

## Submission to the People's Commission into the Housing Crisis

Thank you for the opportunity to make this submission. FECCA is pleased to submit **People's Commission into Australia's Housing Crisis** for consideration by the Commissioners.

This contribution speaks to following aspects the Commission's terms of reference:

- 1. The experiences of people struggling to access affordable and suitable housing in the context of your organisation's work.**

### **Unaffordability, Insecurity, and Unequal Access**

- Many renters find their housing unaffordable, of poor quality, and insecure, with leases that last for one year or even less.
- There are ongoing issues around rental availability, with low-income households finding it difficult to compete with higher-income households in the private rental market.
- This has led to an increased need for social housing for which the demand far exceeds availability.
- People from culturally and linguistically diverse backgrounds face additional barriers to affordable, secure, and appropriate housing, particularly newly arrived migrants and people on temporary visas including international students.
- These barriers include, but are not limited to, discrimination, limited English language skills, limited social support and networks, transport barriers, lower income levels and reliance on Centrelink incomes, lack of understanding of the rental process and knowledge of how to successfully be navigating the system, and lack of local rental history.
- Addressing these barriers is crucial to ensuring equitable access to housing for people from diverse backgrounds.

### **Long wait times, overcrowding, and homelessness**

- Data from 2016 showed that 116,000 people in Australia experienced homelessness, and 15% of people born overseas or who had arrived in Australia within the previous five years were estimated to be homeless. Around three-quarters (74%) of those born overseas/arrived in Australia within five years lived in severely crowded dwellings and 13% lived in boarding houses.
- FECCA members report people in their communities' experience long waiting periods to secure housing and have shared that for every successful rental application, there can be a staggering 100 applicants, particularly in regional and remote areas.
- They also face additional obstacles to accessing emergency accommodation and accessing support and assistance.
- This has forced many into unsatisfactory and even unsafe housing conditions, such as staying long-term with families and friends in overcrowded conditions.
- Throughout our consultations, FECCA has also observed a rise in homelessness disproportionately affecting older women from multicultural backgrounds. Their

vulnerability is due to several factors including uncertain visa status, financial insecurity for retirement, limited or lack of social welfare support and limited networks.

- Additionally, financial insecurity often forces women to rely on family or friends for accommodation, potentially leading to overcrowded conditions. Family breakdown can leave many women at risk of homelessness.
- The rising cost of living has worsened the situation.

### **Disproportionate impact of housing insecurity**

- Older people from multicultural backgrounds face a disproportionate risk of housing insecurity compared to the broader Australian population. Women are particularly affected, experiencing higher rates of insecure and unsuitable housing, as well as a greater risk of homelessness. This vulnerability is further amplified for single mothers, newly arrived migrant women, women experiencing family or sexual violence, and international students.
- The cost of living crisis exacerbates the issue, since the COVID-19 pandemic and rising cost of living, FECCA has observed an increase in women trapped in abusive relationships due to an inability to afford independent housing.
- During consultations, women shared experiences of financial constraints forcing them to remain in unsafe living situations after divorce, stating:

*'We are divorced but because I can't afford to move out, I have to stay here. It's not an ideal situation'.*

Community member

- This quote exemplifies the harsh reality of housing insecurity for women.
- There are several contributing factors to the increased housing insecurity for older people from multicultural backgrounds, particularly women and these include lower superannuation balances compared to the Australian average at retirement. With low savings, older women from multicultural communities are left without a financial safety net to navigate economic shocks such as the escalating cost of living crisis.
- For women grappling with strained family relationships, the challenges are compounded, as they lack crucial support systems to cope with the pressures of rising living costs and housing instability.
- Moreover, homelessness remains a significant concern for young people, who constitute a disproportionate share of the homeless population. Among those aged 12 to 24, individuals from culturally and linguistically diverse backgrounds represent 25 percent, with nearly a quarter of all homeless individuals falling within this age range.
- LGBTQIA+ people also face heightened risks of homelessness, as evidenced by a 2020 survey revealing a significant portion residing in private rentals, often reliant on government pensions for income.
- Similarly, people with disabilities, particularly refugees and asylum seekers, struggle to find affordable and suitable housing, despite their heightened vulnerability due to experiences of conflict and displacement.

- The economic circumstances for people with disability are different to that of the general population.
- Fifty-six per cent of people with disability in Australia report their main source of income as coming from income support payments such as the Disability Support Pension (DSP).
- Many people with disability receive funding from the NDIS, however the NDIS does not fund day-to-day living costs that are not caused by or result from a person's disability support needs. This means that NDIS does not assist with rent or mortgage payments, groceries, utilities, or other increased costs associated with the cost of living crisis.
- There are also unique and additional challenges with housing, with those who reside in social or public housing being more likely to live below the poverty line.
- Compounding these challenges, many people with disabilities from multicultural backgrounds face barriers to accessing NDIS due to citizenship requirements.

### Discrimination

- During our consultations, discrimination emerged as a prominent issue, with members highlighting industry biases, such as misconceptions about the rental suitability of migrants, leading to unfair treatment compared to other applicants.
- These barriers include, but are not limited to, limited English language skills, limited social support and networks, lack of rental history, lower income levels and reliance on Centrelink incomes, lack of understanding of the rental process, and knowledge of how to successfully navigate the system.
- Community members shared their experiences, with one Sudanese man expressing frustration:

*'They are available for renting but this town is having the first migrant experience and they don't want to rent to new arrivals. You go to the real estate agent and say look I am very interested in putting an application for this house. And in couple of hours they will call and say it is gone that someone else came. And in a week we still see that the place is available.'*

- Additionally, community members consistently raise concerns about industry misconceptions regarding their ability to be reliable tenants. They feel they are unfairly evaluated compared to other applicants. This perception is concerning, and research suggests it may be rooted in racial bias.
- For example, a Western Sydney University experiment provides compelling evidence. Researchers submitted identical rental applications from individuals with Anglo-Australian backgrounds and those with Middle Eastern backgrounds. The results were stark. Applicants with Anglo-Australian backgrounds were significantly more likely to receive appointment offers.
- These findings resonate with the experiences of many. As one Congolese man shared:

*'Every time we were putting an application for the house that we can afford the rent for, we keep receiving a rejection letter saying that the house was not available anymore. And after two weeks if you look on the internet the*

*house is still on the market available for renting. So the question is what kind of people are they looking for? They say no because you are not working, you are new to Australia, they are asking for references. I am not working but I am always paying my rent on time with the money that I get from Centrelink.'*

- In a highly competitive rental market, property owners and real estate agents can have a significant impact on people from multicultural backgrounds by either consciously or subconsciously imposing their personal preferences and biases on the rental selection process by, for example overlooking people with language barriers.
- These discriminatory practices can result in tenants from multicultural backgrounds having to accept unfavorable rental conditions including price, duration, and suitability of a rental property.
- This experience underscores the need to address racial bias within the housing sector and ensure a fair and equitable application process for everyone, regardless of ethnicity.

#### **Insecure work, low wages and rising rents traps many people from migrant background in housing crisis**

- The Australian dream of stability can quickly become a nightmare for many newly arrived migrants and refugees.
- Insecure employment and low wages create a significant barrier to secure housing, especially for newly arrived migrants including refugees and international students.
- Data from [Jobs and Skills Australia January report on employment for migrants](#) and the [Committee for Economic Development of Australia 2024 report](#) reveals a troubling trend-despite similar qualifications, sometimes similar work experience, many migrants face higher unemployment and lower wages compared to Australian born.
- This is particularly true for those from non-English speaking backgrounds, who are often trapped in low-paying, exploitative jobs in sectors like accommodation and retail.
- Low-income households, defined as the bottom [40% of income earners](#), are more likely to experience housing stress. This means spending more than 30% of their income on housing costs, leaving insufficient funds for other necessities. According to the ABS 2022 report, around 1 million low-income households were in financial housing stress in 2019-20, with private renters being disproportionately affected (58% facing stress compared to 37% of mortgaged homeowners).
- Multicultural communities face a particularly severe financial burden when it comes to housing. Many are concentrated in low-wage sectors, vulnerable to exploitation. Landlords are often hesitant to rent to lower-income earners, trapping them in a cycle of housing insecurity. This situation is further exacerbated by the competitive rental market, which pushes many migrants out and towards homelessness.
- The impact of this situation is real and deeply personal. As one community member shared:

*'At 77 years, I'm struggling to afford anything including paying rent. My savings are low, and there's been no salary increases and I don't earn that much. I have to*

work harder – even Saturdays and Sundays – just to get by. People's morale is low, I rely on my children for support.'

Community member

### Regional and remote

- Government visa settings and conditions for newly arrived migrants and refugees promoting regional settlement have led to insecure housing outcomes for many migrants. This has seen migrants resorting to accepting unsuitable housing for their needs.
- Regional settlement is supposed to offer more affordable housing and greater employment opportunities for migrants.
- However, this is not the case-through our members, FECCA has been informed of chronic housing shortages and inadequate or a complete lack of support service structures in some regional areas.
- The example below illustrates some of the challenges affecting newly arrived migrants in regional and remote:

*The housing shortage in Bendigo is dire with long queues for rental housing. In addition to these challenges, our communities often encounter stigmatisation in the rental market. For students on visas, the absence of rental history, temporary visa status, limited income, and having no local references pose significant obstacles to finding housing. Without concrete plans to address the region's housing demands, this situation will undoubtedly pose considerable challenges for the region's settlement journey for many migrants. Despite the Federal Government's encouragement of migrants to move to regional areas via the allocation of points to permanent residency applications, without adequate access to housing, many migrants will continue to choose to move to better serviced urban areas.*  
— Bendigo region

### Rental rights and obligations

- Lack of understanding of rental laws, rights, and responsibilities and inability to navigate the rental system in Australia are some of the core challenges confronting people from multicultural backgrounds in accessing housing. This can be due to a range of reasons including low levels of literacy and limited English proficiency, particularly in relation to rental contract language.
- This can leave people from culturally and linguistically diverse communities without the knowledge of how to find appropriate housing, and even at risk of exploitation.
- For example, FECCA has been informed that many community members are not aware of their rights and responsibilities and didn't know that once they move into a new house, they should check that everything is in good order and record any irregularities.
- Another community member noted that he was not informed by the real estate agent or the settlement service provider that he had the responsibility of mowing the grass around the house that he was renting:

*'[W]hen we came here we didn't know that we had to check if something was bad in the house. And then when the landlord came they said that we damaged the*

*carpet here and damaged that there. But that was the way we found it. The discussion had no solution. And they made a report about it and when we looked for another house we wouldn't get the house because of that report of previously damaging a house. We weren't given a chance to explain that we didn't damage the house and that they found it like that.'* Congolese women

## **2. Describe how current policy settings impact housing affordability and access to housing from your organisation's perspective.**

### **Unsuitable housing**

- The lack of suitable housing options creates significant challenges for many multicultural communities.
- People from multicultural backgrounds tend to have large families and multigenerational households, but current housing options don't cater to these needs.
- This problem extends to crisis accommodation as well, where there's a scarcity of suitable options for larger families.
- We advocate for policies that encourage the development of more inclusive housing options.
- Examples include incentives for constructing homes with separate living areas or granny flats, which would better accommodate cultural needs and family structures.

### **Competitive private rental market due to inadequate housing**

- The inadequacy of affordable housing pushes many people from multicultural backgrounds, particularly newly arrived migrants including international students who rely heavily on private rentals, into a competitive market with skyrocketing prices and limited availability.
- Uncapped rent increases combined with rising living costs and limited support services force many to accept sub-standard housing with high rents. This leaves little for basic necessities and has led to overcrowding.
- The current Australian housing policy fails to adequately address the specific needs of diverse communities.
- We urge policymakers to consider these nuances and include international students within the national housing strategy.

### **Low social housing stock**

- The decline in the social housing stock over the past two decades is yet another factor impacting housing affordability for vulnerable individuals and families, including many migrants and refugees.
- Since 1991, the social housing stock has shrunk from 6% to less than 4% in 2021-this is due to outstanding poor housing policies.
- Without access to social housing, many are forced to turn to unsuitable or unsafe private rentals, or even face the risk of homelessness.

### **Barriers to rental assistance and crisis accommodation**

- While government programs like Commonwealth Rental Assistance, housing crisis support programs can help alleviate housing stress for some-many migrants and

refugees are excluded due to visa restrictions, long waiting periods or lack of awareness of crisis support services.

- These programs often require citizenship or permanent residency, leaving many ineligible for support.
- This creates an additional challenge for those who are already struggling to find affordable and suitable housing.

#### **Lack of representation in housing policy and program frameworks**

- FECCA emphasizes the importance of including diverse voices and lived experiences in housing policy frameworks.
- The current lack of representation in decision making in housing policy frameworks leads to decisions that may not fully address the challenges people from multicultural backgrounds face.

### ***3. Describe what actions your organisation believes should be taken by governments to most improve affordability and access to housing***

- A critical step is to address the shortage of affordable housing, particularly dwellings suitable for larger families and multigenerational households. This could involve policies that encourage the development of homes with separate living areas or granny flats.
- The Government must ensure policy settings consider the unique needs of Australia's diverse population, with particular consideration to those most vulnerable to housing stress.
- The Government needs to invest more holistically in homeless prevention and provide targeted support to meet the diverse needs of people who are at risk of or have become homeless.
- The government needs to collaborate with multicultural sector organisations and real estate sector to address discriminatory practises in the rental market and to strengthen education on renters' rights and obligations.
- In collaboration with sector organisations, the Government must implement the housing and homelessness strategy to increasing social housing stock and affordable housing initiatives would provide a wider range of accessible options.
- The Government must consider reviewing the eligibility criteria for rental assistance programs and crisis support programs to ensure inclusive of migrants with various visa statuses who are in distress.
- The Government should incentivise the development of culturally appropriate housing options with features like multiple living areas to cater to multigenerational families.
- The Government must implement rental caps, as seen in some other states, to provide greater stability and affordability for renters from all backgrounds.
- Community organisations play a vital role in supporting migrants and refugees. FECCA urges increased government funding for these organisations, allowing them to expand their services and continue filling critical gaps in housing assistance as well as consultations with the as they better placed to ensure tailored needs of their communities.
- Ensure increased representation in decision making policy settings to ensure appropriate and responsive housing policies and programs.

- Ensure regional and remote policy settings provide settlement support services and are conducive.