



Submission to the Senate Community Affairs References Committee - Inquiry into the worsening rental crisis in Australia

August 2023

P 1300 663 298 | **F** 1300 663 528 | **ABN** 75 467 729 203 | GPO Box B74, Perth WA 6838 | unitingwa.org.au

Uniting WA respectfully acknowledges the Noongar people as the Traditional Custodians of the land on which we provide our services. We recognise their unique and spiritual connection to Country and waters. We value the oldest continuing culture in the world and pay our respects to Elders past and present.

Introduction

Uniting WA is pleased to make the following submission to the inquiry into the worsening rental crisis in Australia conducted by the Senate Community Affairs References Committee.

Uniting WA (Uniting) is part of the UnitingCare Australia network, the country's largest community service provider network, which employs over 50,000 staff, supported by more than 30,000 volunteers.

Uniting's programs span the areas of homelessness and crisis accommodation services, family and children's services, mental health and disability support, as well as financial wellbeing and reintegration services. We're also a registered Tier 2 Community Housing Provider.

In WA, Uniting has extensive experience and a strong track record of persisting to create tangible positive impacts for vulnerable Western Australians. We deliver essential community services with respect and compassion, and we work with the government to build a strong foundation for positive change, supporting policy implementation that addresses social issues.

This commitment to positive outcomes is evident through all of our services and programs including our crisis support centre, Tranby Engagement Hub, low-barrier crisis accommodation service Koort Boodja, our facilitation of the Escaping Violence Payment (EVP) in conjunction with 7 other UnitingCare Australia agencies, financial counselling services, the Homeless Engagement Assessment Response Team (HEART) and our Homeless Accommodation Support Service (HASS).

What we are seeing

Western Australia faces a significant shortage of rental homes, resulting in rising rents and a fiercely competitive market. A confluence of high inflation, rising interest rates, and a lack of housing supply has made securing and maintaining a home increasingly difficult, placing immense pressure on people juggling basic living expenses. According to the Real Estate Institute of Western Australia (REIWA), a balanced rental market is reflected in vacancy rates of between 2.5 and 3.5 per cent; however in Perth and many of WA's regional centres, this rate was reported as below 1% in July 2023.¹

With much of Uniting's work in Western Australia concentrated on helping those in crisis, we have noted a worrying flow-on affect from challenges in the private rental market into our crisis support services. We have also noted a significant shift in the demographics of people seeking support.

Families with children and older women are joining the ranks of people experiencing homelessness, with Uniting's homelessness services' outreach workers reporting rising

¹ Real Estate Institute of Western Australia (2023). Rental Vacancy Rates. <https://reiwa.com.au/the-wa-market/rental-vacancy-rates/>

numbers of both groups living in cars or pitching tents in parks. Uniting's financial counselling data indicates that 55 families who accessed emergency relief identified as homeless in the first six months of 2023 and ABS data shows a rise of 30% in just 5 years in the number of older women experiencing or being at risk of homelessness.²

We are also experiencing higher numbers of those who are employed, or underemployed accessing our services. This year, at our crisis support centre, Tranby Engagement Hub, there have been 56,386 presentations of people asking for assistance, compared to 33,867 presentations in the same period last year.³ In July 2023, there were 788 presentations of new service users who had not accessed Tranby previously and in August, we experienced our largest single day of presentations since the launch of the service in 2009, with 395 individual presentations on Monday 7 August 2023 between the hours of 7:30am and 12:30pm.

Within our financial counselling services, financial counsellors are facing burnout as they grapple with limited avenues to help those seeking housing options.

According to the Financial Wellbeing Collective, a sector collaboration which Uniting is a partner of, those at risk of homelessness when presenting for financial counselling has increased from 4% in July-Dec 2019 to 9% at the end of 2022, which has more than doubled when compared to pre-COVID data.

While government clearly need to address the critical housing shortage, it is equally important that solutions are implemented to support people all along the housing continuum. From supported crisis and transitional accommodation, through to medium and long-term housing linked to step-up, step-down services that provide support to people when they need it, we need to appropriately fund a range of options that recognise that the journey out of homelessness is often convoluted and rarely linear.

Recommendations

Government can exert substantial influence across the entire housing continuum. Greater investment in social housing, increases to rates of income support and actively working to identify gaps in the continuum can have a large impact on the current crisis.

Guided by what Uniting is seeing within the Western Australian community, we recommend the government take the following actions –

1. Address the shortfall of social housing by establishing the Housing Australia Future Fund.

There is an urgent need to break the Senate impasse over the \$10 billion Housing Australia Future Fund. Uniting strongly supports the Housing Australia Future Fund as a key mechanism to increase supply of both social and affordable housing, along with the National Housing Accord, National Housing and Homelessness Plan and the \$2 billion Housing Fund Accelerator payment.

Social housing makes up 3.8 per cent of homes in Western Australia. Of that social housing stock, 83 per cent is public housing managed by the state, and 17 per cent is

² Australian Bureau of Statistics (2023) Estimating Homelessness: Census.

<https://www.abs.gov.au/statistics/people/housing/estimating-homelessness-census/latest-release>

³ As of 28 August 2023, Uniting WA Tranby Engagement Hub Data

managed by Community Housing Providers, like Uniting.⁴ The UNSW City Futures Research Centre report, 'Quantifying Australia's unmet housing need', projects that by 2041 Western Australia will need 85,700 social and affordable housing properties to fulfil need. This means 3,700-4,700 would be required each year.⁵

Failure to legislate the Housing Australia Future Fund will set back the ability of government, the private sector and community housing providers to meet these ambitious figures.

2. Increase the rate of income support and Commonwealth Rent Assistance (CRA)

Income support and Commonwealth Rent Assistance (CRA) are at times the key social safety net support, enabling individuals and families facing vulnerability to remain in their homes or enter the rental market. These initiatives aim to address disparity in our community, working to end homelessness and enhance housing security.

Uniting supports the Raise the Rate for Good campaign, an initiative from the Australian Council of Social Service, which calls for the rate of Jobseeker and other income support payments to be increased to at least \$76 a day to help Australians escape the cycle of poverty.

The CRA payment is also in need of a significant increase as this payment is currently inadequate, with minimum wage workers now spending 67% in housing stress, which is defined as spending more than 30 per cent of income on housing costs Australian Housing and Urban Research Institute (AHURI) research reveals that private rental assistance programs are most successful when directed toward 'low-income, low-need' households capable of maintaining private market tenancy.⁶ These programs can avert crises and are vital in providing continuous support along the housing spectrum. Uniting supports National Shelter's call for an urgent review of CRA and an increase to the maximum rate.

3. Increase investment towards projects addressing gaps in the housing continuum

Policy mechanisms, innovative programs and increased investment are required across the housing continuum, from social housing and affordable rental housing through to the private rental market to address our current rental crisis. Currently, people exiting homelessness and transitional supported accommodation programs have limited opportunities to secure safe, affordable and sustainable housing options that facilitate their long-term independence. As a result, these individuals are at high risk of returning to homelessness and are more likely to become trapped in an ongoing cycle of disadvantage – at a significant cost to the individual, the Government and the broader community.

There must be a targeted approach to ensuring vulnerable cohorts, like older women, those escaping domestic and family violence, Aboriginal and Torres Strait Islander people

⁴ Department of Communities, Western Australia (October 2021)

⁵ UNSW City Futures Research Centre (2022). Quantifying Australia's unmet housing need.

<https://cityfutures.adu.unsw.edu.au/documents/702/CHIA-housing-need-regional-snapshots-v1.3.pdf>

⁶ Tually, S. Slatter, M. Faulkner, D. & Oakley, S (2016) The role of private rental brokerage in housing outcomes for vulnerable Australians. AHURI. <https://www.ahuri.edu.au/research/final-reports/263>

and those reintegrating into the community from prison have safe, stable, long-term accommodation options.

Uniting WA welcomes plans from the National Housing Finance and Investment Corporation (NHFIC) for a housing needs analysis, which aims to identify gaps in the housing continuum, to ensure properties are built where they are needed and where there is supporting infrastructure and amenity.

A gap identified by Uniting is that of medium to long-term supportive housing models. Uniting has developed the concept of Aspirations Housing to address this gap.

Uniting’s Aspirations Housing model is designed to support people who have demonstrated their potential to live independently but may face challenges maintaining traditional tenancies. Aspirations Housing sits between transitional supported accommodation placements and social housing (Figure 1). The program combines a supportive landlord approach (the landlord being Uniting WA) with light touch supports, which are flexible and tailored to the unique needs of each individual accessing the service.

Supportive Housing Along the Housing Continuum

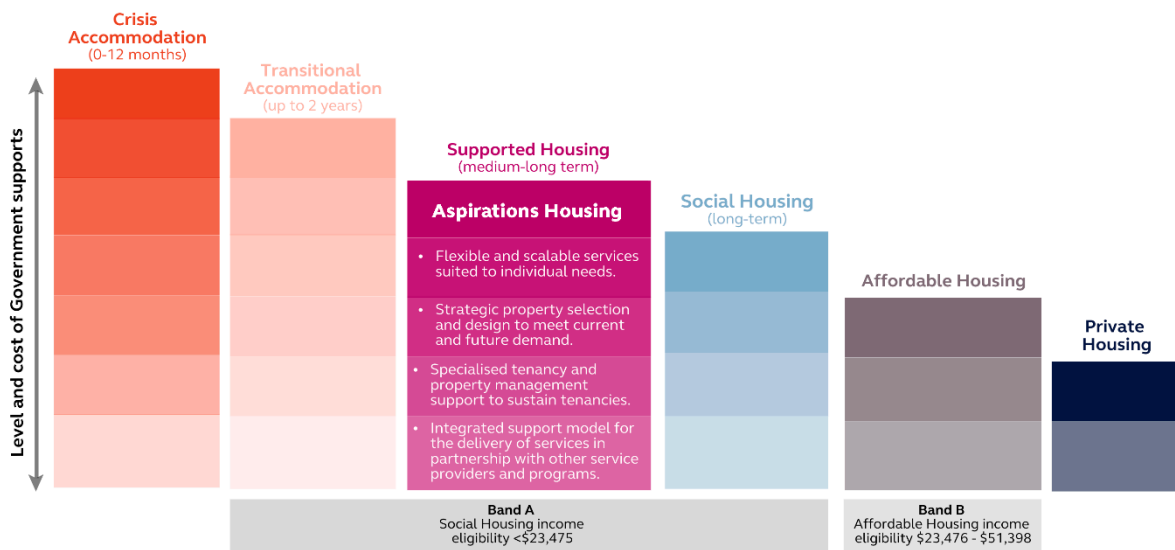


Figure 1 - Supportive housing along the housing continuum.

Other innovative solutions worthy of government support include partnerships between community housing providers and private industry, providing significant value-for-money. An example of such a project, is Uniting’s Wyn Carr House, being redeveloped in partnership with for-purpose Public Benevolent Institution (DGR1) Housing All Australians (HAA).

HAA recognise that the housing crisis is not a problem for government alone to solve. HAA work to end homelessness by pursuing practical solutions and examining the economic impacts of the housing and rental crisis.

Conclusion

HAA's Give Me Shelter report showed that on top of what we pay today, the additional cost to Australian taxpayers will reach \$25 billion annually by 2051 if we do not build the required housing our country needs. As we work to build those homes and address the bottleneck in housing supply, we must ensure adequate support for solutions that support our most vulnerable. This will only be achieved by implementing the recommendations outlined in this report and by a range of other sector stakeholders who have shared submission with the Senate Community Affairs References Committee.