



**Community Housing**  
INDUSTRY ASSOCIATION

## **Senate Select Committee Inquiry on the COVID-19 pandemic**

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## Introduction

**CHIA is the peak body representing not for profit community housing organisations (CHOs) across Australia. Our 170+ members manage a \$40 billion-plus portfolio of more than 100,000 homes, housing people on low and moderate incomes who find it hard to access affordable and appropriate tenancies in the private market.**

The Community Housing Industry Association (CHIA) welcomes the opportunity to make a submission to the Senate Select Committee Inquiry on the COVID-19 pandemic. In this short document we have summarised the housing affordability pressures that existed prior to the COVID-19 outbreak, our sector's response to the crisis, the future housing challenges and the opportunities to address these issues.

We have confined our response to those parts of the housing system in which we operate; others will provide more detailed commentary on the private rental sector and street homelessness issues and responses.

## Housing Stress in Australia – Pre COVID-19

Australia's housing system was ill-prepared to absorb the shock delivered by the COVID -19 pandemic and associated economic recession. A comprehensive analysis of why this is the case is clearly set out in Housing Policy in Australia<sup>1</sup>. More briefly, we have drawn out the salient points below.

There is an understandable tendency to focus attention on the most extreme end of housing stress – street homelessness – frequently with little acknowledgement that this problem is only the most visible symptom of far larger structural flaws in our housing system. Given the public health risks posed by rough sleeping and the impossibility of individuals' complying with social distancing and hygiene advice we understand attention on this group during the early days of the public health emergency. However, while homelessness is much broader than rough sleeping, and homelessness itself is only part of a much wider housing market problem these public health concerns partly explain why the issue of rental payments, arrears and evictions has been so prominent in recent public debate.

There is mounting evidence of Australia's shortfall of housing affordable to households in the bottom two income quintiles. Research commissioned by CHIA NSW and Homelessness NSW in 2016, which built on prior AHURI research, identified a shortfall of over 650,000 homes across Australia affordable to those in this cohort. Also accounting for projected household growth to 2036, more than one million additional social/affordable rental homes will be needed to meet the needs of these lower income households over the next 20 years<sup>2</sup>. The result of this failure to supply sufficient homes compounds housing stress, again amply demonstrated by other robust research and analysis. We draw on a few examples below:

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<sup>1</sup> Pawson, H; Milligan, V; Yates, J (2020) Housing Policy in Australia – A Case for System Reform; Palgrave Macmillan

<sup>2</sup> Troy L, van den Nouwelant R, Randolph W (2018) Filling the Gap - Estimating need and costs of social and affordable housing delivery [http://communityhousing.org.au/wp-content/uploads/2019/03/Modelling\\_costs\\_of\\_housing\\_provision\\_FINAL.pdf](http://communityhousing.org.au/wp-content/uploads/2019/03/Modelling_costs_of_housing_provision_FINAL.pdf)

- More than half of the of low-income households in rental housing – some 1.3 million people – face housing costs exceeding 30% of their income, leaving them without enough remaining funds for basic essentials like food and clothing<sup>3</sup>.
- The private rental market has not supplied a sufficient number of dwellings at rents (i.e. \$202 or less per week) affordable to households in the bottom income quintile. By 2016 the national deficit of such dwellings had risen to 212,000. While the situation for private renters in the second lowest quintile is less extreme, the availability of homes affordable to this group (i.e. rented at below \$355 per week) is substantially compromised by such homes being occupied by higher income earners.<sup>4</sup>
- Using the projected number of households in Australia (ABS 2015) the number of social housing dwellings per 100 households has declined from 5.1 per 100 households in 2007–08 to 4.6 in 2017–18<sup>5</sup>. No reliable figures exist on the additional new social and affordable homes currently planned but even on optimistic assumptions it is highly unlikely to exceed 10% of what is required. Factoring in the loss of affordable homes through the expiry of incentives awarded under the National Rental Affordability Scheme (NRAS) and other time limited schemes, as well as continued public housing sales and demolitions, the prospective net increase in social and affordable homes over the next five years is likely to be barely above zero. Unless there is a change of course by Australian governments, social and affordable housing provision per capita will continue to contract, just as it has for the past 25 years.
- A more meaningful measure of the post-1990s decline in social housing supply is the reduction in the annual number of such properties let to new tenants. This results from the reduced (now minimal) number of newly built homes coming onstream, and from the contracting availability of affordable ‘move on’ accommodation (meaning fewer existing tenants have the capacity to transition into the private market). Therefore, as CFRC quote in their Inquiry submission, *‘Taking into account both public housing and community housing, the gross number of social rental lettings dropped from 52,000 in 1997 to 35,000 in 2017 – an absolute decline of a third<sup>6</sup>. Pro rata to population, this represents an effective reduction in social housing supply of some 50%’*.

The absence of a national housing strategy with an integrated homelessness plan is a major impediment to ensuring the co-ordinated approach that is necessary to reducing homelessness and addressing wider housing stress. It is the Federal Government that has the central responsibility to lead policy in matters of national significance such as this, notwithstanding that many of the levers around planning and land administration lie with the states and territories.

Furthermore, the axing of the COAG housing and homelessness ministers group has meant that there is no mechanism for planning and co-ordination of housing policy across Australia and an unfortunate tendency - on display during the current crisis - of housing responsibilities being disputed rather than all levels of government pulling together to plan and execute responses.

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<sup>3</sup> Productivity Commission (2019) Vulnerable Private Renters: Evidence and Options

<https://www.pc.gov.au/research/completed/renters/private-renters.pdf>

<sup>4</sup> Hulse, K., Reynolds, M., Nygaard, C., Parkinson, S. and Yates, J. (2019) *The supply of affordable private rental housing in Australian cities: short-term and longer-term changes*, AHURI Final Report No. 323, Australian Housing and Urban Research Institute Limited, Melbourne, <https://www.ahuri.edu.au/research/final-reports/323>, doi:10.18408/ahuri-5120101.

<sup>5</sup> <https://www.aihw.gov.au/reports/housing-assistance/housing-assistance-in-australia-2019/contents/social-housing-dwellings#sh1>

<sup>6</sup> Pawson, H., Milligan, V. & Yates, J. (2020) *Housing Policy in Australia: A case for system reform*; Singapore: Palgrave Macmillan

## COVID-19 - Immediate Housing Responses

The COVID-19 outbreak has placed further pressure on an already-stressed housing system. There were immediate and obvious challenges for governments posed by people sleeping rough or occupying crowded homelessness shelters, and the risk that individuals losing their jobs would face eviction.

Less in the public eye but also important were issues faced by all housing providers of subsidized housing – i.e. social and affordable housing. For CHOs providing accommodation and services to low income and often vulnerable tenants, the key issues included maintenance of services, protecting vulnerable residents, and ensuring their workforce could safely carry out their duties. With most CHOs largely dependent on rental income (as opposed to government operating subsidies) to fund services there was understandable concern to ensure that residents not directly impacted financially by the crisis were able to maintain their payments. Housing providers also sought to offer more flexible responses to those who had lost income, as well as to provide additional services to the most vulnerable.

Given the degree of uncertainty around the COVID-19 impact, the sector believed it important to publish a clear statement on CHO priorities in terms of the protection of staff and tenants, as well as to define how governments could best enable providers to respond effectively to the crisis itself, and also the recovery phase. A sector-wide [response](#) was developed and widely communicated. Of paramount importance were the following:

1. Maintaining critical services such as emergency repairs
2. Protecting tenants' income and cushioning financial stress. This means (for example) halting eviction action for anyone in rent arrears caused by the crisis, excluding additional COVID -19 income supplements from social rent calculations, and responding quickly to instances of domestic and family violence (liable to be experienced at elevated rates during lockdown).
3. Keeping vital services running, including care and support schemes to protect the most vulnerable, and ease pressure on the health care system

Actions the sector sought from the Federal government, through direct resourcing and / or via a strong leadership and co-ordinating role at National Cabinet were as follows:

- Clear and consistent messaging about housing responses including the introduction of the eviction moratorium
- Work in partnership with the sector to implement responses to the housing needs of those most inappropriately positioned to deal with the COVID-19 pandemic.
- Recognise certain key CHO roles as performed by 'essential workers' including keeping homes safe, providing care to elderly and people living with a disability, running frontline support services for homeless people, and for those with complex needs or experiencing domestic and family violence
- Ensure access to personal protective equipment to maintain vital care, support and other services.

### Case study 1: Common Ground QLD (CGQ), South Brisbane

The supportive housing model has proved perfectly positioned to support people to stay home and keep safe.

Many CGQ tenants are highly vulnerable due to age, poor health or disability. Together with the onsite support staff CGQ was able to put plans in place and communicate with tenants very quickly to minimise and respond to the emerging risks.

Due to the single point of entry and 24/7 concierge CGQ was able to engage with tenants regularly, to reinforce hygiene and social distancing messages, to identify people who may have been unwell, to monitor tenants who were self-isolating, and to provide hand gel at entrance and exits. Most importantly CGQ was able to put in place and enforce the recommended visitor restrictions. Feedback from tenants (both formerly homeless and affordable housing) regarding these measures was overwhelmingly positive as they felt protected. Benchmarked against a typical monthly visitor throughput of 2,500, CGQ recorded just 600 in April, most of whom were people providing care or support to tenants.

Tenants have been advised to stay in their home if they are feeling unwell and to call the concierge desk. The onsite Nurse is able to visit them in their home and organise for medical assessment if necessary. Where appropriate, tenants can be supported to safely exit and enter the building, attend testing, and self-isolate with any needs being looked after by support services. CGQ is able to immediately deep clean floors or touch points where tenants who are unwell live or have travelled.

In addition, CGQ has been able to put in place hand sanitiser throughout the common areas, hourly cleaning of foyer and lifts, regular cleaning of touch points throughout the building. They have been able to offer paid work to tenants to do some of this additional cleaning.

To date they have not had a confirmed case in the building, they have had several tenants who have been unwell and been tested.

There have been notable achievements. The Federal government's actions to double the amount received by Job Seeker recipients and introduce the Jobkeeper scheme have both protected many households' incomes and reduced (at least temporarily) financial stress.

The crisis also demonstrated that, when called upon, state and territory governments have been able to mobilise and co-ordinate resources to rapidly rehouse thousands of individuals sleeping rough or in unsafe accommodation.

It raises the question of whether this achievement of virtually eliminating street homelessness can be maintained into the future. COVID-19 has brought into sharp relief the consequences from not investing in social housing but also an opportunity to make a start to address the shortfalls through a recovery stimulus investment program.

### Case study 2: Servants Community Housing, Melbourne

Servants Community Housing provides accommodation for single men and women in a mix of properties, some with shared bathrooms and kitchen / dining rooms, and others with en-suite facilities. A manager, living on site, is there to ensure the residents' needs are met and the house runs smoothly. In the current environment having this presence has been invaluable. Not only does it minimise the infection risk associated with staff coming and going but the manager is alert to issues when they arise.

Most residents have severe mental health issues and many have other underlying medical conditions making them especially vulnerable to COVID-19. Servants needed to take action to minimise both the risk of an outbreak and the risk to their residents' longer term well-being.

A more frequent cleaning regime, a rota for meal times, and arrangements for off-site isolation have been introduced, but residents still have the opportunity to socialise. Vacancies in the homes with shared facilities are not being filled - a difficult decision given the rising demand for accommodation. However, the pandemic has led to a much reduced turnover in rooms and hence vacancies - with residents not wanting to move out of a safe place.

The service response has been a success with the vast majority of residents managing well. It illustrates the benefits of a supportive housing model focused around residents' needs. That said, the impact on staff living on site, on high alert and unable to take a break is significant, and Servants want to collaborate with others on solutions.

Questions are inevitably raised about the appropriateness of shared facilities. While shared kitchens / dining areas can reduce the risk of social isolation, the case for providing ensuite bathrooms is unarguable. The reality, however, is that the scope for making these changes (or developing alternative accommodation) is limited without government investment.

In the community housing sector there have been many service responses introduced by CHOs during the crisis. These include Have Home Safe's virtual [concierge](#), tenant well-being checks such as those set up by Bridge Housing, and BCHL's [residentconnect](#) service enabling residents to access the latest information about the different types of government and community assistance available, including financial assistance and personal support and wellbeing support services.

CHIA has also initiated research to monitor the pandemic impact on the CHO service provision on provider business stability and on CHO tenants. This project will run for six months and will provide valuable information to inform future evaluations and policy responses. We intend to publish information drawn from the research at regular intervals during this period.

### Case study 3: BRIC Housing, Brisbane

Boundary Street, Brisbane is centrally located accommodation for single men that also provides training opportunities to help residents secure employment. While the 70 plus residents have their own room, kitchen and bathroom facilities are shared – thus increasing the risk that a COVID-19 outbreak could quickly spread.

Recognising the sudden emergence of this risk in March 2020, the Queensland State Government response was rapid and effective. The Dept of Housing and Public Works collaborated with the community housing provider, BRIC, to secure a newly-built under-occupied 500 unit student housing block in Toowong.

Three other specialist homelessness services managing accommodation with shared facilities were also involved. The state government has taken a lease until January 2021 and is taking care of the lease charges as well as repairs and maintenance. Security and service costs are shared between the four providers.

Moving 300 residents was achieved without incident and the feedback from residents who are now living in self-contained studios has been generally positive. It has also clearly demonstrated that government, accommodation and service providers can respond quickly and flexibly when required.

There are some challenges - student accommodation isn't designed to facilitate a supportive housing model, with little space to hold programs and residents missing the opportunities to socialise. The rooms and fittings are also designed with study, not general living in mind. Clearly, congregating many residents with complex conditions in one location isn't ideal.

Perhaps the biggest challenge will be securing move on accommodation before the lease comes to an end. With several hundred former homeless people temporarily accommodated in hotels in the Brisbane area the pressure on scarce social housing will be acute.

## COVID-19 - Longer Term Housing Responses

While, acknowledging that over 5,000 people sleeping rough and in unsafe accommodation have been temporarily housed, we now face the looming problem of how to provide for their rehousing into more permanent homes. As we prepare this submission there appear to be no exit strategies in place in any jurisdiction.

Existing social housing will be unable to accommodate any urgent need to evacuate this cohort from hotels. The amount of social housing now has dwindled to just 4% of all dwellings and 'the annual number of lettings made by social landlords relative to population has halved since 1991'.<sup>7</sup> Moreover, dwindling supply has meant that even in normal times virtually all of those being housed by CHOs and public housing agencies are 'greatest need applicants'. Even to the extent that such applicants could be deferred in favour of former rough sleepers being moved out of hotels, the social housing system would be incapable of absorbing all of the latter in any short time period.

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<sup>7</sup> Taking into account both public housing and community housing, the gross number of social rental lettings dropped from 52,000 in 1991 to 35,000 in 2017 – an absolute decline of a third (for sources see p106 in: Pawson, H., Milligan, V. & Yates, J. (2020) Housing Policy in Australia: A case for system reform; Singapore: Palgrave Macmillan). Pro rata to population, this represents an effective reduction in social housing supply of some 50%.

Furthermore, as temporary income supports (e.g. JobKeeper payments) are reduced and job protections withdrawn, we can anticipate more people will be pushed into housing stress and homelessness. While there will be some businesses that ‘snap back’ there will be many for whom the recovery process will be far longer and are therefore unable to retain all their employees.<sup>8</sup> Large sections of the workforce were also ineligible for the JobKeeper program and some may already be in precarious housing situations, but temporarily protected by the eviction moratorium. With these being lifted at the same time as the stimulus payments are withdrawn Australia faces a probable major spike in homelessness. Estimating the numbers involved, mitigating the risk and planning and co-ordinating the response is urgently needed. The Federal Government should take the leadership role.

The pandemic has also exposed the unsuitability of some forms of shared accommodation and the urgent need to plan for its renovation or replacement. A number of CHOs manage homelessness ‘transitional accommodation’ owned by state/territory governments and as the three case studies in this submission show, excellent services alone cannot mitigate all the risks associated with this form of living. The contrast between case studies 2 and 3 with the more recently-established facility (case study 1) is stark.

CHIA believes that as a matter of urgency the Commonwealth, state and territory governments should be planning the housing response to meet the anticipated rise in homelessness as temporary income and job support programs are wound down and the eviction moratoriums are lifted.

CHIA with its partners have proposed a short and a medium-term solution to address these issues:

1. A rapid housing response fund<sup>9</sup> to support state and territory initiatives to rehouse formerly homeless households temporarily housed during the pandemic. It would enable CHOs to head lease private rental accommodation and specialist homelessness services to provide support for former rough sleepers. Many CHOs already operate long standing head leasing schemes and are in a position to respond quickly and take advantage of an anticipated oversupply of homes in the private rental market<sup>10</sup>
2. Introduce a recovery stimulus program to renovate and build new social housing - **the Social Housing and Renovation Program (SHARP)**<sup>11</sup> to deliver 30,000 social rental housing units. Our members have started the process of identifying renovation sites and ‘shovel ready’ projects that could form part of this program.

These two initiatives will not resolve the systemic failings of Australia’s housing system which require the Federal Government to resume national leadership through developing a comprehensive national housing strategy that prioritises investment in social and affordable housing. These two initiatives will however, kick start the process and ensure that we do not lose the opportunity to make an enduring impact on street homelessness.

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<sup>8</sup> <https://grattan.edu.au/news/beware-the-fiscal-cliff-why-australia-urgently-needs-an-economic-transition-plan/>

<sup>9</sup> <https://www.communityhousing.com.au/wp-content/uploads/2020/04/200422-CHIA-HA-RHR-FINAL.pdf?x59559>

<sup>10</sup> Johanson, S. (2020) Renters win as owners face short-stay apocalypse; Sydney Morning Herald, 12 May <https://www.smh.com.au/business/companies/renters-win-as-owners-face-short-stay-apocalypse-20200512-p54s7z.html>

<sup>11</sup> <https://www.communityhousing.com.au/wp-content/uploads/2020/05/SHARP-Program.pdf?x59559>