

Settlement Council of Australia

Suite 333
410 Elizabeth Street
Surry Hills NSW 2010

p: 02 8065 5225
f: 02 9281 7741
e: info@scoa.org.au
w: www.scoa.org.au



Senate Standing Committees on Economics
PO Box 6100
Parliament House
Canberra ACT 2600

16 April 2014

Dear Secretariat,

Re: Senate Inquiry into Affordable Housing

The Settlement Council of Australia (SCOA) is grateful for the opportunity to make a submission on affordable housing to the Senate Standing Committees on Economics. SCOA represents over 80 agencies in the settlement sector, which comprise the vast majority of agencies involved in funded settlement programs. SCOA members are involved in providing settlement support to recently arrived migrants and people of refugee background across Australia. SCOA members receive a wide range of funding from government departments at federal, state and local levels, as well as grant funding from philanthropic foundations. The professional expertise and repository of knowledge developed over time within the settlement sector is a critical nationally and internationally acknowledged asset to the broader Australian community, acting as an important bridge for newer communities to link with and positively engage with their mainstream neighbours and mainstream services. This expertise and SCOA consultations with members informs our response to the affordable housing inquiry.

Housing, in particular finding access to affordable and well located secure accommodation, has been an issue for many years in the settlement sector. SCOA prepared a discussion paper on barriers to housing in July 2012 (attached). As the national housing crisis has deepened the impact has been felt in turn by newly settling groups of migrants and people of refugee background across Australia. Efforts to address the difficulties and discrimination experienced by people newly arrived in Australia have been attempted but have not significantly ameliorated the challenge of securing housing.

This submission will address the terms of reference for the inquiry. Responses to the different points in the terms of reference highlight the need for access and equity issues to be considered in particular for migrants and people of refugee background, as access issues arise regularly.

Affordable housing, including the following matters:

- a. *the role of all levels of government in facilitating affordable home ownership and affordable private rental, including:*

Facilitating a coordinated approach across all levels of government is essential. In recent SCOA national consultations it was clear that programs such as the National Rental Affordability Scheme (NRAS) and state-based bond assistance programs (e.g. the Housing SA Bond Loan scheme) are both needed and being accessed. Ensuring that such programs are readily accessible to people from migrant and refugee background remains key to the programs' success. There are access and equity issues with these programs that continue to be experienced by people recently arrived in Australia. For example the application process can be lengthy and difficult to navigate, which can result in renters missing out on a property if bond assistance is not confirmed in time.

Alignment between federal and state programs is also important, there are inconsistencies in specific program availability as they change due to changes in government policy. Secondary settlement, where families move to one location initially and then move to a different state or region, is a growing trend. The difference in eligibility and programs between states is compounded as many are eligible for support only in the initial settlement area. Access also varies according to visa status. This can create equity issues amongst migrants and people of refugee background.

A National Housing Settlement Strategy would be ideal. It would include all aspects of life for migrants and refugees, including employment, settlement services, education and social opportunities. The draft National Settlement Strategy may be amended to include a specific reference to housing and the links between housing and settlement. The Department of Social Services would be a natural fit to take the lead role in the development and implementation of a National Housing Settlement Strategy, given the alignment of portfolio responsibilities within the department.

- i. *the effect of policies designed to encourage home ownership and residential property investment,*

No comment.

- ii. *the taxes and levies imposed by the Commonwealth, state, territory and local governments*

In relation to taxes and levies, the recommendations of the Henry taxation review which looked at addressing the shortage of social housing stock through tax reform and creation of funds to build additional stock would ameliorate some of the pressure in terms of availability.

- iii. *the effect of policies designed to increase housing supply,*

No comment

- iv. *the operation, effect and future of the National Rental Affordability Scheme,*

The National Rental Affordability Scheme (NRAS) has very little guidance or information on how it can respond to culturally and linguistically diverse (CALD) communities. Increasing the capacity of the program in this area would greatly assist its effectiveness in supporting recently arrived migrants and people of refugee background. In addition NRAS funding has been greatly decreased, so additional funding would be needed to undertake this. The application process is lengthy and provision for interpreter costs (where appropriate) is needed. As mentioned above, secondary settlement also impacts accessing the NRAS.

- v. *the regulatory structures governing the roles of financial institutions and superannuation funds in the home lending and property sectors, and*

No comment

- vi. *the operation and effectiveness of rent and housing assistance programs;*

Rent and housing assistance programs are crucial for people newly settling in Australia, and are a key component of assistance in settlement programs. Community based programs which capitalise on bi-cultural and bi-lingual workers are effective at building knowledge and understanding of the local rental market and supporting people understand what the respective rights and responsibilities are within a tenancy contract.

Some specific areas that could be improved in programs include:

- Ensuring all bond loan/rent assistance clients are sent language appropriate messages, in some areas clients are sent text messages in English, interpreters would be more effective.
- As mentioned above – additional funding for interpreters is needed in this program area also. There is a successful pilot program formerly operated through DIAC providing access to interpreters for real estate agents which has been quite successful (also mentioned below).
- Additional funding is needed, funding has decreased recently.
- Speeding up the application process. Applications for rent assistance can take a long time which can result in clients missing out in a property. Some settlement agencies get around this by creating relationships with NRAS/state housing/real estate agents. Strengthening the links at a regional level between the appropriate agencies would result in improvements in a coordinated approach to support, with resultant improvements in processing and provision of support.
- Utilities assistance in some states are assisting with housing stress, this could be usefully expanded across the country, particularly relevant in colder areas such as Tasmania, where heating costs are higher.

- b. *the impacts, including social implications, of public and social housing policies on housing affordability and the role of all levels of government in providing public and social housing;*

Public and social housing is an important component of the housing market, particularly for vulnerable migrants and people of refugee background. Unfortunately the waiting lists for public housing are so long that this safety net is not an effective option. While housing needs could be assessed and allocated through the use of different and new categories, the fundamental problem of limits in stock remains. As a result people often reach crisis before intervention can occur, which is not ideal.

Investment in social housing is also not consistent across the country or in areas of high settlement (and thus high need). Maintenance issues have contributed to losses in social housing stock. A strategy to ensure continued investment in social housing would be to ensure all state plans include mention of housing.

Head leases have been used effectively by settlement agencies, but they are only relevant for some properties in specific locations. They also require the settlement agency to assume a high degree of risk, which is not ideal for non-government agencies which are already under a degree of financial pressure and risk.

c. the impact of Commonwealth, state and territory government policies and programs on homelessness;

Homelessness and the risk of homelessness affects people within migrant and refugee communities in different ways. Due to strong family bonds it can remain hidden as housing stress and couch-surfing. It can also impact some on specific visas acutely – people on bridging and temporary visas are particularly vulnerable. Women at risk and youth are also vulnerable to homelessness. (for more information on “women at risk” see comments under “g”)

d. the contribution of home ownership to retirement incomes;

No comment

e. the implications for other related changes to Commonwealth government policies and programs, including taxation policy, aged care, disability services, Indigenous affairs and for state and territory governments;

As mentioned above, the implementation of the Henry taxation review which looked at addressing the shortage of social housing stock through tax reform and creation of funds to build additional stock would assist in the creation of more affordable housing.

f. the need to develop improved overview and accountability mechanisms in relation to Commonwealth grants and funding to the states and territories in order to ensure that public funding delivers outcomes consistent with Commonwealth objectives;

No comment

g. planning and policies that will ensure that women, particularly vulnerable women, have access to secure, appropriate, affordable and adaptable accommodation;

Rental housing stress is particularly high for Women at Risk visa holders (204). Women at risk are female headed households who are supported to come to Australia as refugees who have lost their husbands and male relatives through the refugee experience. As such they can demonstrate particular vulnerabilities. In addition women from migrant and refugee backgrounds who are experiencing domestic violence are also in particular need of safe and secure affordable housing. In Queensland Women at Risk are acknowledged by the Department of Housing with a policy requiring assistance. This should be replicated across all states and territories.

Suitable housing is needed which will not trigger trauma from their refugee experiences overseas. Female headed households with children are common, and can experience difficulties finding suitable affordable accommodation close to services. Proximity to services is necessary as there are enormous difficulties traveling with children on public transport. Due to a lack of affordable housing many share with others inappropriately which canacerbate vulnerabilities.

Solutions which would assist this group of women include expanding the eligibility currently offered by Queensland across the country. Greater awareness of the needs of this group, including providing a background to the Women at Risk visa would assist. The visa is an Australian initiative that has had a

highly beneficial impact internationally, in providing safety and resettlement to vulnerable women and their families.

h. planning and policies that will ensure emergency and essential service workers have access to affordable housing close to where they work;

No comment

i. planning and policies that will ensure the availability of an appropriately skilled workforce;

Regional settlement can be an effective tool which provides refugee protection and promotes regional growth, specific examples include SA border towns and Wagga Wagga in NSW. Regional settlement has long been supported by both government policies and settlement agencies. Ensuring settlement and housing programs are well coordinated and connect well to employment opportunities will promote the growth and stability of communities in regional areas.

Secondary settlement occurs both to and from different regional locations across Australia, highlighting the subtle delicate balance required for successful settlement (which includes access to affordable housing).

j. the role of innovation in building materials and construction, including prefabricated and sustainable materials;

No comment

k. the impacts of improving sustainability (including energy efficiency) of new and existing housing stock on improving housing affordability;

No comment

l. the role of innovative and responsible funding mechanisms used in other countries, including the United Kingdom, United States of America, France, Canada, Austria and the Netherlands, that provide a stable and cost effective way of funding affordable rental and social housing, such as affordable housing supply bonds and an affordable housing finance corporation;

No comment

m. the role and contribution of the community housing sector in delivering social and affordable renting housing;

The links between the housing sector and the settlement sector need to be fostered and strengthened. The role of community housing providers in long term housing assistance should be also be recognised and strengthened. Community housing providers could play a bigger role as tenancy manager as well as housing supplier under NRAS. Community housing offers great potential to capitalise on existing strengths within communities from migrant and refugee backgrounds.

n. the need to increase the supply of accessible and adaptable housing, and housing that is culturally appropriate;

Finding housing that is appropriate for required household size is a challenge for some refugee and migrant families where culturally families often live with relatives in larger extended families. Newly arrived families often pay rent collaboratively as a household to afford appropriate housing in areas with services. Increasing incentives to create housing stock appropriate to larger family sizes would be beneficial, and limit overcrowding which can occur.

Provision of housing education to newly arrived migrants and refugees is ongoing. Housing market jargon can often be difficult for refugees and migrants to understand. Also, they may not understand their responsibilities and need education (ie-breaking leases, move in checklists).

DSS have been running a pilot program supporting real estate agencies to access telephone interpreting services which has been successful in breaking down barriers experienced through language in accessing rental accommodation. Programs such as these are important and helpful in promoting access to services for all.

o. the impact of not having a long-term, national affordable housing plan; and

The impact of not having a long term national affordable housing plan can be seen in lost opportunities in regional areas where newly arrived migrants and refugees could settle if there were connections to services, employment and transport. Links to the National Settlement Framework, were it to specifically to include housing, would also assist in this regard and could be included in the development of a plan.

p. any other matters the committee considers relevant.

Youth issues in relation to homeless and unaccompanied minors are a subset of housing issues that impact in the settlement area, where vulnerabilities due to a refugee background intersect with vulnerabilities due to age. There are programs which support youth, however the general issues around finding affordable appropriate housing prevail.

Discrimination issues with real estate agents are reported in some areas of Australia. Settlement agencies have developed successful relationships with many real estate agents however where discrimination occurs it is hard to combat as it is subtle, indirect and often only anecdotally reported. Links to national anti-discrimination programs need to be established with the housing sector, especially focussed on the rental housing industry.

Please feel free to contact Sky de Jersey at eo@scoa.org.au should clarification or further information be required on any of the points in this submission.

Attachment: SCOA Discussion paper: Addressing Barriers to Adequate Housing, July 2012