

**Submission
No 80**

**INQUIRY INTO SOCIAL, PUBLIC AND AFFORDABLE
HOUSING**

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Refugee Council of Australia

NSW SELECT COMMITTEE ON SOCIAL, PUBLIC AND AFFORDABLE HOUSING SUBMISSION ON HOUSING ISSUES FOR REFUGEES AND ASYLUM SEEKERS

The Refugee Council of Australia (RCOA) is the national umbrella body for refugees, asylum seekers and the organisations and individuals who work with them, representing over 170 organisations and 700 individual members. RCOA promotes the adoption of humane, lawful and constructive policies by governments and communities in Australia and internationally towards refugees, asylum seekers and humanitarian entrants. RCOA consults regularly with its members, community leaders and people from refugee backgrounds. This submission is informed by their views and by additional research RCOA has conducted on housing issues in recent months.

RCOA welcomes the opportunity to provide feedback to the Select Committee on Social, Public and Affordable Housing. Each year, RCOA conducts annual national community consultations on issues associated with Australia's Refugee and Humanitarian Program, drawing together feedback into a submission to the Australian Government on options to be considered in planning the forthcoming year's program.¹ Each year, finding affordable and adequate housing is nominated as one of the three key concerns of refugee communities in Australia.²

In July 2013, RCOA embarked on a national research project to examine these issues in greater detail and identify strategies being used to assist refugees and asylum seekers to secure sustainable housing. Consultations were conducted across metropolitan and regional areas of Australia with community groups, service providers and individual asylum seekers living in the community on Bridging Visas. This submission is based on the findings from this consultation process.

This submission has been authorised by Paul Power, CEO, Refugee Council of Australia.

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¹ RCOA's annual submissions on the Refugee and Humanitarian Program can be viewed at <http://refugeecouncil.org.au/r/isub.php>

² The other key concerns nominated by refugee communities relate to family reunion and finding sustainable employment.

1. Background information on Australia's Refugee and Humanitarian Program

- 1.1. Australia's Refugee and Humanitarian Program has two main components: the offshore program, for people who are resettled in Australia from overseas (usually after either being referred to Australia by the United Nations High Commissioner for Refugees, or being sponsored by a person or organisation in Australia); and the onshore program, for people who apply for refugee status after arriving in Australia as asylum seekers and are found to be in need of Australia's protection.
- 1.2. Australia's Humanitarian Settlement Services (HSS) program provides on-arrival settlement support and orientation to most people who are resettled in Australia from overseas and some people who arrived as asylum seekers. Services include provision of short-term accommodation on arrival and assistance with finding long-term private rental accommodation (for which humanitarian entrants then have full financial responsibility). Humanitarian entrants who are sponsored for resettlement by individuals or organisations in Australia are not eligible for all HSS services (for example, their sponsors are expected to provide accommodation on arrival and assist them to find long-term accommodation). People who have lived in the Australian community while seeking asylum are not eligible for any form of assistance under the HSS.
- 1.3. Upon exiting the HSS program (usually six to twelve months after arrival), humanitarian entrants have access to a range of services under the Settlement Grants Program (SGP), which is designed to provide assistance with longer-term settlement needs. SGP services vary between locations but most focus on casework, referrals, provision of settlement-related information, advocacy services and community development activities. Some SGP services have a specific focus on housing and employ specialist housing workers to provide support to clients in securing and maintaining successful tenancies.
- 1.4. Asylum seekers who arrive in Australia with valid travel documents are usually allowed to live in the community while their applications for refugee status are processed. During this time, their access to support services is very limited. Those facing financial hardship may be eligible for limited financial assistance under the Asylum Seeker Assistance Scheme (ASAS), which provides income support paid at 89% of the Centrelink Special Benefit. People who are particularly vulnerable and/or who have complex needs may be eligible for more intensive casework assistance under the Community Assistance Support (CAS) program. Asylum seekers who are not eligible for these services, or who have an eligibility assessment pending, may have to live in the community for significant periods of time with no income. There are also a number of non-government agencies providing support to asylum seekers who are not eligible for ASAS or CAS or who have needs which are not being met through government-funded programs.
- 1.5. Asylum seekers who arrive in Australia by boat are initially detained. Those who pass health, security and character checks may be released into the community on a Bridging Visa E. Upon release from detention, these asylum seekers receive assistance under the CAS Transitional program, a six-week program which aims to help former detainees settle in the community. Feedback from RCOA's consultations indicates that the CAS Transitional program primarily focuses on assisting asylum seekers to find private rental accommodation (for which they then have full financial responsibility). After this six-week period, most asylum seekers have access only to income support, with a small number receiving more intensive support under CAS on an ongoing basis.

- 1.6. Asylum seekers released from detention since November 2012 have not been permitted to work and thus subsist solely on the limited income support available through ASAS. There are now more than 20,000 asylum seekers in this situation, many of whom have been living in the community for well over a year and are likely to remain in this situation for some time to come.

2. The challenge of affordability

- 2.1. Most participants in RCOA's housing consultations nominated affordability as a major barrier to accessing housing, both for those seeking to enter the rental market for the first time and those who have secured housing but are now struggling to keep up with rising rent. Participants in many areas reported significant increases in rental rates in recent times, with the result that most accommodation in many traditional settlement areas for people from refugee backgrounds (such as Auburn, Canterbury, Bankstown and Fairfield) is now unaffordable to low income earners.
- 2.2. While housing affordability is a challenge for all low income earners, asylum seekers and people from refugee backgrounds tend to be at a significant disadvantage due to the fact that many rely on income support as their sole or primary source of income. During the early stages of settlement in Australia, many people from refugee backgrounds rely on Centrelink payments (such as Newstart) as they learn English, obtain or upgrade qualifications and gain a foothold in the Australian job market. There was a general feeling among service providers that the level of income support available through Centrelink was insufficient to keep their clients out of housing stress. One service provider in Sydney, for example, asserted that "anybody on Centrelink benefits trying to survive in the private rental market is having difficulty". For asylum seekers living in the community, the situation is even more challenging: most are not permitted to work and typically subsist on basic living allowance of around \$185 to \$220 per week depending on their age³, plus (if they are eligible) a small rent assistance allowance.
- 2.3. Many service providers expressed concern that their clients were spending an unsustainable proportion of their income on rent. One consultation participant, for example, reported that some clients were spending between 60 and 80 per cent of their income on housing costs – well over the 30 percent threshold recommended to avoid housing stress. With many clients living on very low incomes, however, remaining under this threshold was seen as nigh-on impossible. A service provider working with asylum seekers in Sydney, for example, related an incident where a real estate agent had declined to lease a property to one asylum seeker due to concerns that more than half of the person's income would be devoted to rent. If this standard was to be applied by all housing providers, asylum seekers living on Bridging Visas without work rights would need to find somewhere to live where rent was between \$90 and \$110 per week, an unrealistic amount in most private rental markets in Sydney and in some regional areas of New South Wales.
- 2.4. A number of participants highlighted the difficulties experienced by humanitarian entrants in raising sufficient funds to clear the "financial hurdle" of bond and advance rent when leasing a new property. Saving several thousand dollars out of a low income was seen as a significant challenge for many. It was also noted that those who were able

³ Calculation of living allowance based on 89% of the current payment rates for a single person with no dependent children under the Youth Allowance (the benchmark used for asylum seekers aged 18 to 21) and Newstart Allowance (which is usually paid on the same rate as Special Benefit, the benchmark used for asylum seekers over the age of 21). Rates would differ for couples and people with dependent children. The majority of asylum seekers living in the community are single adult men.

to access rental assistance or bond loans but remained on a low income could face difficulties in repaying the loan. A service provider working with asylum seekers in Sydney, for example, noted that it could take two years for some clients to repay relatively small bond loans due to their very low incomes. Others noted that peripheral costs (such as utilities) were also impacting on the capacity of humanitarian entrants to access and maintain housing. One service provider in Sydney, for example, reported that many private rental properties did not have energy-saving features which could otherwise help to minimise electricity costs.

- 2.5. Several service providers in New South Wales noted that recent changes to State Government policy relating to bond had impacted on their clients' ability to access housing. Issues raised included: long processing times for bond loan applications, which could result in clients missing out on properties; the fact that rent assistance does not cover the full cost of bond and advance rent; and the ineligibility of asylum seekers for rent assistance.

3. Housing availability

- 3.1. The limited availability of housing stock, and resulting competitiveness of the housing market, was seen as a particularly significant factor influencing housing affordability. In the words of one service provider based in south-western Sydney, "two or three years ago, you could get two-bedroom unit in [suburb] for at least \$220, \$250, \$270. But at the moment, because those units are changing hands at a very high rate in terms of buying and selling, and the new buyer comes in and they have a mortgage, they put the price up. Now the minimum you are looking at in those areas is \$320 or \$350 for a two-bedroom unit."
- 3.2. There was general consensus among consultation participants that public or social housing was an unrealistic option for all but the most vulnerable and high-needs clients. Participants across the country (including in New South Wales) reported long waiting lists for public housing and, while some humanitarian entrants chose to apply regardless, it was generally agreed that most applicants had "no chance" in the near future. Some noted that even people who were highly vulnerable, such as those who are homeless or have no source of income, still struggle to access public housing. Several participants also noted that it is becoming increasingly difficult to access emergency relief to allow people facing financial hardship to remain in housing.
- 3.3. Our consultations did not identify any specific issues affecting humanitarian entrants who are currently living in public or social housing. However, we believe that this is likely to be a consequence of the research methodology rather than an accurate indication of the experiences of humanitarian entrants living with public housing. Feedback gathered through RCOA's community consultation processes tends to focus on issues affecting humanitarian entrants who have arrived in Australia within the past few years. This is in part a consequence of Australia's settlement services model, under which migrants and humanitarian entrants are eligible for settlement services for up to five years after their arrival in Australia. Given that the expected waiting times for social housing easily exceed five years in most areas of greater Sydney and many regional areas of New South Wales, it is unlikely that the concerns of humanitarian entrants living in public housing would be accurately captured through RCOA's community consultation processes.

4. Other factors influencing access to housing

4.1. As noted above, the limited availability of affordable housing is a challenge for all low income earners and is certainly not exclusive to humanitarian entrants. However, RCOA's research identified a range of additional barriers and challenges that humanitarian entrants face when attempting to secure housing. These include:

- **Lack of familiarity with Australian rental systems and processes**, with many of the asylum seekers consulted expressing apprehension and uncertainty about navigating the housing market on their own or with minimal support from service providers.
- **Limited or no English language skills**, which presented a barrier not only when communicating directly with real estate agents and landlords but also when searching for properties, filling in application forms, understanding tenancy contracts and seeking redress in instances where tenants' rights have not been upheld.
- **Lack of rental history**, with real estate agents and landlords often being reluctant to provide accommodation to people with no rental history or references due to perceptions of the risks associated with renting to such tenants.
- **Unrealistic expectations** among some humanitarian entrants about the type of housing they would be able to access and the level of support they would receive to secure housing, due to factors such as erroneous preconceptions about the standard of living in a wealthy country such as Australia, different experiences of housing in their home countries and changes in policy and service provision over time.
- **Lack of understanding about tenancy rights and responsibilities**, which was seen as a major hindrance to maintaining tenancies and establishing a positive rental history.
- **Negative attitudes** among real estate agents, landlords and other property providers towards low income earners in general, towards refugees and asylum seekers specifically or towards particular racial, ethnic or cultural groups.

4.2. In an increasingly competitive housing market, barriers such as these serve to further compound the challenge of affordability for humanitarian entrants and render the process of securing sustainable housing all the more difficult.

5. Strategies to address affordability

5.1. A core aim of RCOA's housing research was to identify effective strategies being used by service providers and refugee communities to assist humanitarian entrants to secure sustainable housing. Strategies used to address the challenge of affordability included:

- **Bond and other financial assistance:** Providing various forms of financial assistance to enable people experiencing financial hardship to establish or maintain a lease, such as through offering bond loans and other small loan schemes to meet unexpected housing costs, providing support for people who are in rental arrears or whose tenancy is being affected by financial issues, setting up payment systems and providing budgeting support.
- **Exploring non-traditional settlement areas:** Seeking accommodation in areas outside the more "traditional" settlement locations for humanitarian entrants (that is, the areas where humanitarian entrants have most commonly settled in the past) with a view to accessing housing that is more affordable in markets that are less competitive.

- **Transitional and supported housing models:** Providing accommodation at a low or no cost to residents (with costs offset by charities or organisations or as component of funded program budgets) in addition to casework, referrals, training and other forms of support, as a pathway to more sustainable long-term housing. This form of support was seen to be particularly important for asylum seekers (who are typically on very low incomes or have no income at all and are often experiencing significant mental health issues) and some refugee and humanitarian entrants who may be particularly vulnerable (for example, young people) and for whom it is either impractical or inadvisable to enter the private housing market.
- **Housing cooperatives:** Formal and informal arrangements which provide a way for people to pool their resources for the benefit of individual community members or families. Examples of housing cooperatives included extended families pooling money to purchase property for newly arrived family members, groups of families from a particular ethnic community setting up a collective arrangement and the establishment of more formal, community-led and managed housing programs.
- **Shared accommodation:** Sharing the costs of accommodation between several people or living with family, friends or other community members.

- 5.2. These strategies, however, were not without their limitations and pitfalls. Some consultation participants, for example, lamented the limited availability of small loan options for people on very low incomes. Others raised concerns that shared accommodation arrangements were often unsustainable and could lead to further housing insecurity. It was reported that such arrangements often operate on an informal basis (such as a leaseholder providing accommodation to more tenants than their contract allows, placing themselves – and their informal tenants – at risk of eviction) and could place significant strain on relationships, particularly when tenants were living in overcrowded conditions.
- 5.3. The strategy of exploring non-traditional settlement areas was also seen to have shortcomings in some circumstances. Some participants noted that areas in which housing is more readily available or less expensive also tend to be areas in which there are fewer employment opportunities, which are less accessible via public transport and where access to services (particularly specialist settlement and asylum seeker support services) and community support networks is more limited. For some, the savings on rent gained by moving to these areas were largely cancelled out by the additional transport costs they incurred when travelling to work or to access services. This conundrum was described as follows by a service provider in Sydney: “There are two options here. One is that you get some sort of decent housing that’s close to public transport and close to work, or you get cheap housing in an area where you need to use two buses and a train to get to your job. When you add all that, most clients are struggling.”
- 5.4. Some service providers also emphasised the importance of addressing settlement needs in a holistic manner when exploring housing options in non-traditional areas. A service provider in a regional area of New South Wales, which until recently had not been a significant settlement area for humanitarian entrants, emphasised the importance of community education and engagement and building positive relationships with local housing providers as a means of ensuring successful settlement.
- 5.5. A similar message was conveyed by another service provider in Sydney, whose experiences of settling humanitarian entrants in a non-traditional suburb of Sydney had unfortunately been less positive: “We tried for two years to get clients to settle there but

we just couldn't get any clients to stay in that area. A lot of the [real estate] agents weren't really familiar with our clients, so it was actually quite difficult to get them housed in that region. Just last year, we had to pull out of that area because it wasn't working. We just couldn't establish that area... It wasn't that there was [negative] feedback [from clients], it was just what we came across when we approached agents to put in applications. We just wouldn't get approved. It's not very multicultural out that way yet... Over time we could develop strong relationships but it takes time."

- 5.6. Moreover, the most common strategies used to assist humanitarian entrants to access housing focused not on affordability but on providing assistance to navigate the market and gain the knowledge and skills necessary to secure and maintain tenancies successfully. These included providing one-on-one support (such as helping people to search for properties, fill in application forms and understand and complete lease agreements), offering tenancy education programs and playing an intermediary role between clients and housing providers (such as through building positive relationships with real estate agents and providing advocacy support).
- 5.7. Strategies to address affordability were far less common, despite the fact that affordability was consistently nominated as one of the most significant barriers (if not *the* most significant barrier) to securing sustainable housing. This suggests that there are limits to what communities and (primarily not-for-profit) service providers can achieve on their own in terms of addressing affordability. In the words of a service provider in Sydney: "It's a huge issue, affordability. It's very big, it's epic proportions in [suburb]. Sometimes as a caseworker you feel quite helpless, knowing that there's only a limited amount of assistance you can provide."

6. Suggested ways forward

- 6.1. Consultation participants put forward a range of measures which could assist in alleviating the affordability challenge:
- **Increasing housing stock:** Some consultation participants spoke of the need for initiatives to increase housing stock (both private and social), with a view to alleviating the related challenges of affordability and availability. Ideas included releasing low-cost land, providing incentives to property owners to offer low-cost housing, reviewing policies and regulations which may inhibit housing development and developing a coordinated national approach to housing. Examples of positive initiatives mentioned by participants included the National Affordable Housing Agreement⁴ as signed by the Council of Australian Governments and that began in 2009 and the National Rental Affordability Scheme⁵ which encourages the involvement of the private market into the sector while subsidising rental costs.
 - **Providing financial support:** A number of participants suggested that providing additional financial assistance to people on low incomes could assist in addressing the affordability challenge. Suggestions included providing additional rental subsidies, increasing the availability of small loans schemes and reviewing the level of income support available to low income earners and the unemployed (with income support for asylum seekers seen as being in particular need of review).

⁴ <http://www.dss.gov.au/our-responsibilities/housing-support/programs-services/housing-affordability/national-affordable-housing-agreement>

⁵ <http://www.dss.gov.au/our-responsibilities/housing-support/programs-services/national-rental-affordability-scheme>

- **Extending work rights to asylum seekers:** Several participants recommended that asylum seekers in the community should be permitted to work. Providing asylum seekers with an opportunity to supplement their very limited incomes through paid work was viewed as a means of making the housing market more accessible – in the words of one service provider in Sydney, “it would open the market up for them a little bit more.” Another participant noted that merely having the right to work could on its own enhance asylum seekers’ prospects of securing housing: “From a housing point of view, if the real estate agents know that these clients have the right to work, it gives them more reassurance that the clients will be able to afford their rent.”

6.2. RCOA recognises that several of these measures lie beyond the mandate of individual State Governments. However, given the implications of housing challenges for residents of New South Wales, including humanitarian entrants settling in the state, we believe that State Government has a central role to play in advocating for national measures and reforms to facilitate access to affordable housing.

6.3. RCOA’s final research report will be published in the coming months. We would be happy to share the report with the Committee and provide any further information on our research as needed.