

REPORT ON THE

ACT Ministerial Advisory Council on
Women Round Table:

Affordable Housing for Women in the ACT

4 APRIL 2007

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Welcome and opening

Ms Hilary Russell, Chair of the Ministerial Advisory Council on Women (MACW), opened the meeting by acknowledging the traditional owners of the land - the Ngunnawal people.

Background to the Round Table on Affordable Housing for Women

Ms Russell outlined that the initiative to hold a Round Table on Affordable Housing had arisen through the Summit on issues of concern to women conducted by the Council in August 2006.

The 2006 Summit had identified a number of significant issues for women in the ACT. Arising from the Summit, the Council has initiated a series of round tables on a range of issues identified at the Summit. Advocates and experts on an identified issue are invited to attend each Round Table to progress an in depth examination and to identify any obstacles, policy and budget opportunities. The discussion is recorded and a final paper circulated to all participants and to the Minister for Women, Katy Gallagher MLA.

The Summit identified a number of issues related to access to safe, accessible and affordable housing:

- the high cost of rental accommodation in the ACT
- the obstacles experienced by young women in accessing the rental market
- the difficulties experienced by women escaping domestic violence in access safe, appropriate and affordable housing

Update on the Affordable Housing Steering Group

Ms Russell invited Mr George Tomlins, Executive Director, Strategic Priorities, CMD to provide an update on the Affordable Housing Steering Group.

The Affordable Housing Steering Group:

Mr Tomlins reported that the Steering Group had recently presented the *Report of the Affordable Housing Steering Group* to the ACT Government. The Report which made 70 recommendations is to be publicly released by April 10 therefore Mr Tomlins was only able to comment in broad terms.

He noted that the Affordable Housing Steering Group was established to advise the Government on initiatives to increase the supply of affordable housing in the ACT.

The Affordable Housing Steering Group:

- considered and made recommendations on housing affordability;
- identified and assessed factors that can be influenced by the ACT Government; and
- looked at the effectiveness of initiatives in other jurisdictions and their application to the ACT.

Mr Tomlins noted that:

- due to high incomes, the ACT has the highest housing affordability in Australia;
- nationally, the ACT has the highest level of public housing stock; and
- the ACT Homelessness Strategy has directed significant levels of funding to public housing initiatives.

The price of the average home in Australia has doubled since 2000. It now stands at 6 times the median income and this causes significant housing stress for first homebuyers and other groups such as single women. Adding to housing issues in the ACT; the cost of private rental is the highest in the country and the vacancy rate is the lowest.

He suggested two factors that will improve housing affordability are:

- maximising the efficiency of the housing sector; and
- ensuring adequate land supply.

As well, he emphasised the importance of the availability of skilled tradespeople.

Mr Tomlins noted that there is a significant group of people on the margins including people who are unable to enter the home ownership market but who are ineligible for Public Housing. For this group a re-configuration of community housing may be a solution.

Mr David Dawes, Executive Director, Master Builders' Association (MBA) ACT Branch commented on factors affecting housing affordability from the Master Builder's Association's perspective including:

- the ACT currently has a critical shortage of land;
- the doubling of the cost of unit developments;
- increased costs which have also been driven by a shift in expectations - new homes are now bigger with more 'add-ons';
- the release of land and the lack of forward planning;
- the delay in getting approvals through the ACT Planning and Land Authority. Holding charges incurred during the delay add to the initial cost of the building;
- the price of land is a major driver in the cost of housing, noting that the actual costs of building have only increased roughly in line with CPI; and
- the housing market is not currently as attractive to investors as the share market due to lower returns.

Mr Dawes noted that shortages are decreasing in some of the skilled trades areas. An increased intake of apprentices has also improved the longer term outlook.

The Private Rental Market – Access and Affordability

Ms Deborah Pippen, Executive Officer - ACT Tenants Union, commented on the experience of women in the rental market noting that:

- the ACT has the highest rents nationally this leads to problems in relation to access and affordability;
- vacancy rate figures do not provide a clear picture of affordability as they are not categorised into levels of affordability;
- the tight rental market has led to "bidding auctions" and to discrimination against those on welfare payments, particularly young single people and single mothers;

- the ability to sustain a tenancy is becoming increasingly difficult. People barely able to cope with their current rent payments are being faced with excessive and unfair increases.
- in recent times tenants have called the Tenants Union in relation to rental increases ranging from \$15 per week \$100 per week;
- Between January to mid March the average rental increase reported to the Tenants' Advice Service was \$57.00;
- Single mothers are one of the most commonly evicted category of renter; and
- Tenants are loathe to go to the tribunal as they are fearful of losing their homes. They also do not seek repairs for the same reasons.

Ms Phippen suggested that legislative changes are required to ensure that rent increases are controlled through stronger and clearer provisions. This is the way to ensure that tenants can sustain tenancies once they enter into them. She noted that the Affordable Housing Steering Group did not consider changes to the Residential Tenancies Legislation to provide greater clarity in the process a tenant has available to challenge a rental increase.

Mr Tomlins advised that the Affordable Housing Steering Group considered the increase in supply of rental properties and concluded that a more competitive private housing market would address rental cost issues by creating greater volume in rental accommodation and greater variety in housing stock by creating lower entry price points.

Mr Dawes noted:

- increasing the volume of rental stock is not an 'easy fix' as it will take time. The ACT is at least 18 months away from an easing of the situation. However, the new student accommodation will help to ease the situation.
- the cost of land is a major factor in the cost of housing. However he warned that a dramatic drop in the cost would increase the risk of generating negative equity.

Barriers faced by Young People

Ms Meredith Hunter, Youth Coalition of the ACT, described about the experiences of young people and the barriers they face in accessing housing. She noted that an increase in the supply of rental properties may not necessarily help young renters as they face a range of additional barriers including:

- casualisation of the workforce;
- youth wages;
- HECS debt;
- underemployment; and
- discrimination negatively affecting their access to the rental market.

Ms Hunter noted that the recently completed student accommodation – University Lodge - was not affordable to many young people as it was targeted towards post graduate and overseas students.

She called for initiatives to improve the image of young renters, noting a West Australian project that trains young people on tenancy skills and provides a certificate which can be given to real estate agents. Unfortunately this initiative is yet to be endorsed by the real estate industry.

Ms Hunter suggested that a range of rental accommodation options needs to be explored. There also needs to be increased education for landlords particularly in relation to young people and people on welfare payments.

It was noted that the Housing Affordability Steering Group did not look at the experiences of individual tenants but rather focused on the economics of the housing market and mechanisms to foster greater competition as a means of driving price competition.

The 'Social Landlord'

Ms Maureen Sheehan, Executive Director, Housing and Community Services spoke about the 'Social Landlord' scheme, operated by Housing ACT and supported by the Real Estate Institute. Under this scheme, the ACT Government provided funding to enable the leasing of properties from the private rental market to assist Canberrans in urgent need of accommodation. Unfortunately this scheme was not well supported by the industry and only 2 real estate agents took it up. It was well supported by community landlords.

Housing stress

Mr Martin Hehir, Deputy Chief Executive, DHCS estimated that approx 3000 people in the ACT were experiencing housing stress even after receiving a rental subsidy through the Commonwealth Rental Assistance (CRA) scheme.

In Australia CRA is capped and regardless of where a person lives or the level of rent, the maximum subsidy is the same. This is an issue for areas such as Canberra and Sydney. A different system operates in New Zealand where the subsidy varies according to the area.

Funding for Public Housing

Mr Hehir noted that the ACT is the only jurisdiction that has increased the number of public housing properties.

He also noted that the Commonwealth contributes twice as much funding to CRA as it does to funding public housing through the Commonwealth/State/Territory Housing Agreement to states and territories.

Community Housing

The Government has announced changes to Community Housing to provide options for people "on the margins". Community Housing is operated by a range of not-for-profit organisations. An issue of concern has been how to increase Community Housing without reducing Public Housing stock. The changes announced will double the amount of Community Housing stock in Canberra over 7 years.

There was discussion as to how well protected community housing tenants are in situations of rental conflict especially in relation to appeals on administrative decisions.

There are a number of potential new initiatives announced such as shared equity.

Are women at a greater disadvantage in accessing affordable housing?

The Round Table noted that young mothers are more likely to:

- be in debt to Housing ACT
- have existing debts when they come into public housing; and
- be escaping domestic violence.

Ms Russell asked about initiatives in place for women especially those women escaping domestic violence.

Ms Sheehan outlined recent changes to Housing ACT policy which provides for women escaping domestic violence now being identified as priority one for placement. In addition the asset criterion may be waived in this situation. This means that women are able to be permanently housed in approximately 8 weeks.

Supported Accommodation Assistance Program

Mr Hehir referred to the Supported Accommodation Assistance Program (SAAP) which is part of the coordinated response to domestic violence. For many women SAAP housing (or refuges) are the first point of access. Recent changes have improved access to Public Housing for women in SAAP accommodation and reduced waiting times.

Summary and next steps

The meeting agreed:

- the discussion was extremely valuable and the input of all attending was greatly appreciated;
- the issues associated with housing affordability are highly complex and whilst the intervention of the government to improve market competition through managing the levers of the housing sector, ie land release, the experience of low income renters is of particular concern;
- the Government's response to the Report of the Affordable Housing Steering Group will provide greater insight into policy direction and policy gaps;
- Council will continue the discussion with a focus on young women and single mothers in the rental market;
- Council will continue discussions with the Tenant's Union and the Youth Coalition regarding the potential for legislation providing greater clarity on tenant's rights and appeals mechanisms for community housing tenants;
- Council will liaise with Mr Dawes in his new position heading up the implementation team in the Chief Minister's Department driving the reforms and initiatives flowing from the soon-to-be-released Affordable Housing report; and
- The Chair will circulate a write up of this discussion and set in place further forums and discussions.

On behalf of Council, Ms Russell encouraged Round Table participants to continue the dialogue and welcomed any further comments, expertise and insights.

ROUND TABLE PARTICIPANTS

Sandra Martin Maureen	Lambert Hehir Sheehan	Chief Executive, DHCS Deputy Chief Executive, DHCS Executive Director, Housing and Community Services
George Deb David	Tomlins, Pippen Dawes	Executive Director, Strategic Priorities CMD ACT Tenants Union Executive Director, Master Builders' Association ACT Branch
Jerry	Howard	Deputy Executive Director, Master Builders' Association ACT Branch
Meredith	Hunter	Youth Coalition of the ACT

Apologies: Angie Drake, Adviser, Minister Gallagher's Office.

MACW MEMBERS

Hilary	Russell	Chair
Amy	Haddad	Deputy Chair
Margaret	Ryan	
Grace	Concannon	
Sue	Tucker	
Sue	Salthouse	Proxy for Louise Bannister
Gwen	Gray	
Traci	Harris	
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