



ACT Shelter

Working together for housing justice



Submission to the 2024/25 ACT Budget Consultation

Under Treasurer of the Australian Capital Territory
C/- Chief Minister, Treasury and Economic Development Directorate
ACT Government, Canberra
Submission provided electronically to: budgetconsultation@act.gov.au

1 March 2024

Dear Under Treasurer

ACT Shelter acknowledges and thanks the ACT Government for deciding housing will be an investment priority in the 2024/25 Budget cycle.

The 2018 ACT Housing Strategy and the significant commitments in the 2020 Parliamentary and Governing Agreement provide a blueprint and practical measures to address long standing challenges in housing and homelessness policy and implementation that contribute to too many Canberrans missing out on the sharing the economic and social benefits our compact and comparatively prosperous city affords most of us.

ACT Shelter is represented on the ACT Housing Strategy Implementation Group. This submission represents an additional contribution by us to support the ACT Government to achieve **goal two - reduce homelessness, goal three - strengthen social housing assistance** and **goal four - increase affordable housing options for Canberrans**. It also provides rationale and recommendations to contribute to the delivery of measures in the Parliamentary and Governing Agreement for the tenth ACT Legislative Assembly.

Yours Sincerely,

Travis Gilbert
Chief Executive Officer

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Investing in evidence based, housing-led solutions is the key to solving a capital problem

In November 2023, the fifth Report Card¹ on the implementation of the ACT Housing Strategy was published online. On a positive note, it finds almost all of the measures tabled in the Implementation Plan for the ACT Housing Strategy have commenced, progressed or been completed. For those outside of Government however, it tells us little else.

To address this, we submit our first recommendation for the 2024/25 Budget:

1. That the ACT Government commit funding for an independent evaluation of the ACT Housing Strategy, to be conducted by researchers from an appropriately qualified, housing and urban development school, at a University invited to tender for this work.

The evaluation should commence as soon as is practicable and invite input from within and outside the ACT Government. We respectfully submit it should seek to evaluate outcomes for Canberrans and key stakeholders vested with responsibility for the measures identified therein, and develop tools to measure the economic, health and social impact of the significant investment underpinning each of the five Strategy Goals.

Appropriate baseline figures and indices should be assessed for suitability and these should be taken from the 2017/18 financial year, the year immediately prior to its publication. ACT Shelter understands there is work being undertaken within government to review the progress of the Strategy's implementation.

We acknowledge the Annual Report Cards serve a dual purpose as a publicly accessible document for stakeholders, and assist with meeting criterion 3.1 in the National Housing and Homelessness Agreement bilateral². Given the public commitments to open government, accountability for spend, and transparency, this is a commendable start.

As a systemic advocacy peak promoting better outcomes from our housing system, we actively contribute to the development of evidence based government policy and housing assistance measures. We reiterate our commitment to work in partnership with the government as it commissions better outcomes from our housing support and homelessness services.

We are active contributors to two of the community and government joint working groups established to provide advice to government and support it to balance multiple and sometimes competing priorities in Housing ACT's transition to a Social Landlord Model. Two of our three staff proactively participate in nine separate advisory, governance and working groups in the areas of housing, homelessness and planning. We will continue to support the supply and allocation of a diverse and appropriate mix of affordable, appropriate safe and secure homes, identified as a priority by CMTEDD, CSD and EPSDD .

¹ https://www.act.gov.au/_data/assets/pdf_file/0009/2335185/ACT-Housing-Strategy-Year-5-Report-Card.pdf

² <https://federalfinancialrelations.gov.au/agreements/national-housing-and-homelessness-agreement-0>

Additionally, we have and will always work collaboratively with the Justice and Community Safety directorate to continue to redress the power imbalance inherent in our Residential Tenancies Act 1997 and strengthen protections and rights for the Territory's tenants and occupants.

To do this vital work more effectively, there needs to be a publicly available local evidence base to inform investment in dedicated, adequately funded, and where appropriate, ongoing evaluations of land release, housing supply and assistance, public housing and head leasing programs, and homelessness prevention and resolution measures.

In short, Canberrans will all benefit from knowing where investments were made, how many people's lives improved, what local solutions we should replicate, and where we might need to recalibrate or redirect investment in order to achieve the five worthwhile goals underpinning the measures in the ACT Housing Strategy by 2028/29.

Proposed investment: Consistent with our submission to the 2022/23 ACT Budget Consultation, ACT Shelter recommends \$700,000 be allocated for an evaluation measure. This equates to roughly 0.1% of the known overall investment in Housing Strategy measures listed in the Report Card from the 5th year of implementation as either 'completed' or 'commenced'

2. The ACT Government should invest \$120 million in 2024/25 for repairs and upgrades to ACT Housing properties to keep or make them tenantable.

Rationale: Housing ACT is the largest and most important provider of low-rent, affordable to income, secure tenure homes in the Territory.

ACT Shelter acknowledges and accepts the enormity of the financial pressure facing Housing ACT. This is driven by high user costs of capital per dwelling, an inadequate contribution to social housing and homelessness services by the federal government worsened by a refusal to forgive historical debts incurred through the Commonwealth Housing Commission and Commonwealth-State Housing Agreement, and a growing shortfall in own source revenue, relative to operating costs. Further to this, land and construction costs are high, making greenfields completions cost prohibitive in many instances.

There is reason for optimism over the next five years, driven by planned investment in new supply by both the ACT and Federal Governments. However, in the meantime, the number of people who are applicants on our social housing register continues to incrementally increase, as does the amount of time applicants are waiting for an affordable-to-income, secure home. When the Public Health Emergency Declaration was put in place in March 2020, there were 2,374 applicants on the published social housing register (waiting list). Fast forward to March 2024, there are 3,175 Canberrans on the equivalent waiting list³.

The average number of days between application for, and allocation of a home has also increased, with the biggest increase being the number of days people triaged as high needs

³ <https://www.act.gov.au/housing-planning-and-property/public-housing/waiting-lists-for-public-housing>

(meaning they won't ever be the preferred applicant for a private rental property in a low vacancy, high cost market, like the ACT has consistently been since 2014).

In 2020 people triaged to this category were waiting an average of 997 days from application to allocation. In 2024 the number is more than 1,200. Priority applicants are waiting an average of 69 more days from application to allocation. Given there are only 140 applicants triaged as highest priority (meaning they have four or five identified barriers to being a successful applicant for a private rental home), even if a \$120 million investment boost for repairs and upgrades restored only a couple of dozen vacant properties, it would make a material difference to reducing that number.

ACT Shelter remains a strong supporter of the adoption of wellbeing indicators to guide the design, development and quantum of investment in budget measures. We respectfully submit, the provision of affordable to income, rental homes to people experiencing homelessness or housing crisis, is an investment in health and social infrastructure that will deliver a solid economic and social return on investment. That return can be quantified financially, but equally importantly, will pay dividends in terms of improved health and wellbeing. Ending, rather than managing homelessness means reduced recurrent expenditure on temporary accommodation, education, health, justice and social services down the track⁴.

We therefore propose that Housing ACT undertake an audit of its stock for the purposes of identifying which properties are best suited to refurbish, repair and upgrade to either extend their life as habitable homes, or in the case of vacant properties, upgrade them to a standard that enables allocation to applicants on the priority waiting list of the social housing register. as soon as is practicable

Proposed investment: \$120 million in the 2024/25 financial year.

3. Work with the Community Housing Industry Association and its tenants to develop a new Community Strategy for Growth and Viability, that:

Aligns Territory incentives and measures (planning instruments, land supply and tax treatment) with current and near term opportunities for housing and related infrastructure investment from Housing Australia.

Provides land to Community Housing Providers at book value with additional subsidies negotiated in partnership with providers and where appropriate Housing Australia.

Removes the dwelling cap on the land tax exemption for investors that let private rental stock at or below 75% of median area market rent (through CHC or YWCA).

Increases the share of blocks allocated for social housing in the affordable

⁴ <https://www.ahuri.edu.au/research/other-reports/return-on-investment-for-social-housing-in-the-act>

component of the Indicative Land Release Program. Ideally, the 15% would ONLY apply to social and affordable housing for RENT in perpetuity, not home purchase.

Rationale: There is an historic opportunity before us right now to make a real and meaningful difference to the number of affordable sub-market rental homes in the ACT and their share of the total pool of rental housing stock. This is because the amendments to the Housing Australia legislation package negotiated by crossbench members under advisement from national, state and territory Community Housing Industry and Shelter peaks mandate a minimum of 1200 affordable and social housing outcomes for the ACT.

There are also incentive payments tied to land release, development controls, planning and zoning reforms states and territories agreed to progress to support the commencement or completion of 1.2 million new residential properties which is the published target for National Housing Accord⁵. The first deliverable in the Accord requires immediate cash/or equivalent investment from the ACT Government to ensure the ACT can deliver on our proportion of the 20,000 affordable rental (<75% of median area market rent with income ceilings for people in income quintiles one, two and three – contingent on single, coupled, and no. of dependents). Unlike the Housing Australia Future Fund⁶ minimum quota, our understanding of the Territory's affordable housing contribution to tranche one of the Accord, which is currently subject to an open Request for Proposal from Housing Australia, is a per capita commitment.

ACT Shelter therefore respectfully submits, partnering with the Community Housing Industry Association (ACT Region) to design and deliver a Community Housing Strategy for the ACT that includes the elements in our third recommendation is a time-critical priority for both CMTEDD and nationally registered local and regional providers who can/will bid for HAFF funding. The Parliamentary and Governing Agreement for the 10th Legislative Assembly of the Australian Capital Territory includes an 'aspirational objective to deliver up to 600 affordable rental homes for Canberrans to alleviate rental stress and crisis.

With almost 200 delivered by CHC Australia (HomeGround) and YWCA Canberra (Rentwell) Not-for-Profit real estate initiatives, and about forty through Common Ground Dickson and town centre inclusionary zoning mandates, it is incumbent on the ACT Government to deliver a further 360 commencements by 2025/26. As it happens, with our per capita share of the national population sitting at 1.8%, successfully commencing construction of 360 affordable rental homes would ensure the ACT Government meets both its Accord commitment and the aspirational objective in the Parliamentary Agreement. 360 more affordable homes for rent, in perpetuity is a win/win for the Government in an election year, and hundreds of Canberra households with homes to rent at 25.1% less than they are paying now.

The \$500m HAFF allocation per year is the first recurrent investment in new social and affordable housing since self-government. A new strategy, in partnership with CHIA members eligible to bid for future HAFF funding will optimise return on that investment Housing ACT can own and manage, or headlease social housing. It is not, and is not

⁵ <https://ministers.treasury.gov.au/sites/ministers.treasury.gov.au/files/2022-10/national-housing-accord-2022.pdf>

⁶ <https://www.housingaustralia.gov.au/housing-australia-future-fund-facility-and-national-housing-accord-facility>

legislated to be, a provider of sub-market affordable rental housing. Tier one two and three providers accredited by the National Regulatory System for Community Housing do have the regulatory and tax status to do this.

This budget is tabled in a political and economic environment in which cost-of-living is a weekly news story. Developing a new Community Housing Strategy, fit for purpose for the new funding environment for growth, gives us our best chance to meet the fourth goal in the ACT Housing Strategy and make a positive difference to the health, wealth and wellbeing of hundreds of Canberrans finding it tough to deposit regular savings for cases of emergency because the ACT rental market places them in housing stress.

4. Quarantine a minimum of 30 social housing properties financed by the Housing Australia Future Fund each year for Permanent Supportive Housing to provide a pipeline of supply quarantined for the purposes of ending homelessness for Canberrans most likely to die, if they remain unhoused.

Rationale: The first recurrent investment in new social and affordable rental housing supply in thirty-five years presents the ACT Government with an opportunity to end homelessness for Canberrans who have slept outside or in improvised dwellings for so long, their physical and psychosocial health and wellbeing has been compromised as a result.

When the ACT Housing Strategy was launched in 2018, the importance of *ending* rather than managing homelessness as a crisis, was acknowledged by both the Chief Minister and the Deputy in her capacity as Minister for Housing and Suburban Development. The arrival of a novel Coronavirus in 2020, with a public health imperative to stay home, to save lives, was a catalyst for renewing funding for the Axial Housing Program. This is the first dedicated program that employs the Vulnerability Indicator Service Prioritisation Decision Assessment Tool (VI SPDAT)⁷. Assertive outreach teams are employed to establish a 'by name' list of people sleeping unsheltered or in improvised dwellings. The tool is then employed to establish a personalised assessment of health and wellbeing and triage housing allocation according to risk of death, or acute mental health crisis, likely to result in permanent disability, if they remain unhoused.

ACT Shelter is the Territory body represented on the Housing, Homelessness and Health National Network⁸, chaired by the Australian Alliance to End Homelessness. The Alliance provides accredited training to providers and practitioners on how to survey people, and employ the tool to ascertain the health and housing status of people experiencing long-term homelessness. A set of Housing First Principles for Australia was developed some years ago but there is a current collective effort led by Homelessness Australia to upskill champions of Housing First and establish state and territory based train-the-trainer initiatives with the medium term goal of embedding Housing First principles in programs and services that can offer self-contained, individually tenanted (not congregate), permanent supportive housing.

⁷ <https://aaeh.org.au/assets/docs/Publications/2020-VI-SPDAT-Factsheet-and-QA.PDF>

⁸ <https://aaeh.org.au/assets/docs/A3HN-Fact-Sheet2.pdf>

'Housing First' has been identified and articulated as service delivery priority in the ACT since 2009. In some instances however, it was erroneously applied to accommodation and support models that were either congregate or in which accommodation and support were delivered by the same provider. However well intentioned, this was and is not, *integrity-to-model*. This is why the Axial Housing and Common Ground developments are important and unique. Each resident has a self contained unit and a tenancy agreement. Tenancy management is delivered by a housing provider and support coordination and engagement is contracted to a separate agency. This is an essential element of the Housing First approach because it provides delineation in the event of the breakdown in a relationship.

We recommend that the ACT Government capitalise on the availability of money for bricks and mortar from the federal government through the Housing Australia Future Fund (supply, availability payments and an infrastructure fund). Should this measure be funded, ACT Shelter will seek assurances that future housing first approaches are backed by supply of supportive housing that is *permanent*, tenancy management that is contracted to a provider of *housing and housing services*, with budgeted for recurrent person centred funding for 'opt-in' *housing focused wraparound support packages*. 'Opt in' support is truly person centred because the funding allocated may or may not be expended – as engagement with support offered, is at the discretion of the tenant.

Consistent with the desire to commission better outcomes from homelessness services and in order to achieve Goal 2 in the ACT Housing Strategy, ACT Shelter submits it takes an affordable, appropriate, safe and secure home to *end homelessness*. For a small proportion of people, a need for support to stay housed will be permanent.

Proposed investment: \$750,000 per annum plus indexation for wrap around housing focused support packages funded by both the Community Services and Health Directorates to support their mutual objective of commissioning better outcomes.

5. The Health and Community Services Directorates should jointly fund targeted tenancy support programs for people with severe and enduring mental illness and psychosocial disability. This is consistent with their mutual objective of commissioning better outcomes from health, housing and homelessness services over the next decade.

Rationale: The Australian Housing and Urban Research Institute commissioned a three part study from 2018 – 2022⁹ which examined the integration of homelessness and mental health systems in Australia. It backed findings from a 2015 study on the cost-effectiveness of preventing homelessness recurring through the provision of tenancy support programs¹⁰ with rapid referrals facilitated in advance of the issuance of a Notice to Vacate by a lessor, property or tenancy manager. ACT Shelter therefore endorses the recommendation in the

⁹ <https://www.ahuri.edu.au/sites/default/files/migration/documents/PES-Integrating-Australia-housing-and-mental-health-support-systems.pdf>

¹⁰

https://www.ahuri.edu.au/sites/default/files/migration/documents/AHURI_Final_Report_No252_The-cost-effectiveness-of-Australian-tenancy-support-programs-for-formerly-homeless-people.pdf

ACT Council of Social Service 2024/25 Budget Submission that the ACT Government provide funding for these programs.

A deep dive into the causes and consequences of homelessness, commissioned by the Australian Alliance to End Homelessness, also highlights the high emotional and financial cost to individuals, with severe and enduring and episodic mental illness¹¹ who lose their housing because of income deprivation and episodic short stays in acute mental health facilities like our Adult Mental Health Unit or a hospital ward. Research we commissioned the Australian Housing and Urban Research Institute to undertake in 2021, with support from a number of peaks and providers, outlines Territory based, per night costs for public hospital admissions, the Adult Mental Health Unit and other acute care temporary settings, in table A2.¹² At \$1,252 per bed day for mental health inpatient and \$5,318 per public hospital admission and separation, the value of keeping people stably housed and out of acute care is self-evident

6. The ACT Government should fund a dedicated and adequately resourced Office for a Rental Ombudsman for private, community and public tenants and occupants.

Rationale: The decision to award the tender for Tenant Advice and Legal Representation Services to a mainstream, multidisciplinary legal assistance services provider by the previous Attorney General, leaves the ACT in the unenviable position of being the only jurisdiction without a dedicated, specialist legal service to advocate for law reform to strengthen and preserve the rights of tenants in the ACT.

Further to this, there is a need for evidence gathering and public inquiry into the ways in which discrimination results in exclusion from housing allocation and to shine a light on the explicit and implicit real world negative outcomes for tenants that result from the inherent power imbalance in the *Residential Tenancies Act 1997*.

To remedy the gap, ACT Shelter endorses the ACTCOSS 2024/25 Budget recommendation for funding for a dedicated Rental Ombudsman for all ACT tenants. Examples of the role and remit include but may not be limited to:

- investigate breaches of rental law;
- give free mediation to resolve disputes;
- issue infringement notices;
- provide information, communication and engagement on legal responsibilities of renters, landlords and rental estate agencies; and
- give advice to further improve renters' rights, including through the conduct of Inquiries that table recommendations for ongoing law reform.

There are examples in other jurisdictions that can inform implementation and resourcing requirements.

¹¹ https://aaeh.org.au/assets/docs/homelessness_deep_dive_full_report.pdf

¹² https://www.ahuri.edu.au/sites/default/files/documents/2021-09/2020-05214-AHURI_ACT-Shelter-Stage-1-Report-FINAL.pdf