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20th September 2023

Submission regarding the National Housing and Homelessness Plan

Thank you for the opportunity to provide comment on the development of a National Housing and Homelessness Plan. This submission has been prepared by [Redacted]

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This submission includes responses to questions on the topics of Homelessness, Homelessness Services, Social housing, Housing costs associated with home ownership and the private rental market in Australia and the Impact of climate change and disasters on housing security, sustainability and health.

[Redacted] responses are informed by [Redacted]

We fully support the development of a National Housing and Homelessness Plan, however, are disappointed that over 20 years of housing research has largely been ignored in the preparation of the Issues Paper. Countless other consultations could have been used to speed up the process as time is of the essence.

Kind regards,

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3.1 Homelessness

Q2: What short, medium, and long-term actions can governments take to help prevent homelessness or to support people who may be at risk of becoming homeless?

There is an urgent need for government to deliver greater investment in homelessness support services and an expansion of funding to support Housing First initiatives.

Households enduring sustained housing stress from one year to the next can intensify the likelihood of homelessness (Flatau et al. 2022). The severe tightening of the private rental market outlined has impacted affordability, contributing to a sharp rise in housing stress and increased tenure insecurity. Given the correlation between housing stress and homelessness, the level of housing stress across Australia needs to decrease.

A 2020 [housing affordability study](#) provided insight into the severity of the growing affordability crisis, particularly for renters. For instance, homelessness support services reported rising accounts of households reverting to house sharing with strangers, staying with friends or family and sleeping in cars, as rising rents, constrained availability, and reduced social supports (relative to housing expenditure) severely limit access to affordable and appropriate accommodation. Among those seeking help, homelessness support organisations have observed a rising trend of people experiencing their first episode of homelessness as well as people experiencing their first engagement with social welfare and supports. A rise in people with high and complex needs was also observed.

A national housing plan must consider the specific needs of this generation including the ability to age in place or community or being able to reside in an affordable private rental sector. Older people, aged 55 years and over, are increasingly at risk of homelessness or exposed to the risks associated with living in marginal housing. Their incomes are not keeping pace with the increases in housing costs resulting in tenants going without essentials, negative impacts on health (physical or psychological) and wellbeing and premature entry into the national aged care system.

Further detail can be found in the following publications: [Ageing in a housing crisis: growing numbers of older Australians are facing a bleak future \(theconversation.com\)](#) and [ageing in a housing crisis - full report.pdf \(oldertenants.org.au\)](#)

Q3: How can the homelessness system more effectively respond to those at risk of, or already experiencing homelessness?

This response addresses questions 3a & 3b:

Q3a: How can the homelessness system ensure those at risk of homelessness or in crisis receive appropriate support to avoid homelessness or so they are less likely to fall back into homelessness?
AND

Q3b: What actions can governments take to facilitate early intervention and preventative responses?

This response is adapted from research that informed the Housing First Development Collection: <https://housingfirstdevelopmentcollection.com.au/housing-first-models/>

Housing policy represents significant opportunities to reduce homelessness, and improve the housing and life outcomes of people who are homeless, or at risk of homelessness. There is a recognised need to reform the approach to homelessness intervention in Australia. As Spinney et al. (2020, p.4) note, the effectiveness of the current homelessness service system 'is constrained for

different population groups who experience a range of other social, economic, health and justice issues. As such, homelessness requires a more integrated cross-sectorial response, involving mainstream systems and specialist services.’

To effectively implement a successful homelessness service system, research points to the need for government to:

1. incorporate a Housing First response for people experiencing homelessness so that they can move as quickly as possible into needs and age appropriate long-term housing options
2. increase focus on prevention and early intervention rather than a largely crisis response
3. ensure every person is quickly provided with appropriate assistance via a ‘duty to assist’ protocol
4. actively involve existing homelessness services in reshaping the sector to deliver agreed outcomes for, and on behalf of, governments
5. develop long-term plans for an adequate supply of social and affordable housing.
6. deliver greater investment in homelessness support services and an expansion of funding to support Housing First initiatives.

There is a wealth of evidence supporting the adoption of a Housing First approach as a critical component to ending homelessness:

- [Ending homelessness in Australia: A redesigned homelessness service system | AHURI](#)
- [COVID-19 demonstrates why Australia needs a housing first approach to homelessness | UNSW Sydney](#)
- [The role of housing policy in perpetuating conditional forms of homelessness support in the era of housing first: Evidence from Australia | Housing Studies](#)
- [Policies and programmes to end homelessness in Australia: Learning from international practice | International Journal of Social Welfare](#)

To date, homelessness services in Australia have typically operated according to the principle of a “[linear continuum of care](#)” predicated on an individual’s behaviour change and commitment to treatment before progressing to an idealised endpoint of independent living in permanent housing.

The “Treatment First” response to homelessness typically requires individuals to commit to and progress through preparatory programs before qualifying for permanent housing placement. Services along the continuum are delivered in mandatory, supervised settings where clients are required to adhere to strict rules and demonstrate progress before qualifying as “housing ready” because they had been “trained” to live independently.

Under the ‘treatment first’ approach, studies have shown that approximately 30 to 40% of individuals succeed at exiting homelessness (Clark et al. 2020; Flatau et al. 2020; Gulcur et al. 2003; Vallesi 2018). Some of the key issues of the traditional ‘treatment first’ approach include:

- People who have experienced chronic homelessness frequently become ‘stuck’, unable to complete the steps that they were expected to follow to be rehoused
- Ethical concerns of some ‘treatment first’ responses have been identified – particularly a tendency to view homelessness as the result of someone’s character flaws – with participants being blamed for causing their own homelessness

- The ‘treatment first’ response can involve staying in harsh environments for people who have experienced chronic homelessness (e.g., crisis and transitional group homes).
- Despite the relatively high costs, the effectiveness of the treatment first model have been limited, with large a proportion of participants reverting to homelessness before receiving long-term housing solutions.

In light of the limitations of the traditional treatment first approach, many jurisdictions around the world have begun implementing the Housing First model¹, whereby housing is the first response for people experiencing, or at risk of homelessness.

Housing First is rooted in the philosophy that all people deserve housing, and that adequate housing is a precondition for recovery. Housing First can be understood as the process of getting people into permanent supportive housing without preconditions and barriers to entry. It is a recovery-oriented approach to ending homelessness, whereby independent and permanent housing is immediately provided to people experiencing homelessness offering person-centric wrap-around supports and services for as long as required.

In contrast to the treatment first model, Housing First sees everyone as “housing ready” and aims to prevent rough sleeping while diverting people away from temporary forms of homeless accommodation. Importantly, engagement with support services is not a requirement to maintain accommodation. Rather, a person-centred approach assists people in sustaining their housing as they work towards recovery at their own pace. This support can include physical and mental health, education, employment, substance abuse and community connections, and is provided with a focus on improving health, wellbeing, housing stability and social support networks.

There is an overwhelming international evidence base showing that, with close fidelity to the Housing First principles, rapid re-housing with ongoing wrap-around support can effectively reduce homelessness, improve health and wellbeing outcomes, while requiring less government expenditure compared to the traditional staircase model.

Key outcomes derived from the evidence base include the following:

- high housing sustainment rates of 80-90 per cent can be achieved and maintained over long periods. Sustained tenancies mean less repeat homelessness which can profoundly improve an individual’s wellbeing, self-esteem, quality of life, and sense of belonging.
- Improved health outcomes, including reduced hospital and emergency services utilisation as well as HF-participants building and maintaining meaningful relationships, and developing a stronger sense of self.
- Cost benefits: Evidence from Housing First programs in Australia, North America, the EU and UK have demonstrated that the cost of providing Housing First can be reduced by up to 50% per year came compared to the traditional treatment first model (which typically requires much more emergency, inpatient, crisis services and temporary shelter).

¹ Homelessness Australia (2020) Housing First Principles for Australia, accessed from <https://www.homelessnessaustralia.org.au/campaigns/housing-first-australia>.

Given such outcomes, Housing First has become [regarded](#) as one of the most important innovations in homelessness service design to date. It has been recognised as a proven method of ending all types of homelessness. And many [governments](#) around the world have embraced Housing First as an effective, affordable and evidence-based solution to ending homelessness, and have incorporated the model into their national homelessness strategies. As a result, countries such as Finland and Norway have dramatically reduced the number of homelessness in their jurisdictions.

Q5: Is the Canadian National Occupancy Standard measure of overcrowding, and the way it is applied in Australia to define homelessness, suitable for the Australian context?

Please see: <https://www.ahuri.edu.au/research/final-reports/382>

Q1: What are the main challenges in addressing chronic and repeat homelessness?

Access to housing: Immediate access to housing coupled with person centred and ongoing wrap-around support can effectively reduce homelessness while improving health, psychosocial and wellbeing outcomes. As noted above, the evidence base has demonstrated how the ‘treatment first’ approach to homelessness has been largely ineffective for different population groups who experience a range of other social, economic, health and justice issues.

Funding timeframes: Organisations delivering services to people experiencing homelessness need to be supported through appropriate funding timeframes that enable them to continue to work with clients until such time as the clients no longer need support.

Funding guidelines: specialist homelessness service (SHS) providers know and understand what is needed to break the cycles of homelessness. The staff have the skills to provide supportive tenancy management to assist tenants to maintain their tenancies. These skills and roles need to be reflected in funding guidelines.

Continued investment in social housing: Organisations are unable to break the cycle of homelessness unless they are able to house a client. Investment in the public and community housing sector is therefore required.

Q2: What housing or dwelling models may need to be considered to provide appropriate options for people experiencing chronic and repeat homelessness?

It is important to emphasise that there is no “one size fits all” approach to the provision of housing for people experiencing chronic and repeat homelessness. Local contexts and cultures must be closely considered when developing place-based response to homelessness.

Housing First housing models and projects are typically differentiated by the clustering (Congregate) or separation (scatter-site) of dwellings.

Congregate Housing First models refer to the provision of permanent, low-barrier supportive housing for people exiting homelessness within a single, often high-density building. These models tend to offer clients a range of support and community services either on-site or within close proximity to the residence. This approach to Housing First can offer a sense of community and belonging while also reducing transit time for support providers. There are some [debates](#) regarding

the use of a congregate model, which bring into focus the extent to which social integration is possible when Housing First clients live collectively within a single building.

Conversely, **scatter-site housing models**, offer clients a choice of housing types dispersed throughout the community. The approach has been used widely across various [international contexts](#), and typically utilises existing social or private market rental units often combined with a rental subsidy support scheme. This approach is tied to [evidence](#) demonstrating that many people exiting homelessness aspire to live in lower-density housing in a neighbourhood that meets their needs while fostering community integration.

Existing housing stock: Many Housing First programs may rely on the supply and availability of existing social housing stock to place clients. This can involve the organisation/s partnering with state and community housings providers, bringing them on board with the Housing First principles to ensure that traditional barriers such as eligibility criteria do not prevent clients from accessing housing.

Other programs may involve acquiring housing through the private rental market. One benefit of this approach is that it can give clients more choice regarding dwelling type and location. Moreover, living in integrated community settings can be a less stigmatising option when compared to congregate housing models. From a financial perspective, there can be an economic benefit to having the capital costs of housing absorbed by the private sector as opposed to securing funding to deliver new dwellings. Additional forms of existing accommodation are also used to support Housing First programs. This can include aged-care housing or Specialist Disability Accommodation, for example.

Purpose-built: Housing First programs may also be delivered into purpose-built housing. These range from single detached dwellings to medium and high density multi-unit buildings. Using innovative and environmentally design approaches, they provide high quality places to live. In some cases, the dwellings are designed for mixed-tenure residents. This approach typically offers a more integrated model of housing and support for Housing First clients, whereby the property, tenancy and clinical services are provided by the same organisation/s. Purpose-built permanent supportive housing is often owned and operated by not-for-profit organisations and can require substantial financial support to fund construction and land acquisition.

In practice, no two Housing First projects are identical. Correspondingly, the success of many Housing First projects is a result of adapting and responding to local conditions while maintaining fidelity and the core Housing First principles. Further details, including a 16 case studies of international and national Housing First housing models can be found at the following website:

<https://housingfirstdevelopmentcollection.com.au/housing-first-models/>

Q3: What are the medium and longer-term steps that can be taken to ensure we have a more consistent and coordinated service system to support people who are experiencing or at risk of homelessness?

This response is adapted from recent research: [Investigative panel into building and retaining an effective homelessness sector workforce | AHURI](#). The research adopted an organisational psychology perspective to explore strategies to deliver a better developed and supported specialist homelessness services (SHS) sector workforce (James, Dunlop et al., 2023). The key findings pointed to ways in which policy could be shaped to further support those organisations that support and prevent homelessness.

1. The funding model heavily influences specialist homelessness sector workforce operations including their ability to attract and retain competent staff and to cooperate with other local organisations that would enhance the services they can provide.
2. The National Housing and Homelessness Agreement (NHHA) strongly influences how the workforce operates, and reforms to this agreement should be seen as an opportunity to demonstrably enhance the capacity of the SHS workforce. Including:
 - Increased Commonwealth funding based on recent data and the growth in demand
 - Reform of the delivery framework through which the funds are delivered by the states and territories, a shift away from a competitive funding model, recognition of the complexity of work being undertaken and place-based price differences associated with delivering homelessness services, and an extension of funding cycles and lead times between contract renewals or new funding commitments and commencement of programs
3. Greater investment and deliver of social and affordable housing is required for SHS staff to be able to house and support client, as well as intermediate forms of affordable housing for SHS sector workers themselves. This investment is particularly important in terms of motivation and retention of current and future employees within the sector.

Q7: What strategies can be used to build awareness of available services and supports for people who are at risk of homelessness or experiencing homelessness?

“In Fiedler and Faulkner’s work for the Ageing on the Edge project (see for example Fiedler and Faulkner’s 2019 research into older private renters in Western Australia), two key findings emerged:

- A lack of understanding about available alternative community or other housing options.
- The perception that finding alternative housing was ‘achieved through a person’s individual will, adaptability, creativity, skill or even luck’ (Fiedler and Faulkner 2019: 32.).

These elements are what Stone, Rowley et al. (2020: 30) refer to as housing literacy, that is, an understanding of the housing system that can be used ‘to access necessary information’ and ‘effectively assess options and planning for housing futures’” (James, Crowe et al, 2022:11)

There is an opportunity to deliver a widely accessible, linguistically diverse, central information system and point of contact where people can access information about their housing options. This platform should function as a starting point from which participants are directed outwards to localised and individualised services. Such a service would benefit from reciprocal links and support connections with other agencies while providing the overall support people need to ensure positive housing and wellbeing outcomes. Effective referral pathways would support all Australians in negotiating the complexities of the housing market and associated financial, legal and other support structures

This response is adapted from recent research:

- [Inquiry into housing policies and practices for precariously housed older Australians \(ahuri.edu.au\)](https://www.ahuri.edu.au/research-and-publications/inquiry-into-housing-policies-and-practices-for-precariously-housed-older-australians)
- [Housing aspirations of precariously housed older Australians | AHURI](https://www.ahuri.edu.au/research-and-publications/housing-aspirations-of-precariously-housed-older-australians)
- [Older Australians and the housing aspirations gap | AHURI](https://www.ahuri.edu.au/research-and-publications/older-australians-and-the-housing-aspirations-gap)

3.4 Social Housing

Q1: How can governments encourage delivery and availability of affordable housing in the short, medium and long-term? How can governments partner with institutional investors to support more housing development (particularly affordable housing)?

Please see <https://www.ahuri.edu.au/research/final-reports/388>

Q2: How can governments work with institutional investors to support more housing development (particularly affordable housing)?

Please see <https://www.ahuri.edu.au/research/final-reports/388>

3.5 Housing costs, home ownership and the private rental market in Australia

Q1: What should the most important (long-term) and/or immediate (short-term) housing market policy focus be, across all levels of government, over the next 10 years?

- Support households to maintain home ownership or tenancies where they have already been established to reduce the number of people at risk of or falling into homelessness.
- Deliver a supply of low-cost rental housing for those that struggle to meet the full cost of market housing through a replacement for the National Rental Affordability Scheme (NRAS) which delivered subsidised rents in return for tax incentives for the landlord (Rowley et al., 2016).
- Attach tax incentives to long-term leases with discounted rents, an approach that would benefit both landlords and tenants. For example, stamp duty exemptions could be offered for investors prepared to offer a long-term lease at below market rents for a tenant on an eligible income. Alternatively, reform of negative gearing or capital gains. Public perceptions of quality and affordability tax policies could include eligibility for such incentives only if the landlord delivered long, below market rent tenancies. (Rowley and James, 2018:34)

Please see: <https://www.ahuri.edu.au/research/final-reports/384>

Please see: <https://bcec.edu.au/publications/housing-affordability-in-western-australia-2023-building-for-the-future/>

Q4: How can the use and release of land encourage residential growth in well located areas (i.e. close to infrastructure, jobs and services, and resilient to natural hazards) in the short, medium and long-term?

Please see:

<https://www.ahuri.edu.au/research/final-reports/349>

<https://www.ahuri.edu.au/research/final-reports/281>

<https://www.ahuri.edu.au/research/final-reports/334>

Q7: How can flexibility, accessibility (particularly in the physical environment), affordability and security be improved in the rental private market, particularly for low-income earners?

It is well documented that Australian tenants have fewer rights than renters in almost every other OECD country (OECD 2023).

The private rental sector (PRS) has experienced substantial change in recent decades. With over 2.5 million households nationally, the sector constitutes the second largest within the housing system, growing by 38 per cent between 2006 and 2016 — more than twice the rate of all household growth (ABS 2022).

The PRS constitutes an increasingly diverse population, with a greater range of income groups, more households with children, and a rising proportion of older people. This means a larger, more economically diverse cohort are competing for a limited supply of housing in the rental market. Some of the most vulnerable renters include, First Nations people, LGBTQIA+ households, older women,

one parent households, culturally and linguistically diverse people, and people with a disability or long-term health condition (James, Rowley et al., 2019; Productivity Commission 2019).

The proportion of Australians seeking long-term tenure in the sector is also on the rise. At least one in three private renter households are long-term renters (10+ years). Some recognised factors attributed to this trend include a growing proportion of households unable to access home ownership or social rental housing (Morris, Hulse, et al. 2021). This increase of long-term renters is out of step with Australia's ideological underpinnings of the PRS as a residual and transitory form of housing tenure (Hulse, Parkinson et al., 2018; Pawson, Milligan, et al. 2020; Morris, Hulse et al. 2021).

[Martin, Hulse et al. \(2022\)](#) note, 'It is almost 50 years since the basic model of Australia's current residential tenancies law was first outlined in reports of the Commonwealth Inquiry into Poverty (1975). Since then, the law has developed without national co-ordination and numerous differences have opened up between jurisdictions.'

"As the housing market has tightened in terms of cost and availability, however, there is a clear mismatch between what older people desire and what is possible for them to access and sustain." (Faulker, Sharam et al. 2023: 2). Older Australian's have a preference for detached housing with two or three bedrooms and seek the security and independence afforded by home ownership (James, Rowley et al. 2019). Older people in homes that do not meet their aspirations are largely in the private rental market, a group of people which is growing. The significance of not providing homes that meet the needs of older people, including the appropriateness and affordability of housing leads to:

- tenants going without (for example food, heating, cooling, insurances, medications)
- impacts on older person's level of health (physical or psychological) and wellbeing
- premature entry into the national aged care system as the homes may not be suitable in which to receive aged care services (Faulker, Sharam et al. 2023: 10)

Older Australians on lower incomes are open to alternative housing options (James, Rowley et al. 2019). "Seven alternative housing models were presented to a representative sample of older people nationally. These composite models were developed in an earlier Inquiry project (Tuahy, Coram et al. 2022), from a review of national and international literature and experience. From the seven alternative housing models presented, three were substantially preferred by lower income housed older Australians:

- a shared equity home ownership model
- a cooperative housing model, and
- a transportable home model.

All three alternative housing models met the short and long-term housing needs of the respondents. The models would also deliver benefits in terms of people's non-shelter aspirations for home including independence, privacy, security of tenure, ability to have companion animals, and room for friends, family or a carer to stay. However, none of the three neatly matched the ideal housing attributes articulated by the survey respondents—a detached dwelling that they own with two or three bedrooms" (James, Crowe et al 2022: 2) – however they do offer the safety and security that is afforded by home ownership.

This response is adapted from recent research:

- [Inquiry into housing policies and practices for precariously housed older Australians \(ahuri.edu.au\)](https://www.ahuri.edu.au/research-and-publications/inquiry-into-housing-policies-and-practices-for-precariously-housed-older-australians)
- [Alternative housing models for precariously housed older Australians | AHURI](https://www.ahuri.edu.au/research-and-publications/alternative-housing-models-for-precariously-housed-older-australians)
- [Housing aspirations of precariously housed older Australians | AHURI](https://www.ahuri.edu.au/research-and-publications/housing-aspirations-of-precariously-housed-older-australians)
- [Older Australians and the housing aspirations gap | AHURI](https://www.ahuri.edu.au/research-and-publications/older-australians-and-the-housing-aspirations-gap)
- [Long-term private rental in a changing Australian private rental sector | AHURI](https://www.ahuri.edu.au/research-and-publications/long-term-private-rental-in-a-changing-australian-private-rental-sector)
- [Understanding discrimination effects in private rental housing | AHURI](https://www.ahuri.edu.au/research-and-publications/understanding-discrimination-effects-in-private-rental-housing)

Access to a supply of subsidised affordable housing may be possible through further development of the build to rent model. “The government needs to work with the private and not for profit sector to overcome the barriers, mainly financial, to enable large-scale delivery of this product” (Rowley, James, 2018: 36)

Commonwealth rent assistance (CRA) is the only direct financial support for low income Australian’s in the private rental sector. Low income Australian’s, particularly those in fixed income such as the Age Pension, regard this support as being extremely important to assist in managing their housing affordability (Rowley and James, 2018). CRA has not kept pace with increases in the private rental market. To effectively deliver security and affordability, a support such as CRA needs to match the market in which it is being used (Hodgson et al, 2018; Ong, Pawson et al. 2020).

See for example:

- [BCEC-Housing-Security-for-WAs-Older-Renters-Report final web.pdf](#)
- [BCEC-Private-Rental-Sector-in-Australia-Report final web.pdf](#)
- [Demand-side assistance in Australia’s rental housing market: exploring reform options](#)

In terms of improving comfortability and affordability for tenants, there is a need to ensure all states and territories raise the minimum standards within privately rented dwellings. As noted in a 2018 AHURI briefing, “Across Australia, laws relating to minimum standards for private rental properties vary, with different state and territory Rental Tenancy Acts often outlining a paucity of information as to what a rental property should contain or provide for tenants.” Research has also shown rental housing is the worst performing housing stock in terms of environmental and efficiency standards ([Rowley and James 2018](#); [National Shelter 2017](#); [Daniel, Baker, et al. 2019](#)).

In addition to physical and mental health related issues, renters living in substandard housing face unique financial burden such as being subject to excessive energy bills and bearing the costs to make improvements to make their homes liveable (Barrett et al. 2023, p.13). A 2016 [rental health survey](#) found:

- 61% of people said that their rental property was not cool in summer and warm in winter
- Only 6% of rentals have solar hot water and 4% have solar panels
- Only 8% have energy efficient appliances, almost 70% do not have insulation; and 35% have windows that don’t have fly screens

The 2018 AHURI brief notes that ‘without legislation driving rental housing improvements, Australian landlords haven’t been inclined to pay for improvements such as insulating their rental properties. This is due to the ‘split incentive’ problem, where tenants are responsible for paying ongoing high energy bills but landlords are responsible for paying for efficient fixed heating units and insulation. Landlords don’t see themselves getting an immediate economic benefit for their capital outlay, whereas tenants receive reduced heating bills and warmer living spaces in winter (and cooler in summer). Of course, landlords get a benefit in a competitive rental market where tenants will be more likely to select an insulated property, however in a tight rental market landlords are able to charge high rents regardless of whether their property is insulated or not.’

AHURI research has also identified another problem with non-mandatory rental housing upgrades: when housing is upgraded landlords are likely to put up the rent, which means lower income tenant households are less likely to find housing they can afford to both rent and heat (or cool). If all rental properties have a mandated level of insulation and heating as standard then houses with those characteristics are no longer able to command a market premium in rent. Importantly, a 2022 peer review study showed improvements to Australian residential tenancy law has little-to-no impact on investment in private rental housing ([Martin, Hulse et al. 2022](#)).

To effectively ensure comfortability and affordability, raising the minimum standards of privately rented dwellings and mandatory disclosure of dwelling energy performance are required all states and territories. The findings of a [recent AHURI study](#) on policy solutions for low-income renters identified the need to:

- Develop a consensus on what constitutes ‘safe’ housing—and tenants’ rights to it—among key government players, non-government stakeholders and housing providers.
- Set minimum standards for the energy performance of rental properties as a critical starting point in the process of reform.
- Mandate acceptable levels of thermal performance across the nation’s rental housing stock.
- Mandating the disclosure of the thermal performance of rental properties prior to letting. This would provide potential tenants with information on their likely energy costs and/or impacts on comfort.
- Develop and provide a platform that assist the disclosure of thermal performance.

See the following resources for further evidence:

[The environmental sustainability of Australia’s private rental housing stock | AHURI](#)

[Regulation of residential tenancies and impacts on investment | AHURI](#)

[Cold housing: evidence, risk, and vulnerability | Housing Studies](#)

[Cold and costly: Renter Researchers’ Experiences of Winter 2022 | Better Renting](#)

[Warm, cool and energy-affordable housing policy solutions for low-income renters | AHURI](#)

[Sweaty and Stressed: Renting in an Australian Summer | Better Renting](#)

Q8: Are further wrap-around supports required to support vulnerable Australians in the private rental market to maintain their tenancies? Are there any examples of effective models that could be scaled up?

Around 2015, the WA State Government ran a pilot program where the state housing authority created a headlease arrangement with landlords in the private rental market to be able to deliver homes at an affordable rate. Landlords benefited from long term tenants (5 years). Tenants benefited from supportive managers who ensured that rents were paid to the landlords on time and assisted the tenant to maintain their tenancy and provided guidance on maintaining the property. A fund was set up to ensure that excessive wear and tear on the home could be made good. This program should be re-visited and its capacity to scaled up to utilise vacant dwellings should be considered.

3.7 THE IMPACT OF CLIMATE CHANGE AND DISASTERS ON HOUSING SECURITY, SUSTAINABILITY AND HEALTH

Q3. How can governments better encourage the uptake of energy efficient housing modifications and design?

Improving the energy efficiency of buildings and using low-carbon building materials and methods is squarely in the sights of governments, industries and communities around the world committed to their respective climate goals as per the 2015 Paris Climate Agreement. Yet in terms of making progress in this area, Australia has much ground to cover. Residential buildings currently generate around 13 per cent of Australia’s greenhouse gas emissions and as the population grows to an estimated 31 million people by 2030, emissions from homes will continue to rise unless collective action is taken (ABSEC 2019).

While there is a clear environmental imperative for more sustainable building practices, other positive benefits have been identified regarding the transition towards building more sustainable homes. For instance, there is a relatively untapped market for sustainable homes and an economic opportunity for the construction industry. A 2019 report published by the [Australian Sustainable Built Environment Council](#) (ASBEC) showed that investing in measures to accelerate Australia’s transition to sustainable homes by 2030 would:

- Delivery more than half a billion dollars of extra investment in the construction industry
- Create over 7,000 new jobs
- Save Australian household’s more than \$600 million on their energy bills (ABSEC 2019)

There is a wealth of research showing that Australian households want a home that is affordable, comfortable, of good quality and energy efficient — all things that a sustainable home can deliver ([Rowley and James](#) 2018; [National Shelter](#) 2017; [Daniel, Baker, et al.](#) 2019). In addition to improved comfortability, affordability and decreased carbon emissions, there is also an often-underplayed economic proposition to this. Meeting these aspirations can lead to demonstrated increases in property value ([ABSEC](#) 2019, 5) as homes with solar panels, high environmental ratings, Passiv design features, can deliver a premium price compared to market averages. For instance, a [2022 report found](#) the median price of sustainable homes comes with an attached price premium ranging between 12.7 and 17.1 per cent, with houses having a higher percentage price premium than their energy-efficient unit counterparts (Powell 2022).

Moreover, the report documented a rising demand across the private property market for increased sustainability features in residential homes:

- The proportion of homes for sale that contained energy-efficient keywords within the listing rose from 49.7% in 2019 to 54.4% in 2022.
- In 2022, more than half of all for sale listings in all states and territories contained energy-efficient keywords, apart from NSW at 49.1%. Leading the way were SA, the ACT and the NT, with around 70% of sale listings.
- Homes with energy-efficient features also have greater buyer interest and sell quicker.

Moreover, in the ACT, where mandatory disclosure of thermal performance is required, a market-wide [case study](#) confirms a higher energy-efficiency rating (EER) commands a greater price per square metre for houses. The study showed that higher the EER the greater the jump in price. This was consistent in all areas of the ACT. In 2022, the price per square metre for an ACT house with an EER of excellent was 99.3% more compared to one with a poor EER. The more sustainable a home, the higher the price premium, as the leap becomes larger as the EER climbs.

The 2022 amendments to the National Construction Code, including the increase of minimum building standards from a 6 to 7.5* NatHERS rating represent progress in raising the energy performance of housing. Nonetheless, further action is required to effectively steward the development of sustainable housing market, particularly given that under the current regulation:

1. Adherence to the NCC is voluntary
2. NatHERS does not measure building performance or embodied carbon
3. Disclosure of energy rating to buyers or renters is voluntary.

The following policy measures would go a long way to fostering a more sustainable housing system:

- Develop a consensus on what constitutes 'safe' housing—and tenants' rights to it—among key government players, non-government stakeholders and housing providers.
- Set minimum standards for the energy performance of rental properties as a critical starting point in the process of reform.
- Mandate acceptable levels of thermal performance across the nation's rental housing stock.
- Mandating the disclosure of the thermal performance of rental properties prior to letting. This would provide potential tenants with information on their likely energy costs and/or impacts on comfort.

Develop and provide a platform that assist the disclosure of thermal performance.

Additionally, given the range of varying energy performance rating tools available, there is a need for an overarching energy rating system for all residential dwellings that measures performance and embodied carbon (unlike NatHERS which only applies to the design phase of development). A prime example of this is the EU's Energy Performance Certificate which applies to all buildings. Further details about this rating system can be found through the [European Commission](#), however, a brief description is provided below:

- Energy performance certificates provide information to consumers on buildings they plan to purchase or rent. They include an energy performance rating and recommendations for cost-effective improvements.
- Certificates must be included in all advertisements in commercial media when a building is put up for sale or rent. They must also be shown to prospective tenants or buyers when a building is being constructed, sold, or rented. After a deal has been concluded, they are handed over to the buyer or new tenant.
- Energy Performance Certificates should also disclose cost-effective ways and, where appropriate, available financial instruments to improve the energy performance of the building to the owners or tenants of the buildings.
- A study on the impact of energy performance certificates (2014), based on an analysis of residential markets in Europe, found that higher energy savings resulted in substantially higher sale or rental prices on average.

Summary

██████████ fully supports the development of a National Housing Plan to ensure the delivery of safe, secure and affordable housing for all households across Australia.

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