



# **ACT SHELTER INC**

## **BUDGET PRIORITIES**

**Submission To  
The Australian Capital Territory  
2004-2005 Budget Process**

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## **ABOUT ACT SHELTER**

ACT Shelter is an independent peak community organisation funded by the ACT Government to provide strategic advice and advocacy to assist people on low to moderate incomes on housing issues.

We hold regular monthly forums and special meetings on housing issues of concern to people in the ACT and we encourage community participation in identifying important issues.

ACT Shelter disseminates information through quarterly journals, update bulletins and develops networks of people with common interests in housing issues. We have a strong brief to work with people experiencing particular disadvantage in the housing market, such as women, young people, those with a disability and those from culturally diverse backgrounds.

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## **SUMMARY OF RECOMMENDATIONS**

### **Supply Of Affordable Housing**

That the Government not proceed with schemes to head lease properties from the private rental market.

That the ACT Government provide discrete capital funding to redevelop the Currong Apartment site .

That the Currong site remain in public ownership.

That the ACT Government develop a public and community housing supply strategy that includes increased public housing acquisition and is funded from budget surpluses and surplus Home Loan Fund funds.

That Housing ACT work collaboratively with relevant community organisations to develop targets for the social housing supply strategy.

That the Affordable Housing Taskforce recommendations 12, 37, 33, 38 and 39 be immediately implemented.

That recommendation 33 be amended to raise the percentage of floor space from 3-4 per cent to a minimum of 10 per cent.

### **Year of Built Environment 2004**

That the ACT Government provide secretariat and project funding for Year of the Built Environment 2004.

### **Housing Information**

That funding be provided for the establishment of a Housing Information and Referral Service. This service should build on the infrastructure of existing information services.

That the ACT Government work with ACT Shelter to improve the information technology capability of housing and related services, including the development of an internet 'housing portal'.

That funds be allocated for a community education and information campaign on housing access.

## **Public Housing Management**

That the Tenants Union ACT be funded to employ a social housing tenants education worker who would undertake education and information strategies for tenants, tenants groups and advocates. This worker could also advise Housing ACT on appropriate information strategies targeted to tenant and community organisations.

That the Preventing Eviction Program be removed from the Community Linkages Program and be funded under the Homelessness Strategy initiatives. Further that the Department consult with ACT Shelter and organisations funded under the program to revise the program guidelines.

That the Preventing Eviction Program be funded for a minimum of one full time position in each service.

That the Preventing Eviction Program be extended to regions without a current project.

That additional funding be allocated to a public housing retrofitting program that is developed in consultation with tenants and the Conservation Council. Discussions should also occur with the community housing sector to ascertain the need to extend the program to community housing tenancies.

That a grant program be developed to assist low income tenants to install thermal quality curtains.

That the Housing ACT introduce a 'rent holiday' or other incentive system to assist tenants who wish to enter the workforce.

That Housing ACT review rent rebate assessment system with the aim of removing inequities for working tenants.

That Housing ACT introduce a rent increase free threshold for tenants who work casually from time to time.

That the ACT Government introduce a Low Income Concession Card.

In addition to the funding that ACT Shelter and the Tenants Union receive for tenant participation project development, that funding be allocated for tenant participation activities.

That community meeting and activities space be provided on all multi-unit public housing sites.

### **Ainslie Village**

That through an auspice organisation, Ainslie Village residents be funded to employ a community development worker to coordinate community activities and facilitate resident involvement in the redevelopment and other community processes.

### **ACT Shelter Resourcing**

That in order to assist ACT Shelter enhance its services, the ACT Government provide it with an additional \$60,600 per annum in recurrent funding.

## **SUPPLY OF AFFORDABLE RENTAL HOUSING**

While all Australian capital cities are experiencing the pressure of declining housing affordability, the characteristics of the Canberra housing market, in particular the under-supply of affordable social housing, means that increasing numbers of low to middle income households are experiencing severe housing stress, or worse, homelessness.

### **Private Rental**

According to the Real Estate Institute of Australia June 2003 report, in terms of increased median rental values, the Canberra rental market was the most active of all capital city rental markets. Over the year to June 2003, median rentals increased by 12% for houses and for flats by 10.6%. West and North Canberra saw median rents increase by 20% for a 3 bedroom house and one bedroom units in the Outer South increased 15%. A low income household living in these areas will pay more in rent than a household in similar circumstances living in other capital cities. With rents increasing at these levels, the chance of a low income household being able to sustain a private rental tenancy is slim. A recent analysis of Commonwealth Rental Assistance by National Shelter and ACOSS<sup>1</sup> found that rent assistance fails to deliver affordability to one in three recipients nationally, with far worse results in the capital cities, including Canberra.

At June 2003 the REI reported an annual vacancy rate trend of 2.6%. While this figure represents a fairly low vacancy rate, it is calculated on all available properties, including the substantial supply of apartment rentals coming into the market in inner city areas. These units are generally not within the price range of low to middle income earners. Statistics on vacancy rates within pricing groupings are not kept, but anecdotal evidence suggests that the vacancy rate at the lower end of the rental market would be closer to 1%. This is evidenced by the much higher increases in median rental prices in North and West and Outer South Canberra, as rental rates generally rise in response to increased demand.

When the market is this tight there is a strong likelihood of increased discrimination against disadvantaged groups, including indigenous people, young people and people with disability or mental illness.

A severe shortage of student accommodation places further pressure on the rental market. According to a recent indicative survey conducted by PARSA, ANU, 80% of survey respondents (441 respondents) reported that they pay in excess of 30% of their income in rent. Forty percent lived on campus and the majority rented in the private market. Thirty percent lived in shared housing arrangements. The ANU alone expects to intake around 8300 undergraduate students in 2004, and in spite of recent additions to student housing stock, there are concerns that many students will not find appropriate housing.

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<sup>1</sup> National Shelter and the Australian Council of Social Service (ACOSS), Rent Assistance: does it deliver affordability, September 2003.

ACT Shelter does not support the ACT Government's plans to head lease properties from the private rental market to meet the shortfall in social housing supply. In Canberra's inflated private rental market this strategy does not represent a sensible use of limited housing resources, given the level of subsidy that would be required. We are also concerned that government head leasing programs have the effect of further inflating the market as rent levels increase in accordance with demand. Finally we are concerned that through head-leasing schemes the Government is effectively removing properties from the market that might otherwise be available for households that it cannot assist or who are ineligible for assistance.

***Recommendation:***

That the Government not proceed with schemes to head lease properties from the private rental market.

**Social Housing**

ACT Shelter is concerned that there is no strategy to increase the supply of public housing and that the community housing supply strategy is inadequate to meet demand.

In the six months from February to July 2003, 79% of all public housing allocations were from the high priority categories, EA1 and EA2<sup>2</sup>. This means effectively that people who are on a low income, but are without other high needs, have little chance of being allocated public housing.

With a serious under-supply of public housing, we question the Government's decision to immediately decommission the Currong apartments. It is ACT Shelter's position that the Currong redevelopment must not proceed without an additional discrete budget allocation and that the site remains in Government ownership.

We are concerned that the Public Housing Asset Management Strategy will lead to a decrease in stock numbers and that tenants will be forced from areas where they have good transport, social services and supports and into under-serviced outer areas. We are concerned also that lack of additional capital funding will lead Housing ACT into arrangements with the private sector that will not favour the needs of people on low incomes in need of housing assistance. The ACT Government has reported a \$66m budget surplus generated by additional stamp duty revenue and ACT Shelter is aware of surplus funds in the former Home Loans Scheme. Funds from both these sources must be allocated to increasing the supply of public housing. Shelter is aware that neither Housing ACT nor the housing industry could deliver a major increase in stock within a twelve month period. For this reason a substantial funding program should be allocated over a longer period of three to five years.

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<sup>2</sup> Allocations statistics provided by Housing ACT

ACT Shelter is aware that there is support for the development of further young people's boarding house models as well increased housing for people with mental illness and we are supportive of these submissions. It is our position that Housing ACT needs to work collaboratively with the sector to develop a supply and acquisition strategy so that housing needs can be fully identified.

***Recommendations:***

That the ACT Government provide discrete capital funding to redevelop the Currong Apartment site.

That the Currong site remain in public ownership.

That the ACT Government develop a public and community housing supply strategy that includes increased public housing acquisition and is funded from budget surpluses and surplus Home Loan Fund funds.

That Housing ACT work collaboratively with relevant community organisations to develop targets for the social housing supply strategy.

**Affordable Housing Taskforce**

The Affordable Housing Taskforce completed its work at the end of December 2002 and while we are aware that an Interdepartmental Committee has been established, we have received little information on the progress of the implementation of the recommendations that were supported by the ACT Government. The Taskforce recommendations that related to planning and development received strong support from the sector as they will lead to an increase in the supply of affordable housing and do not rely on a large cash outlay for government. ACT Shelter calls on the ACT Government to implement the following Affordable Housing Taskforce recommendations as a matter of urgency:

Recommendation 12

It is recommended that the Government equitably and transparently apply taxes and charges between affordable housing providers:

- to reduce the cost burden for affordable housing providers, through possible exemptions from land tax, payroll tax, Change of Use Charge and stamp duty; and
- in a manner consistent with other States and Territories.

Recommendation 33

it is recommended that the ACT Government introduce inclusionary zoning based on 3-4 per cent of floor space or its cash equivalent for all multiunit block residential developments. Further, it is recommended that both the housing stock and funding created be provided to, and managed by

affordable housing providers, the latter to be used to acquire additional affordable housing.

***ACT Shelter submits that the inclusionary zoning should be a minimum of 10 per cent of floor space to be of any assistance in addressing the under supply of affordable housing.***

#### Recommendation 37

It is recommended that the Government specifically take into account the impact of DVP 200 on housing affordability including efficient use of land, restrictions in dual occupancies, effects of creating general and suburban areas and density restrictions. It should also consider the impact of ACT Housing's land portfolio and ability to redevelop stock before finalising the variation. The Government should also show how these matters are taken into account in the final variation.

#### Recommendation 38

It is recommended that the ACT Government introduce the following exemptions for the Change of Use Charge:

- all developments undertaken by ACT Housing and other accredited affordable housing providers are to be fully exempt from CUC; and
- all developments with at least 20 per cent of floor space that are to be allocated to affordable housing pay only 50 per cent of the added value.

#### Recommendation 39

It is recommended that a number of local area housing studies be conducted by the new planning authority.

#### ***Recommendations:***

That the Affordable Housing Taskforce recommendations 12, 37, 33, 38 and 39 be immediately implemented.

That recommendation 33 be amended to raise the percentage of floor space from 3-4 per cent to a minimum of 10 per cent.

#### **YEAR OF BUILT ENVIRONMENT 2004**

2004 has been proclaimed the Year of the Built Environment (YBE 2004) by the Australian Government. A National Steering Committee has been established comprising of officials from the Australian Department of the Environment and Heritage, the Western Australian Government and the Royal Australian Institute of Architects (RAIA). YBE 2004 has six themes:

- Towards sustainable communities;
- Healthy environments;
- Excellence in building;
- Our built heritage;
- Imagining the future;
- Design for all.

ACT Shelter is currently in discussions with the ACT Chapter of the RAI A regarding projects that we might undertake in partnership with them and other stakeholders. Shelter's aim is to target at least one project to an existing public housing community and, in the broader interpretation of sustainability, encourage tenants to engage in a project to improve their built and social environment.

All other State and Territory Governments have indicated support for activities to be conducted in their jurisdictions during the year. The ACT Chapter of the RAI A is in the process of developing a submission to the ACT Government for local YBE 2004 projects. Financial support will be sought for secretariat assistance for the ACT projects as well as project funding. ACT Shelter urges the ACT Government to support this submission.

***Recommendation:***

That the ACT Government provide secretariat and project funding for Year of the Built Environment 2004.

**HOUSING INFORMATION**

The need for a centralised housing information service remains a high priority. While affordable housing options in the ACT are scarce, lack of information is a significant barrier to people being able to locate housing appropriate to their needs.

While the Canberra Emergency Accommodation service provides a valuable telephone service in assisting people locate emergency housing beds, there remains a wide gap in housing information provision.

Information about the contact details or the nature of supported accommodation services is not accessible to those outside the sector, nor is there any information on affordable housing options for low income earners. Shelter was surprised to learn that people with disability, or their parents, were generally unaware that they were eligible for social housing options other than the Disability ACT group house model.

In addition, the on-line information service provided by Canberra Connect is unable to locate housing providers or services. This may be partly caused by the limited resources of community organisations, who don't generally provide internet information services or have web sites.

***Recommendations:***

That funding be provided for the establishment of a Housing Information and Referral Service. This service should build on the infrastructure of existing information services.

That the ACT Government work with ACT Shelter to improve the information technology capability of housing and related services, including the development of an internet 'housing portal'.

That funds be allocated for a community education and information campaign on housing access.

## **PUBLIC HOUSING MANAGEMENT**

### **Public Housing Debt**

ACT Shelter welcomes the recent announcements regarding changes to the minimum public housing rent and a 'rent free' period to allow tenants to establish themselves in their new tenancies. Along with Care Financial Counselling, the Tenants Union and Welfare Rights & Legal Centre, we are actively involved in the development of the Debt Review Panel and this is also a commendable strategy that might make a difference to many tenants. It is our submission that foregoing a small amount of income to enable tenants to better manage their tenancies should in the longer term reduce debt and the broader community cost of eviction and homelessness.

In developing a 'package' of initiatives to assist tenants, Shelter has identified the need to address tenant education as a priority. We are concerned at the large number of public housing tenants who do not engage with Housing ACT or community agencies when they fall into financial difficulties. We believe that ignorance of Housing ACT and Residential Tenancies Tribunal processes causes tenants to be fearful of addressing rental arrears issues. A recent consultation with tenants identified that they were generally unaware that they could submit a new rebate application should their financial circumstances worsen. In addition we are concerned that many advocates lack information and skills to assist tenants with these issues.

***Recommendation:***

That the Tenants Union ACT be funded to employ a social housing tenants education worker who would undertake education and information strategies for tenants, tenants groups and advocates. This worker could also advise Housing ACT on appropriate information strategies targeted to tenant and community organisations.

### **Preventing Eviction Program**

The Preventing Eviction Program is currently funded from the Department of Disability, Housing & Community Services, Community Linkages Program. The PEP consists of an allocation of \$20,000 each to four regional organisations to undertake activities that would assist tenants at risk of eviction.

After applying administrative costs, the level of funds available for service delivery is negligible, with workers employed for 10 or 14 hours per week. The program is also ill defined, with some services unclear of their role and unable to access referrals from Housing ACT. The exception to this is the service at Belconnen which is only effective because the service has been able to combine the PEP with a similar, but separate program.

#### ***Recommendation:***

That the Preventing Eviction Program be removed from the Community Linkages Program and funded under the Homelessness Strategy initiatives. Further that the Department consult with ACT Shelter and organisations funded under the program to revise the program guidelines.

That the Preventing Eviction Program be funded for a minimum of one full time position in each service.

That the Preventing Eviction Program be extended to regions without a current project.

### **Energy and Water Efficiency**

The issue of public housing debt cannot be addressed in isolation of a range of issues that impact on tenants' ability to pay rent. Considerable concern has been expressed regarding the poor energy rating of Housing ACT properties and the link between high utility bills and rental arrears.

It is reported that many public houses do not even have the benefit of ceiling insulation, long considered a basic standard in other housing tenures, and many units are not supplied with window pelmets or curtain tracks. Were tracks to be made available it is doubtful that tenants could afford thermal quality window coverings that would assist them to reduce their energy consumption.

ACT Shelter believes that the development of a energy retrofitting program should be undertaken as a matter of priority. We refer to the Conservation Council's submission that has provided details of the retrofitting and costing that would be required.

***Recommendation:***

That additional funding be allocated to a public housing retrofitting program that is developed in consultation with tenants and the Conservation Council. Discussions should also occur with the community housing sector to ascertain the need to extend the program to community housing tenancies.

That a grant program be developed to assist low income tenants to install thermal quality curtains.

**Employment Incentives**

During our recent Commonwealth State Housing Agreement consultation, we sought tenant's views regarding workforce disincentives. Overall we found that tenants who were work ready were keen to find employment, however a number of issues were raised.

The cost of entering the workforce was seen as a significant barrier. The purchase of clothes, haircuts and transport to and from work was identified as an issue, particularly as it might be up to two weeks before the first pay cheque is received. A 'rent holiday' period to assist tenants meet these costs was widely supported.

Inequities in how the current rebate assessment periods affect tenants were also identified. Rent rebates are assessed every six months and if a tenant begins work soon after the assessment has been conducted they effectively receive the benefit of a rent holiday as they are not required to declare their additional income. Another tenant might begin work just prior to the rebate assessment and not receive any benefit at all.

Being engaged in casual employment is common among tenants. Most working tenants said they worked 'from time to time' when work is available. The bureaucratic processes between Centrelink and Housing ACT in declaring additional income creates a further disincentive to tenants taking up casual work. Tenants believed that a 'rent increase free' threshold, would benefit them and that the cost to Housing ACT would be not be high as it would be offset by reduced administration.

The introduction of a Low Income Concession Card was an election promise of the Government's that has yet to be introduced. The loss of all concessions, plus the additional costs of rent, childcare and other work-related costs like transport, is a major disincentive to tenants to seek work. For many tenants it is simply not worth the effort involved when the financial gain is minimal.

**Recommendation:**

That the Housing ACT introduce a 'rent holiday' or other incentive system to assist tenants who wish to enter the workforce.

That Housing ACT review rent rebate assessment system with the aim of removing inequities for working tenants.

That Housing ACT introduce a rent increase free threshold for tenants who work casually from time to time.

That the ACT Government introduce a Low Income Concession Card.

**Tenant Participation**

ACT Shelter and the Tenants Union ACT are currently working with Housing ACT to develop a tenant participation program. We are supportive of the concept of tenant participation as this can lead to greater tenant satisfaction with their housing as well as positive feedback and advice for the department. In order to maximise the benefits of the program, additional funds need to be available for training and skills development as well as the costs of administering tenant participation related activities, including secretariat support for meetings with the department.

A further issue that needs to be addressed is the lack of local meeting and activity space. The general issue of access to community space for public housing communities needs to be addressed, but it is our view that community facilities provision on all multi-unit developments is essential.

**Recommendation:**

In addition to the funding ACT Shelter and the Tenants Union receive for tenant participation project development, that funding be allocated for tenant participation activities.

That community meeting and activities space be provided on all multi-unit public housing sites.

**AINSLIE VILLAGE**

ACT Shelter commends the ACT Governments allocation of resources for the redevelopment of service provision and facilities at Ainslie Village. Shelter has joined the redevelopment Implementation Committee as a 'Friend of the Village' and participates in all of the working groups that have been established. We are concerned that Village residents are provided with information and skills development to enable them to fully participate in the committee and working groups. Residents have also identified the need

for community projects aimed at increasing interaction between residents and enabling them to participate in the broader community. The residents have recently applied to the Canberra Community Foundation for project funds, however the employment of a community development worker to coordinate activities and facilitate resident involvement is also a high priority. The community development worker would be independent of the Village management service.

***Recommendation:***

That through an auspice organisation, Ainslie Village residents be funded to employ a community development worker to coordinate community activities and facilitate resident involvement in the redevelopment and other community processes.

## **ACT SHELTER RESOURCING**

In the current financial year ACT Shelter, as the ACT Housing peak, will receive \$108,000 from the Department of Disability, Housing & Community Services to provide the following outputs:

- strategic advice, advocacy and information activities to assist low to moderate income housing consumers;
- consultations with housing organisations and low to moderate income housing consumers on housing issues;
- participation in and promotion of housing affordability issues and related planning issues;
- provision of research and policy advice on the needs of low to moderate income housing consumers to the Department;
- Further strengthening the linkages between housing organisations in the ACT;
- provision of sector development activities for the community sector;
- participation in the further development of the sector.

While in comparison with other jurisdictions, the ACT is relatively small both in physical size and population, the housing issues we confront are of the same scale as the more populous States. In addition to the strategic and policy work, ACT Shelter is required to maintain a high level of engagement with housing and related community organisations. We provide information and services to a membership base of over 100 community organisations and individuals, hold monthly member forums and produce a quarterly housing newsletter.

Over the past 12 months there have been considerable demands on ACT Shelter to participate in various Government and community committees and working groups. While we have attempted to meet all requests, our resource level has meant we have had to prioritise the issues of most importance to our constituent group and this has not always been an easy task.

Our current funding level only allows us to employ 1.3 EFT staff to assist us undertake this important work. In addition, our low level of funding has meant that we are not often able to undertake proactive, or high level policy development activities, nor are we able to convene seminars on housing issues that are relevant to our sector or the ACT community generally. Our Research and Policy Officer position has recently become vacant and we are aiming to attract a researcher with high level skills. However with the position graded at Category 5 of the Social and Community Services Award for 0.5 EFT this is unlikely.

The ACT Government requires a high quality service from ACT Shelter and it becomes evident, when comparing other funded services, both in the ACT and elsewhere, that ACT Shelter is not being adequately funded.

In order to provide high level policy advice to government and quality services to our members and the wider community, ACT Shelter requires the following funding enhancement:

- Reclassification of salaries to a level commensurate to the skills and qualifications required.
- Additional salary funding to allow us to employ a full time Executive Officer and a full time Research & Policy Officer.
- Additional salary funding to allow us to employ an Administrative Assistant for 10 hours per week.

The cost of this funding enhancement is \$60,600 per annum.

***Recommendation:***

That in order to assist ACT Shelter enhance its services, the ACT Government provide it with an additional \$60,600 per annum in recurrent funding.