriums were in place.

As the Delta wave and necessary public health lockdowns have impacted the ACT from August 2021 onwards ACTCOSS have been receiving increased reports of people requiring emergency help, including housing, from frontline community agencies.

ACTCOSS notes the recommendations from submissions by Community Housing Industry Association and National Shelter. These closely align to areas of action identified by ACOSS for national work to improve the availability of affordable housing. We commend these to the Committee, namely:

* A national housing strategy which includes all sections of the housing market, employs a broad range of policy levers and involves both long and short term solutions;
* Sustained investment in affordable housing over the long-term, including in deeply subsidised housing (where rents are set at a maximum of 30% of income) and other forms of subsidised rental housing, as well as appropriately targeted affordable home ownership programs;
* Distinct capital and ongoing subsidy funding arrangements, to ensure that provision is made for the costs of maintenance and rental subsidy;
* A housing system which meets the needs of those who are most disadvantaged while maintaining social mix through mixed tenure developments;
* A review of Commonwealth Rent Assistance (CRA) to ensure that it best meets the needs of all low income renters; and
* Reform of housing taxes to reduce distortions in the market which leads to house price inflation and encourage investment in less affordable rental housing.

ACTCOSS recognises that there is more the Territory Government could do, including ensuring reforms to land development, planning and zoning to prioritise the timely delivery of their affordable land release program. We have urged Government to progress full delivery of the ACT Housing Strategy and address the need for planning reforms in a wide-ranging submission to the ACT Planning Review.[[10]](#footnote-11)

However, the delivery of affordable housing in quantities needed to address our housing crisis also requires Federal action especially investment in public housing and a renewed focus on community housing as a key element in the national recovery. We also share the ACT Government’s deep frustration that the Federal Government has not waived the ACT’s historic housing debt to the Commonwealth as it has done for Tasmania. We commend these priorities to the Committee as you examine affordability issues.

Once again thank you for the opportunity to make a short submission to this inquiry. Please feel free to contact me to discuss on 0424 910 617 or you can call our Head of Policy, Craig Wallace on 0477 200 755.

Yours sincerely,



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Chief Executive Officer

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1. KPMG, [*Housing Ministers’ Advisory Committee Social Housing Initiative Review*](http://www.nwhn.net.au/admin/file/content101/c6/social_housing_initiative_review.pdf) [pdf], KPMG, Melbourne, 2012, accessed 15 September 2021. [↑](#footnote-ref-2)
2. ACTCOSS, [2021 ACT cost of living report](https://www.actcoss.org.au/publications/advocacy-publications/2021-act-cost-living-report), ACTCOSS, Canberra, August 2021, accessed 10 August 2021. [↑](#footnote-ref-3)
3. ACTCOSS, *2021 ACT cost of living report*, ACTCOSS, Canberra, August 2021. [↑](#footnote-ref-4)
4. Productivity Commission, ‘Table GA.3 Proportion of lower income private rental households paying more than 30 per cent of income on housing costs, by State and Territory’ [data tables], [*Report on Government Services 2021: G Housing and homelessness*](https://www.pc.gov.au/research/ongoing/report-on-government-services), Productivity Commission, 2021, accessed 22 June 2021. [↑](#footnote-ref-5)
5. K Lewis, [‘Canberra remains most expensive city to rent, outstripping Sydney prices’](https://www.canberratimes.com.au/story/7345613/the-biggest-yielding-suburbs-in-nations-most-expensive-rental-market/), *The Canberra Times*, 19 July 2021, accessed 15 September 2021. [↑](#footnote-ref-6)
6. ACTCOSS, *2021 ACT cost of living report*, ACTCOSS, Canberra, August 2021. [↑](#footnote-ref-7)
7. Anglicare NSW South, NSW West and ACT, [*Anglicare Research: Rental Affordability forcing more Canberrans into financial hardship*](https://www.anglicare.com.au/anglicare-research-rental-affordability-forcing-more-canberrans-into-financial-hardship/) [media release], Anglicare NSW South, NSW West and ACT, 29 April 2021, accessed 22 June 2021. [↑](#footnote-ref-8)
8. Everybody’s Home, [*National Homelessness Week: Rental crisis hits COVID-essential workers*](../0%20-%20Documents%20in%20development/The%20ACT%20Council%20of%20Social%20Service%20%28ACTCOSS%29%20today%20highlighted%20shocking%20research%20showing%20that%20high%20rents%20in%20the%20ACT%20are%20pushing%20essential%20community%20sector%20workers%20into%20serious%20financial%20stress.) [media release], Everybody’s Home Campaign, 2 August 2021, accessed 17 September 2021. [↑](#footnote-ref-9)
9. H Pawson, C Martin, A Sisson, S Thompson, S Fitzpatrick and A Marsh, [*COVID-19: Rental housing and homelessness impacts – an initial analysis*](https://povertyandinequality.acoss.org.au/covid-19/housingimpacts/), ACOSS/UNSW Poverty and Inequality Partnership Report No. 7, ACOSS and UNSW, Sydney, 2021, accessed 15 September 2021. [↑](#footnote-ref-10)
10. ACTCOSS, [*Submission: ACT Planning Review: Social planning for a changing Canberra*](https://www.actcoss.org.au/publications/advocacy-publications/submission-act-planning-review-social-planning-changing-canberra), ACTCOSS, Canberra, February 2021, accessed 15 September 2021. [↑](#footnote-ref-11)