



**Submission of the Equality Rights Alliance to
the Council on Federal Financial Relations
Affordable Housing Working Group Regarding
Innovative Financing Models**

11 March 2016

KEY RECOMMENDATIONS

1. Regardless of the models chosen, the Commonwealth Government must maintain a role in housing and homelessness policy. Policy success is dependent on the Federal Government's power to lead and coordinate in this area.
2. Ensure that the range of models selected as a result of this process are capable of delivering housing that is both affordable and *appropriate* to the needs of women on low incomes or otherwise facing disadvantage in the housing market.
3. Ensure the ABS is adequately funded to provide the gender-disaggregated and gender-relevant data necessary to generate an understanding of the demand for different types of affordable housing and to permit meaningful reporting against desired outcomes for any affordable housing models adopted as a result of this process.
4. When comparing potential housing models, consider whether models deliver an ability to prioritise investment in housing providers with specialist experience in service provision, such as gender experience, Aboriginal and Torres Strait Islander experience, disability experience and CALD community experience.

Introduction

Equality Rights Alliance is Australia's largest network advocating for women's equality, women's leadership and recognition of women's diversity. Led by the YWCA Australia, we bring together 61 organisations with an interest in advancing women's equality.

Equality Rights Alliance is one of five National Women's Alliances, with funding from the Commonwealth Office for Women. Our members are non government organisations and social enterprises with a focus on the impact of policy or service delivery on women. To advance gender equality, Equality Rights Alliance adopts a human rights framework and advocates for adherence to international human rights principles.

ERA warmly welcomes the Affordable Housing Working Group's investigation into innovative models for affordable housing and offer below some examples of initiatives taken by member organisations. ERA also welcomes the move to identify means of improving the financial sustainability of the affordable housing sector.

However, ERA is deeply concerned that the review of models should not be restricted to issues of financial sustainability, but should also consider the ability of proposed models to deliver an identified social return on investment – in other words, the models should be examined to ensure that they are able to provide housing which in turn produces desirable individual and community outcomes.

Undertaking this analysis requires the identification of a series of key outcomes, a process which appears not to have taken place in the course of preparing the discussion paper. Although a detailed consideration of the needs of affordable housing tenants is not set out in the terms of reference, we submit that it is not possible to select preferred models for Australian affordable housing investment without identifying the key social outcomes which we would expect from a successful model.

This submission addresses some of the key gender-related outcomes or criteria against which potential models should be assessed.

ERA is available to provide further detail on any of the issues or recommendations in this submission. Please contact ERA's Program Manager, Helen Dalley-Fisher on (02) 6230 5152 or at era@ywca.org.au.

Housing and gender equality

An affordable housing system that delivers equitable access is key step in achieving gender equality. In Australia, women experience a significant and persistent wage gap, have lower retirement incomes than men and are over-represented in key poverty indicators. Consequently women are at a significant financial disadvantage compared to their male counterparts, which limits the housing options available to women and places them at risk of housing stress. This financial disadvantage is compounded by other factors disproportionately affecting women. For example, women are disproportionately affected by violence and other forms of abuse (domestic violence is the main cause of homelessness for women and children¹) and are more likely to experience disability than men².

ERA commends the definition of housing affordability adopted in the discussion paper, as it includes the role played by housing in helping individuals to “[meet] other essential basic needs on a sustainable basis, whilst balancing the need for housing to be of a minimum appropriate standard and accessible to employment and services.

Affordability is never the only criteria for successful housing. Housing must be both affordable and *appropriate* to the needs of the individual. For many years, ERA has argued that statistics relating to homelessness and housing stress in Australia underplay the true scope of the current problem, particularly for women, by focusing

only on the affordability of housing. Anecdotally, our members report that many women, particularly older women and women with disability, will choose or remain in housing which is not appropriate for their needs, in order to ensure affordability. Examples include women with disability remaining in partially inaccessible accommodation, women entering into relationships or remaining in violent relationships because they have no alternative accommodation³ or incurring high financial costs in other areas of their lives, such as moving to a cheaper area away from affordable child care, family supports or work.

In 2013, ERA conducted an online survey to determine the extent of this problem. Of the 610 respondents, 20% did not meet the definition of housing stress, but did indicate that there were two or more major issues with the suitability of their housing.

The most complex housing needs belong to those who experience multiple and intersecting disadvantage, such as women from CALD backgrounds, Aboriginal and Torres Strait Islander women, women with disability, women in regional, rural and remote areas, young women, women leaving or experiencing violence, older women and single mothers. This is reflected in the recent experiences of public housing providers, as detailed in the discussion paper. As the various models are assessed, it will be very important to keep in mind that the affordable housing generated by each model is more likely to be required by people with complex and urgent needs than properties in the general market. The question of whether a particular model will be able to deliver housing that meets such needs is an essential one.

Appropriateness of housing depends on a large range of factors, which vary according to the circumstances of the individual. Relevant factors include cultural appropriateness, security (particularly for women leaving violence), size of property, design (particularly for women with disability or aging women), and location, including proximity to work, education, services and family. Affordable housing must not be confined to large urban areas – women in regional, rural and remote areas must be able to access housing in their local communities as far as possible. This is particularly important in Aboriginal and Torres Strait Islander communities.

One factor which should be uniform across all affordable housing stock is the adoption of universal design for all new builds. The voluntary code for building accessible housing agreed in 2010 by participants in the National Dialogue on Universal Housing Design⁴ is currently achieving less than 5% of the 2020 target that all new builds would meet minimum accessibility requirements.⁵ Without national common regulation, including basic access features being included in the Building Code of Australia, and being a requirement in all programs to increase the stock of affordable housing, there will be further unnecessary costs when expensive retrofitting is needed as the population ages and the incidence of mobility impairment escalates. A national call for minimum accessibility features to be mandated through the Building Codes, sponsored by the Australian Network for Universal Housing Design with Rights and Inclusion Australia has been endorsed by over 100

organisations nationally including ACROSS, City of Brisbane, State COTAs and NFAW.⁶

The key to providing appropriate affordable housing is to favor models which provide diversity in the property stock. For this reason, we support the adoption of a range of models, rather than relying on a single model to provide a diversity of properties. In particular, we support an approach which uses models promoting private investment alongside models which support community housing initiatives.

The gradual move towards large scale housing investment as a means of addressing investment barriers has particular advantages in producing sufficient capital to provide a diversity of properties. However, the growth of community housing organisations to large scale risks the loss of specialist expertise within the community housing sector, as increases in scale are often accompanied by a move to more generic forms of housing. This is particularly in case in relation to services designed specifically to meet the needs of women, people with disability, Aboriginal and Torres Strait Islanders and women leaving violence. Any policy of encouraging growth in the community housing sector must emphasise the need to retain and expand specialist expertise to ensure that affordable housing options meet the needs of the women living in those homes. Serious consideration should be given to models such as housing or social bonds which could allow small scale providers to seek grants to provide housing appropriate to a particular location or population group.

Examples of innovative housing models

There is a growing body of evidence to demonstrate that shared equity programs in the form of Community Land Trusts are a feasible option for single, older women who “often have superannuation or assets, which may be significant but not adequate to buy or maintain a home in the long term”⁷ under market conditions. Community Land Trust models offer the stability of owning and/or the potential to gain equity, while maintaining affordability over time.⁸ Dr Andrea Sharam’s extensive research in the feasibility of Land Trust models for single, older women has found that they “could have a great confidence in accepting this cohort of women as purchaser of the homes they could offer for sale”.⁹ Dr Sharam’s research is available here:

http://apo.org.au/files/Resource/voices_of_midlife_women_final_29_april_2015.pdf

Partnerships between different levels of government, the not-for-profit [community] sector and the private sector (financial institutions and developers) will be vital to meeting the affordable housing needs of older women in Australia. The following case studies provide examples of such partnerships.

Shared Equity Options for Older Women Women's Property Initiatives (Vic)

Women's Property Initiatives (WPI) has recently completed the preliminary scoping stage of a program delivering shared equity option for older women who may have *some* assets (not enough to purchase a home), making them ineligible for community housing. At the moment, women with assets excluding them from community or public housing are depleting their assets in the private rental market.

This project represents a new and innovative approach to shared equity home ownership that takes into account the specific needs of older women with some assets but limited to no working life ahead of them. Many older women have acquired assets through inheritance, divorce settlements or savings. They will be able to use this capital to gain equity in their housing, with flexibility to increase their equity stake in future should their circumstances allow. Affordable rent would be charged for the part of the home owned by WPI. This project is an example of models which directly address the needs of a particular population group (in this case, older women).

The scheme will enable older women to purchase a home in partnership with WPI without the need to take on a mortgage. This will preserve the value of the capital they are able to invest and provide security of tenure in housing that is safe, affordable and accessible.

WPI expects that this scheme will also increase housing supply, by leveraging a pool of capital that already exists to gain equity in housing. The strong preference of WPI is for a product based on a substantial upfront contribution from participants, with WPI holding the remaining equity share – most likely to be the majority share. This would allow participating women to make an affordable ongoing housing payment that is achievable on a moderate or even low fixed income such as the Aged Pension

The initial report on project demand and feasibility is attached as annexure 1.

Lady Heydon House, YWCA Canberra (ACT)

Lady Heydon House (LHH) is managed and funded by YWCA Canberra with support from the Franklin Charity House (Master Builders of Australia). LHH provides older single women in Canberra with affordable accommodation. Each woman has her own bedroom, sitting room, en-suite and kitchenette, and shares a larger kitchen, dining room and two living spaces. Rent is set at 74.9% of market rent (the YWCA obtains a bi-annual market valuation to set this).

When LHH opened in 2013, approximately 15 women applied for tenancy in the 5 available spaces.

YWCA Canberra is finding that LHH can be hard to fill with tenants who can afford 74.9% of market rent. As a result, the Y has had to employ a hardship policy to ensure that residents can continue to live in the property with further assistance from YWCA.

Colleen Lupton is currently a resident at YWCA Canberra's Betty Searle House, affordable housing for women aged over 55 years. She has previously been a resident of Lady Heydon House.

When reflecting on what housing that meets the needs of older, single women looks like, Colleen highlights the following:

- affordability,
- two bedrooms, allowing family to visit and stay,
- low maintenance (ie small garden),
- privacy balanced with shared space and providing connection to community.

Colleen cites affordability and availability as the biggest barriers to older, single women accessing housing that meets their needs: "where are there enough places for older, single women?" she asks.

References

¹ Department of Social Services, *Women, Domestic and Family Violence and Homelessness: A Synthesis Report*, Commonwealth Government, 2008

² United Nations Enable, *Factsheet on Persons with Disabilities*, retrieved 7 March, <
<http://www.un.org/disabilities/default.asp?id=18>>

³ J, Hill, 'Shacking up': Australian Housing Workers Perceptions of Women's Romantic Pathways Out of Homelessness, Australian Catholic University, Australia 2009.

⁴ Department of Social Services, *National Dialogue on Universal Housing Design Strategic Plan* (2010)

⁵ Australian Network for Universal Housing Design & Rights and Inclusion Australia, *Report on the Progress of the National Dialogue on Universal Housing Design 2010-2014* (2015)

⁶ Australian Network for Universal Housing Design, *Position Statement* (5 August 2015) ANUHD
<http://www.anuhd.org/wp-content/uploads/2015/ANUHD%20Position%20statement%202015.pdf>

⁷ Jeanette Large and Beverley Klinger 'Ageing and Women's Homelessness: Overcoming the bag lady syndrome' (2013) *Women's Property Initiatives*

⁸ Louise Crabtree, Hazel Blunden, Peter Phibbs, Carolyn Sappideen, Derek Mortimer, Avril Shahib-Smith, Lisa Chung, 'The Australian Community Land Trust Manual', (2013)

⁹ Andrea Sharam, 'The Voices of mid-life women facing housing insecurity' (2015) *Victoria Women's Benevolent Trust and Swinburne Institute for Social Research*