



YWCA CANBERRA

Submission to the review of the National Housing and Homelessness Agreement

Leah.dwyer@ywca-canberra.org.au

Acknowledgement of Country

YWCA Canberra proudly recognises the rights of Aboriginal and Torres Strait Islander peoples to own and control their cultures and pays our respect to these rights. YWCA Canberra acknowledges the need to respect and encourage the diversity of Indigenous cultures and to respect Indigenous worldviews, lifestyles and customary laws. We extend our respect to the Aboriginal and Torres Strait Islander women who for thousands of years have preserved the culture and practices of their communities on country. This land was never surrendered, and we acknowledge that it always was and will continue to always be Aboriginal land.

About YWCA Canberra

YWCA Canberra is a feminist not-for-profit organisation that has provided community services and represented women's issues in Canberra since 1929.

Our mission is 'We strengthen communities by supporting girls and women through our services and advocacy' and our vision is 'Girls and women thriving'.

We provide essential, quality services for women, girls and families in the ACT and surrounding regions. We work in the areas of children's services, community development, homelessness and affordable housing, youth services, personal and professional training, women's leadership and advocacy.

We are externally accredited against the [Quality Improvement Council \(QIC\) Health and Community Service Standards \(7th Edition\)](#). Accreditation against the QIC standards support us to improve client and community engagement, diversity and cultural appropriateness, management systems, governance and service delivery, while committing to a cycle of continuous quality improvement. In addition to the QIC standards, we are accredited against the following external client related service standards for our key areas of work:

- [Australian Charities and Not for Profit Commission](#)
- [National Quality Standard for Early Childhood Education and Care and School Aged Care](#)
- [National Regulatory System for Community Housing](#)
- [Registered Training Organisations Standards](#)

Through our national Affiliate Association with YWCA Australia, we are part of the World YWCA network, which connects 120 countries across the globe.

Introduction

YWCA Canberra welcomes the opportunity to contribute to the review of the National Housing and Homelessness Agreement (NHHA). As a provider of community services and a registered community housing provider, we see firsthand how housing and homelessness policy operates at the service level and how social and economic factors, gender inequality and the COVID-19 pandemic have influenced housing stress and homelessness in Australia.

There is no other indicator more inextricably linked to improved societal outcomes than housing. Access to affordable and secure housing is the foundation from which people can connect to the community, economy, and essential services, and where they can set themselves up for their own future. The current crisis in housing affordability and supply of stock across the board, is therefore a crisis in community wellbeing.

Expressions like “housing stress” and “housing unaffordability”, referring to both renting and buying in Australia, are in such common usage and subject to regular public analysis that they’ve become almost banal. What community and social housing organisations witness everyday however is not banal; increasing numbers of working people struggling to meet escalating rental costs on a low or modest income, renters stuck in inappropriate housing as alternative options are quickly leased or are not affordable, inflexible funding models that have real consequences for those who do not ‘tick a box’, and people languishing for years on priority housing lists. It is a consistent feature of policy lobbying and advocacy from community and social housing providers that the overwhelming barrier to addressing housing crises and homelessness, which then filters through to other parts of the housing market, is the shortage of affordable supply.

With this submission, we draw attention to the overwhelming need for a comprehensive national housing strategy, greater transparency, and flexibility in funding arrangements to meet diversity of need and public accountability. We also highlight ACT based issues with access finance through the National Housing Finance and Investment Corporation and use client stories to demonstrate how intractable blockages in the system are preventing those most in need of housing support from being accommodated.

Recommendations:

- **Development of a National Housing Strategy that incorporates all elements, stakeholders and tenure types of the housing system including private rentals, purchasing affordability, social and public housing, community housing and homelessness services.**

- That any future National Housing Strategy be led by the Commonwealth Government under the direction of a central agency and Cabinet Minister.
- Commonwealth Rent Assistance be permanently increased and the benchmarking formula updated to better reflect the cost realities of the private rental market.
- Rent payment arrangements for tenants in social housing be reformed in a way that replicates the Child Care Subsidy model and facilitates trust between the tenant and provider.
- Future adjustments to the NHHA should deliver a model where Commonwealth funding is distributed by the relative needs of each jurisdiction rather than population size.
- Funding eligibility criteria be reviewed with an intention of improving flexibility to accommodate clients with dynamic experiences of homelessness.
- Barriers to NHFIC financing at the local level be explored with a view to the future Agreement accommodating means for the Commonwealth and State and Territory Governments to address blockages, including the funding gap, without penalising CHOs.

The need for a National Housing Strategy

Australia is one of the least affordable countries of the OECD for home ownership. Disquiet about the unaffordability and inequity of the system among aspirant owners is deep and visceral as they face the prospect of renting for a lifetime. The policy implications are broad as the consequences of this distortion permeates through the system. Years of underbuilding in the affordable bracket, underinvestment in social and community housing and asset depletion have been compounded by external and existential forces such as population growth, tax settings, and the 'fear of missing out' which has driven demand and unaffordability.

The situation now is one where all tenure arrangements and housing solutions are affected; renters on low incomes are left competing with others on higher incomes who still harbour hopes of ownership. Those renters on low incomes, ineligible for public housing, are turning to social and community housing services for support which struggle to transition clients into housing because the pressures of the market deplete exit options for those already in their services who are otherwise ready to leave supported or community housing. Cost minimisation strategies such as regional relocation, are no longer effective as rent hikes permeate greater suburban and regional centres and the prospect of ownership for many has evaporated as they confront burdensome deposit requirements.

This pressure within the housing system is not siloed and any future Agreement or National Housing Strategy must address supply across the board of tenancies and solutions, including ownership, private renting, state and community housing, transitional and indigenous housing as well as homelessness services more broadly. The current NHHA neither adequately captures the actors nor the forces that are at play. It does not include consideration of the role and capacity which Community Housing Organisations bring to the supply deficit in the affordable rental space, and it is beleaguered with legacy issues that need urgent addressing. We call for a national housing strategy, in which the NHHA is situated, to be led by a central agency and relevant Minister and which encompasses all relevant elements of the housing system, build incentives, national infrastructure as well as welfare and tax settings.

In this vein, we reinforce long standing calls to lift the current rate of Commonwealth Rent Assistance (CRA) and the benchmarking formula to better reflect contemporary rental costs. A recent survey of more than 1200 women conducted by YWCA Canberra found that for private renters in receipt of income support, more than 65% were spending greater than 30% of their income on housing costs. For around one third of these respondents, they were spending more than 50% of their income on rent.¹ Higher CRA assistance, particularly to those on low incomes would contribute both to overall household wellbeing and the viability of community housing organisations who are managing properties on a portion of CRA that does not reflect the reality of housing stock maintenance and age.

Extending on this theme, we also support a reformed tenant payment system where the housing provider is paid the tenant's CRA for purposes of rent without being first deposited with the tenant. This system would replicate payment methods that already occur with regards to the Child Care Subsidy and has the potential to cultivate trust between the provider and the client which is a key component to achieving outcomes.

Recommendations:

- Development of a National Housing Strategy that incorporates all elements and tenure types of the housing system including private rentals, purchasing affordability, social and public housing, community housing and homelessness services.
- That any future National Housing Strategy be led by the Commonwealth Government under the direction of a central agency and Cabinet Minister.
- Commonwealth Rent Assistance be permanently increased and the benchmarking formula updated to better reflect the cost realities of the private rental market.

¹ Our Lives; women in the ACT (2021): YWCA Canberra, <https://ywca-canberra.org.au/wp-content/uploads/2021/12/Portrait-of-women-in-canberra-2021-FINAL-Digital.pdf>

- Rent payment arrangements for tenants in social housing be reformed in a way that replicates the Child Care Subsidy model and facilitates trust between the tenant and provider.

Funding reform

The 'per capita' model

The current Agreement, having been subjected to evolving iterations and refinement, remains hamstrung by some outstanding legacy issues which impede the capacity of state and territory governments and ultimately service providers to adequately address demand.

The current per-capita funding arrangement between the Commonwealth and state and territory governments, does not account for the unique circumstances of those jurisdictions with population density in remote and regional communities, many of which are Aboriginal and Torres Strait Islander communities with intrinsic connections to the land and kin. The NHHA funding arrangement is overwhelmingly inadequate and inequitable given the affordable housing and homelessness challenges in the Northern Territory and the disproportionate per capita demand.

The 'per-capita' model also fails to acknowledge the rates of poverty and financial insecurity that are clouded by the relative economic security in the ACT, which compounds the housing stress and financial crisis many clients of our services find themselves in. The resilience of the Canberra economy belies a level of unsustainable growth in housing costs that is no longer contained to the inner suburbs and low-income families. The ACT has the highest level of rental stress among low-income earners, with around 73% of renters in receipt of CRA paying more than 30% of their income on rent.² The allocation of per capita funding to the ACT under the agreement is the lowest across the federation (1.7% of the total Agreement). While we acknowledge that the quantum of those homeless in the ACT constitutes a small fraction of Australia's total homeless population, the rate of Canberra's homeless remains comparatively high at around 40 people per 10,000 of population.

The fallout from COVID-19 lockdowns and the pressure of living in a high-income city means we are seeing increasing numbers of middle-income families in steady employment but unable to meet the costs of the private rental market accessing our services. This surge on our services, has not been mitigated by recent ACT Government investment into Housing ACT's brokerage service 'One Link' which has merely resulted in more people being employed to

² Hands Across Canberra 2021, <https://handsacrosscanberra.org.au/anti-poverty-week/>

answer phones to tell more people there are no options for them. Future adjustments to the NHHA should deliver a model where Commonwealth funding is distributed by the relative and unique needs of each jurisdiction rather than population size.

Case Study 1: Rough sleeping family with stable income

YWCA Canberra is currently providing support to a First Nations (aged 55) mother of two, one of whom has a disability. The client's income is dependent on insurance payments from a workplace accident. She endured severe domestic violence from her former partner and she and her children were rough sleeping as a result. Her insurance payments mean she is ineligible for Housing ACT support.

Her case has been accepted by the Client Support Fund but an undersupply of suitable properties for her and her two children has meant the only properties on offer are one-bedroom units. There are no transitional places available. In the absence of suitable housing, the client feels the only option is to return to her perpetrator with her children. If she had stable accommodation, she would begin a return-to-work program and her disabled son would be able to access an NDIS package. The client's situation is so dire that she fears her youngest child will be removed due to her not being able to find accommodation and the potential for them to be exposed to violence.

Eligibility assessments

There is also a need to draw attention to longstanding eligibility requirements that no longer accommodate the dynamic and complex ways some clients experience homelessness. Our 2021 survey of more than 1200 Canberra women demonstrated that the margin between comfort and vulnerability is thin and many are just one crisis or unexpected expense away from dire circumstances. These are people who do not fit the stereotype typically applied to the most vulnerable members of the community. Our survey found that women who are single parents were the most common household type to access their superannuation under the Early Release scheme, and the majority who did were renting. Further, 42% of respondents who had accessed specialist homelessness services told us they were still working. The demographics of those who are needing support from our services are evolving; many do not qualify for or need public or

supported housing assistance. The way the Agreement assesses security and crisis needs to shift drastically. What staff of our service confront every day is not only outdated assumptions about what qualifies as being in housing stress or crisis, but a rigid application of the eligibility criteria that fails to accommodate the individual's needs. We have seen firsthand

how the application of inflexibility eligibility results in a box ticking determination by brokerage services that have real consequences for our clients.

Case Study 2: Homeless while waiting for a property settlement

We are providing support to a single woman (aged 49) who left a 20-year abusive relationship that consisted of both physical and financial abuse and control. The client and her perpetrator had owned a private business that the perpetrator had used to amass large debts in the client's name as a tactic to keep her tied to the relationship. The couple also owned a property which she was forced to sell to clear the debts. Our housing support team assisted her to apply for Centrelink as she was not allowed to work and wasn't eligible for payments before she left her husband. Inflexibility in the eligibility assessment meant Housing ACT would not consider her for housing while she had assets in her name. She had nowhere to live and was having to adjust to her new, income-support level of income.

We applied to secure her a Client Support Fund property, which allowed us time to work with her on several legal issues including the bankruptcy, the Family Violence Order and Family Court proceedings. It took two months of persistent advocacy with Housing ACT to be given special consideration to have her application for Housing considered.

After 12 months living in a CSF dwelling and being on priority placement the court process was finalised and the service user secured a settlement that allows her to look for alternative housing. We will now support her from the CSF property into a private rental and divert her away from social housing, freeing up the system for another client.

Recommendations:

- Future adjustments to the NHHA should deliver a model where Commonwealth funding is distributed by the relative needs of each jurisdiction rather than population size.
- Funding eligibility criteria be reviewed with an intention of improving flexibility to accommodate clients with dynamic experiences of homelessness.

National Housing Finance and Investment Corporation (NHIFIC)

The National Housing Finance and Investment Corporation (NHIFIC), established by the Australian Government in 2018, supports investment in social and affordable housing by lowering the cost of finance for community housing providers such as refinancing or purchasing new stock. The NHIFIC funding model presents a valuable opportunity for

community housing providers to increase the supply of affordable housing by accessing land packages. In most states and territories these land packages are released to CHOs, at affordable rates which assist CHOs in managing the 'funding gap' between the operational costs and the tenant's rental payment.

At the local level however, the accessibility of affordable packages and usefulness of NHFIC's financing is variable. The release of land packages to the market has significant value to the ACT Government's revenue stream and has held up particularly well in recent years of economic uncertainty. It is our view, that the relationship between land release and the Territory's bottom line creates strong reluctance on the part of the Territory Government to release packages at affordable rates to CHOs and to date no NHFIC finances have been released for community housing use in the ACT. This substantial barrier effectively holds up community housing investment across a growing Canberra meaning more people whose only need is affordable rent are subsisting in unaffordable private rentals or turning to other forms of housing assistance.

We believe that the need for affordable housing and the role of CHOs in addressing this demand is significant and that given the unique blockages to accessing NHFIC funding in Canberra, that the new Agreement accommodate space for the Australian Government and relevant jurisdiction to negotiate a means to address the funding gap without penalising CHOs.

Recommendation:

- Barriers to NHFIC financing at the local level be explored with a view to the future Agreement accommodating means for the Commonwealth and State and Territory Governments to address blockages, including the funding gap, without penalising CHOs.