

Lynn Race - Fwd: WSROC response to Social Issues Inquiry into Homelessness and Low-cost Rental Accommodation

From: Glenda Baker
To: Lynn Race
Date: 24/07/2009 9:48 AM
Subject: Fwd: WSROC response to Social Issues Inquiry into Homelessness and Low-cost Rental Accommodation

Hi Lynn

For your information and attention

Cheers
Glenda

>>> "Sharon Fingland" <sharon@wsroc.com.au> 23/07/09 14:06 >>>

Glenda

Please find attached the WSROC response to the Questions without Notice.

In response to a question raised by Dr John Kaye in respect of the impact of the Government's cap on S94 contributions please note the following information from Blacktown Council presented to the WSROC EMC Committee on 29/01/09:

The General Manager Mr Ron Moore indicated to the meeting that in Blacktown City Council's case, a Section 94 levy of \$53,000 per block would be required to fund the minimum level of supporting infrastructure required for the current Riverstone and Alex Avenue residential development. The impact of the proposed Section 94 levy cap in this single example is that for Council to fund the shortfall between the \$53,000 per block required and the proposed \$20,000 per block levy cap, the resulting funding shortfall of \$560 million would need to be raised by other means. Mr Moore advised the meeting that this meant, in this individual case, a rate increase of 104% for the specific area of the Blacktown LGA involved, or a rate increase of 64% across the entire Blacktown City Council rate base.

Please also find attached a copy of the research into urban renewal that was commissioned by WSROC for further information. There is also a considerable body of information on the ARC-funded project entitled Socially Sustainable Urban Renewal on www.fbe.unsw.edu.au

In regard to the location of caravan parks in the WSROC area the most comprehensive research that I am aware of was carried out for Fairfield Council in 2005 by Dr Judith Stubbs and is contained in her evidence to the Land and Environment Court on the social impact of the closure of the Lansdown Caravan park in Lansvale. Her evidence is on her website under Judith Stubbs and Associates via the page on environmental and social impacts assessments.

Please also note that the issue of the Catholic Weekly dated 22 July 2009 had an article by Dr Andy Marks entitled **Caravan park residents face threat of more closures**. It notes that in 2000 there were 164 long-stay caravan parks across NSW and now only 73 remain.

I trust this information will be of assistance to the committee.

Regards
Sharon

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INQUIRY INTO HOMELESSNESS AND LOW-COST RENTAL ACCOMMODATION

WSROC Response to Questions without notice

1. How do you define affordable housing and what are the eligibility criteria for affordable housing in the Western Sydney Region?

- a. Do you think they are appropriate**
- b. If not, why not? Suggest ways in which they could/should be adjusted to best meet the needs of people in your local government areas.**

WSROC defines 'affordable housing' as being when low to moderate income households spend no more than 30% of their gross household income on recurrent housing costs. 'Low income' refers to households in the bottom 40% of the income distribution and 'moderate income' refers to households with earnings between 60-80 % of the income distribution.

Sydney has a higher proportion of renters than the national average. Nowadays the majority of low-income renters pay more than the benchmark 30% of their income on rent and many pay more than 50%. A key issue for Western Sydney is the lack of adequate, affordable housing that provides reasonable access to work opportunities and community services at a cost that does not cause substantial hardship to the occupants.

In Greater Western Sydney (GWS) hidden inequalities in housing can stem from differences in the physical and social infrastructure provided in various parts of the region. The presence or absence of infrastructure provision, as well as limited employment opportunities, has been shown to directly affect the health and well-being of households.

Transport costs are the third largest items in low and moderate income household budgets after housing and food, consuming on average 14.8% of the proportion of household income in Sydney. Poor public transport provision, limited employment opportunities and scarce community services are all factors which erode the 'real' affordability of housing in GWS.

Localities situated in the middle and outer suburbs of Western Sydney are the most vulnerable to the socio-economic impact of oil price rises. In these areas people are already suffering from a combination of housing stress and transport stress – a situation that is likely to get worse. Many of these low income households will have little chance to rent or buy homes in locations near familiar social networks, employment or community amenities. Few of these households will find the housing forms currently offered by the industry suitable for their needs.

2. What role do you think local government should play in the provision of low-cost accommodation? What could the NSW Government do to assist local governments in working with providers and managers of low-cost rental accommodation?

The diversity of local government areas requires different responses and therefore one rule does not apply with no specifically defined role for Councils.

While Local Councils in NSW are obliged under the *NSW Environmental Planning and Assessment (EP&A) Act 1979* to 'encourage the provision and maintenance of affordable housing, narrow interpretations of the Act, and accompanying State Environmental Planning Policies (SEPPs), limit the capacity of local governments to implement mechanisms to retain and promote affordable housing.

Accordingly, changes are needed to the legislative and/or regulatory planning system to support the affordable housing objectives of the EP&A Act for local government. (See also response to 7. below).

- 3. What do you regard as the biggest barriers to:**
- a. Growth in the number of low-cost rental accommodation properties;**
 - b. The speed of delivery of new low-cost rental properties**
 - c. How can this be addressed?**

The current market system does not support an inner-city supply of housing to suit the needs of the low-income market. There is also a need to encourage institutional investors into the more affordable end of the housing market.

There also needs to be a continuum of assisted housing options. This requires a much broader approach to housing policy, housing subsidy and practical housing tenure options and a better understanding of the private rental market.

WSROC considers there is pressing need for government intervention to help trigger private investment in the lower end of the housing market. There also needs to be greater recognition of the increasing spatial mismatch between where low-income housing opportunities are, where the low-income jobs are still concentrated and where public transport infrastructure is lacking.

Despite the absence of direct intervention in the housing market the role of Government is still pivotal. Some of the most significant impacts on Australian housing stem directly from interest rate and taxation policies and the Federal Government's promotion of home ownership as a means of attaining financial security. While most housing policy is being driven by the Federal Government, planning policy is a State concern and there is a need for a better alignment between housing policy and planning policy. In particular better use of the investment coming into the system from the housing side to address some of the pockets of disadvantage in the private rental market.

There appears to be the perception that ownership in its current form is the only form of desirable housing, whereas surveys indicate that what people really want is security of tenure.

This also raises a range of broader issues including the proportions of regional infrastructure costs that should be borne by new housing development, which in turn is exacerbated by historic under-investment by governments in infrastructure. Alternative mechanisms to fund infrastructure need to be considered including bond issues and betterment taxes.

There are also issues associated with cost-shifting by State and Federal Governments onto local government. For example the recent changes by the NSW Government in an attempt to reduce developer contributions. Even though developer contributions (S.94) are a well-established and accepted mechanism for providing local infrastructure it would appear the Councils must carry a disproportionate share of the cuts the Government has imposed, which may have fundamental and far-reaching impacts on the provision of community infrastructure.

- 4. What role do you see the not-for-profit sector playing in the provision of affordable housing?**
- a. What effect would the transfer of title of public housing properties to the not-for-profit sector have on the provision of low-cost housing in the western region?**

There is the need for development of a stable and viable not-for-profit sector to increase the supply of housing for lower income Australians who play a critical role in the economy. Ideally, the worst end of the low-income private market could be replaced with a not-for-profit independent sector supported by an appropriate range of subsidies.

A significant barrier to the growth of the not-for-profit sector has been the lack of access to a clear and reliable stream of funding for the development of affordable housing. The transfer of title of properties currently owned by Housing NSW to the sector will enhance its asset base and improve its capacity to leverage funds and to provide an expanding range of housing opportunities, target a wider range of clients and use alternative rent setting models.

A further advantage of the transferral of DoH stock to not-for-profit sector is that it enables access to rent assistance to eligible residents.

Community housing providers should be able to secure private sector investment due to their expanded asset base and would also benefit from the capital gains on the larger pool of stock and be able to negotiate competitive borrowing rates from lenders.

In Western Sydney such providers should have greater scope to enter into larger scale projects, which should enable cost savings through economies of scale to lower the cost of procuring housing. It should also assist in being able to produce a more diverse housing mix to ensure that geographic locations are not overly demographically segregated.

5. **What do you see as the advantages and disadvantages of a national regulatory system for the provision of affordable housing?**
- a. **What affect if any would it have on the provision of affordable housing in the western region?**
 - b. **What measures do you think should be included?**
 - c. **Do you think there is also a need for additional legislative reform? If so, what?**

The development of a national framework for affordable housing should provide consistency and the scale required to involve large investors. Federal initiatives provide opportunities for councils to combine different levels of funding to drive the diverse range of affordable housing initiatives tailored to their particular needs.

6. **How do you view the initiatives undertaken by the Australian government under the Nation Building Economic Stimulus Plan (NBESP), including but not limited to the National Rental Affordability Scheme (NRAS)**
- a. **Will these measures address the shortfall in affordable housing?**
 - b. **Will the needs of low to moderate income earners be met as well as those of the very low income earners**
 - c. **Do you think these measures can be enhanced in the future, if so, how?**

While the stimulus package is supposed to deliver 6,000 rental homes in New South Wales over the next three years is going to be hard given the very short timeframe it should help to some extent. While this is good news it should be viewed in the context of the estimated 80,000 people on the NSW's social housing waiting list. WSROC therefore questions whether the new housing will be produced quickly enough or in sufficient numbers to meet existing let alone future demand.

Also where these homes are to be located is an issue for Western Sydney. Currently development on the urban fringe is catering for large family sized homes while another market provides blocks of flats that may or may not be suitable for low income households.

There is a growing divide between the older localities and the newer more affluent housing estates. In Western Sydney the most extensive areas of disadvantage have little public housing. In contrast areas of disadvantage in the inner city have high proportions of public housing.

The dwelling stock in the older Western Sydney suburbs, built of low cost materials using a mix of cheap construction methods, by today's standards lacks amenity and much of it is of fibro construction. Much of this housing is reaching the end of its life cycle. Much of this poor quality housing has passed into the private rental market. Older owner occupiers are being replaced by more mobile renters; there are fewer higher end incomes or stable households to hold the community together.

These areas contain high proportions of people born overseas speaking a language other than English, low income earners, very young families, high unemployment and low employment participation rates. Many of the medium density dwellings comprise walk-up flats. Most are in private ownership and are rented, with only a small proportion living in the social housing sector.

Yet these areas have many characteristics in common with the large public housing estates in south-west Sydney, since they share a similar income profile, large populations of young families and a high rate of turnover. The physical form is distinct and unpopular and is only accepted by people who have limited opportunities and may be socially stigmatized.

These, predominantly private sector areas are now subject to intensifying pressures for change and renewal, especially where the housing occupies relatively large blocks of land. The change is largely unplanned and ad hoc.

Without intervention in the market, pockets of disadvantage in these older middle suburbs will continue to increase as social problems concentrate and new investment drains further. There is a danger that Western Sydney may become an even more divided and polarised society. The growing inequality is not only about income inequality, it has also to do with opportunities to live full lives.

The current planning ideology that is attempting to concentrate flats in inner city areas and town centre locations implies a degree of social segregation by household type and will become a dominant feature of the future metropolitan structure. Urban consolidation policies need to be re-thought for socially disadvantaged areas if socially regressive outcomes are to be avoided.

A more diverse range of housing and a greater social mix should be encouraged in both new release areas and older areas undergoing urban revitalisation, to ensure that new developments cater for as wide a range as possible of different socio-economic groups. The aim is to develop communities where residents of all ages and income groups can live together. The lifestyle needs of singles, childless couples, families, people with a disability and the aged should all be catered for.

In addition to being more socially equitable, such a strategy helps to reduce the peak demand for age-specific services such as schools and health care and ensures a diversity of services exist to fulfil the full lifecycle of the community. It would also assist in redressing the socio-economic imbalance that currently exists in the region.

Round One of the National Rental Affordability Scheme means NSW will receive an extra 507 units of affordable housing between 2008-12 which means only around 100 households will be assisted each year under this scheme. While any increase in assistance is welcomed, and could be targeted towards helping key workers, much more needs to be done to address the problem.

WSROC is concerned that NRAS does not create permanent affordable rental housing because it is time-limited and the housing stock is not owned either by government or a not-for profit entity.

7. Your submission to the State Development Committee inquiry into the NSW State Planning Framework (p2) recommends the refinement of SEPP 10 – Retention of Low Cost Rental Accommodation. Can you please explain to the Committee what you mean by this and what specific changes you would recommend?

SEPP 10 – Retention of Low-cost Rental Accommodation is the major planning instrument designed to protect existing affordable rental housing provided by the private sector by putting some obstacles in the way of changing the use of their property.

It applies to 'low rental residential buildings that were low-rental residential in January 2000 of which there are three types:

- A residential flat building containing a low-rental dwelling;
- A boarding house; and
- A hostel.

It does not cover caravan parks and manufactured home estates.

The NSW Government is currently reviewing SEPP 10 and SEPP 70 – Affordable Housing (Revised schemes) which currently only covers four local government areas having a need for affordable housing (City of Sydney, Willoughby, Leichhardt and the former South Sydney). One Western Sydney Council (Parramatta) has applied to the Minister for Planning to be identified as a LGA with a need for affordable housing, but this has been rejected.

The lack of an appropriate affordable housing SEPP has discouraged councils that have wanted to introduce inclusionary zoning schemes. What is needed is a new policy that combines the protection to affordable housing in the private rental housing market in SEPP 10, widens the enabling functions of SEPP 70 to affordable housing schemes to other LGAs and provides a link to the Standard LEP template. There would also appear to be value in expanding SEPP 10 type provisions to caravan parks and manufactured home estates.

8. Are you aware of the model of providing social housing being implemented by the City West Housing Pty Ltd in Pyrmont?

- a. Do you think this model would be appropriate and able to be implemented in the western regions of Sydney? Why, why not?
- b. Can you advise the Committee on the need for different solutions for outer-Sydney localities compared to city localities?

WSROC is aware of the City West Housing model that delivers high quality low cost rental housing in inner Sydney to a diverse range of people. Such a model could well be appropriate for developments in Western Sydney since it could develop buildings scattered throughout the community rather than large scale concentrations in one area and house a diverse group of people from differing socio-economic backgrounds.

The current Metropolitan Strategy has a focus on densification and urban consolidation it is acknowledged that together the north-west, west-central and south-west Sydney sub-regions are expected to house about three quarters of expected job growth within the metropolitan area. Of the 640,000 new dwellings to be constructed by 2031 only 195,000 (30% will be located on Greenfield sites (primarily in the North-west and south-west growth centres), with the remaining 70% confined to existing urban areas, primarily around existing urban centres and much in the form of medium to high density development.

The development, timing and style of these medium/high density developments is proposed to be market led. Yet it needs to be recognised that, unlike inner city renewal processes, the pressures for suburban renewal are manifest in lower value locations where gentrification is not the driving force. Also the concentration of flats along railway lines that are no longer serving the transport needs of many of the incoming population is not an effective solution to long term housing needs, either in those areas, or in the areas beyond town centres. Questions also arise as to the capacity of local planning, urban design and urban governance to provide good long-term social, economic and environmental outcomes; particularly since these areas have traditionally been absent from centralised planning directions for the past 30 years.

WSROC is anxious to ensure that effective policies are developed to ensure the following:

- Measures to stimulate investment in a market that traditionally has been unappealing to private interests (especially large developers and investment companies/superannuation funds) ;
- Renewal and redevelopment should take account of a wider set of economic functions such as interest rates, land ownership, the availability of finance and taxation and levy regimes;
- Measures to ensure low-income households can remain in areas driven by private renewal and increasing prices; and
- A greater role for the State in the provision of affordable housing.

For a number of years WSROC has been calling for:

- The development of **Local Renewal Strategies**;
- Exploration of the potential for Local Renewal **Master plans**;
- The development of local non-profit **Urban Renewal Trusts**;
- A re-focussing of agencies such as **Landcom** to focus on site assembly and delivery with properties managed by local community housing providers;
- A new form of social land ownership modelled on the **Community Land Trust**; and
- Some form of **Local Renewal Investment Fund**.

9. **Can you provide information on any innovative and successful affordable housing provision models that your organisation is aware of and would like to see implemented?**

Innovative and successful models that WSROC is aware of include:

- The Port Phillip Community Housing Program
- A number of Affordable Housing development initiatives by the City of Melbourne Council, establishment of an inner city housing trust, plus the examination of possible rate waiver exemptions and a number of initiatives to combat homelessness.
- Sunshine Regional council has established a taskforce on affordable housing.
- Penrith Council though its LEP has entered into Voluntary Planning Agreements (VPA).
- Randwick Council Affordable Housing Strategy 2 years old. VPA applied to master planning of blocks greater than 400 sq.m with a requirement of 1% of total yield transferred to the Council. Units targeted to low to moderate income earners in essential services at 75% of market rents.
- Gosford Council 2005 Affordable Housing Strategy but the land is drying up.
- Mackay Council partnered with QLD Affordable Housing Consortium to capture NRAS and is attempting to establish a not-for-profit Affordable housing entity to manage NRAS properties with transfer of housing stock and an element of shared equity.
- Brisbane Housing Company model;
- Gold Coast Housing Company;
- Sunshine Coast Housing company;

- Townsville Council created an Affordable Housing Alliance, is reviewing its planning codes, held a workshop on 'green' design, has master plans for State government Land and supports the Affordable Housing alliance.
- City of Adelaide has been land banking for 20 years for a variety of uses, requires guaranteed levels of affordable housing in all agreements.
- South Australia has an Affordable Housing Act 2007 requiring 15% affordable housing on significant development of which 10% is for high need and 5% for low need. It also applies covenants on affordable housing units to ensure affordability for a period of 10 years.

Low Cost Housing Models

There are a number of low cost housing models now in evidence around Australia and it is arguable that many, although providing immediate relief for those requiring urgent accommodation, suffer over the longer term because of a number of factors. These include quality of construction, lack of community facilities, poor quality amenity, particularly for children in high rise solutions, and no real opportunity for occupants to improve their financial position in the longer term. Unfortunately, like many social problems, there is no one 'silver bullet' to provide all the solutions.

There is a critical need for a range of solutions tailored to individual local circumstances. In this mix, and this particularly relates to western Sydney where land is available, consideration should be given to the provision of low cost, movable housing on large community sites where the land component is leased. This concept is similar to the 'retirement village' concept with community facilities on site. Ownership is less expensive because the land component is leased together with a small maintenance levy, whereas the house itself is owned by the tenant. This gives a family that initial opportunity to enjoy a good quality of life in a comfortable home and secure environment, while also leaving the opportunity for a family to save to save and eventually improve their quality of accommodation as their equity and savings grow.

To provide this solution, the State Government would need to closely consider the need for regulating legislation to ensure very long term secure tenure for lease holders. This security of land tenure is an absolute pre-requisite for such a proposal.

In terms of planning requirements for such solutions, similar provisions could be made in a SEPP similar to that now in operation for retirement villages.

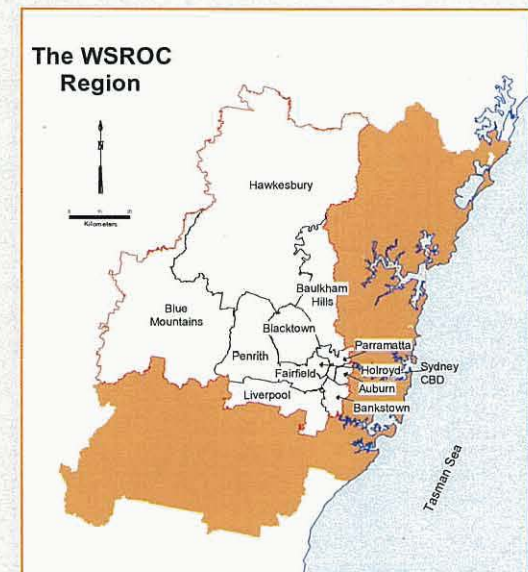
There may also be a need for the State Government to look at incentives for entrepreneurs to enter this field – even some form of long term subsidy, tax advantage etc, to secure the long term viability of the project.

Two schemes in Canberra are also of interest the ACT Land Rent Scheme and an EOI for institutional investors to develop and rent 200-400 private rental dwellings. The latter incorporates the potential for shared equity and on sale to eligible tenants as part of a wider land release of up to 1000 sites.

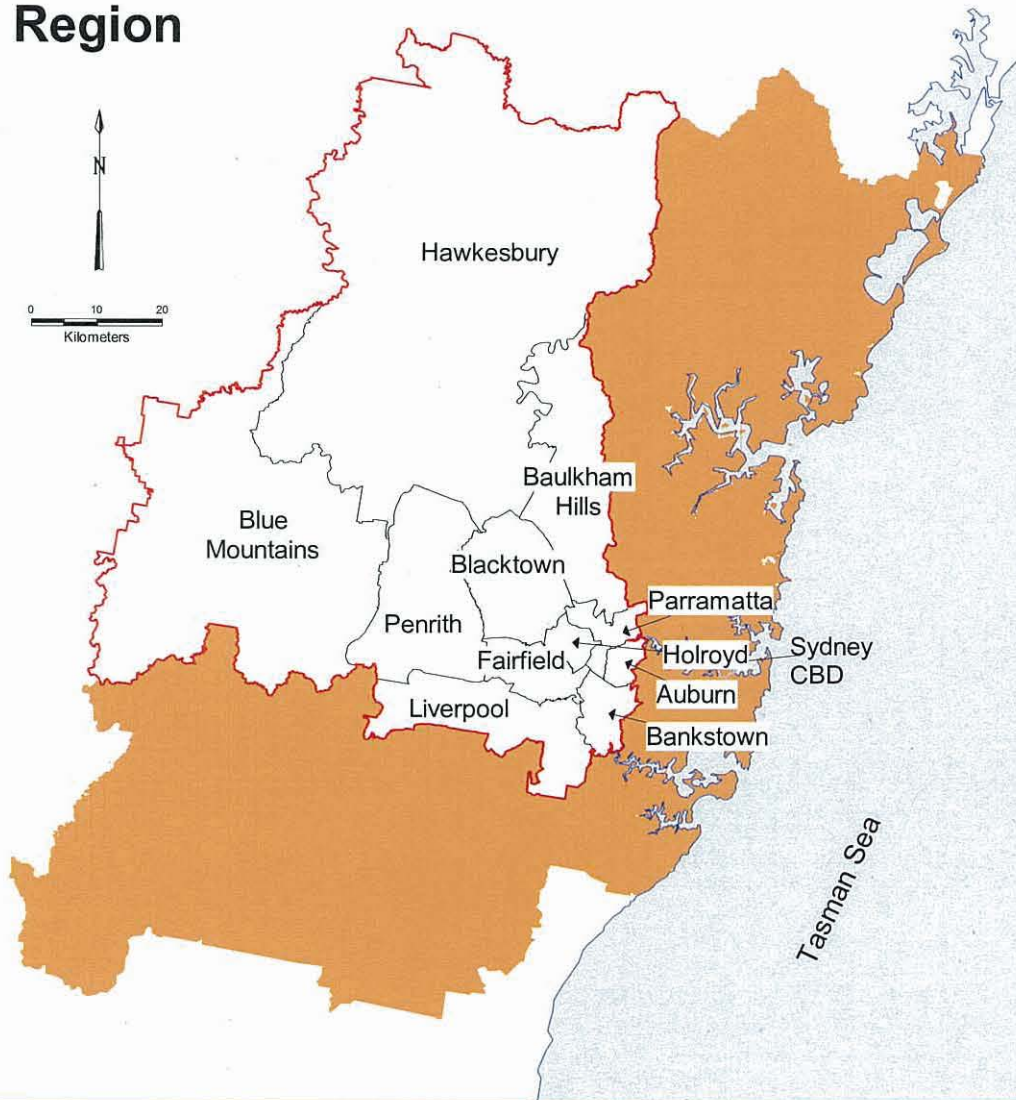
Affordable Housing in Western Sydney?

Sharon Fingland

Assistant Director
WSROC Ltd



The WSROC Region



Presentation Outline

- Background
- The GWS housing market history
- The current housing situation
- Strategic context
- What has changed and why?
- Areas of vulnerability
- The current policy approach
- What needs to be done?
- Conclusion

Background

- GWS – 14 LGAs representing 42% of the GMR population.
- Population of 1.8M or 1 in 11 Australians and 27% of the population of NSW.
- Proposed to accommodate over half of the population growth in NSW (600,000 people) over the next 20 years cf. Hunter and Illawara region's growth of 100,000.
- Some LGAs have pockets of severe socio-economic disadvantage and house some of the most disadvantaged communities in Australia.
- Many parts experiencing growth pressures while still dealing with backlogs, under-investment in infrastructure, particularly in relation to public transport.

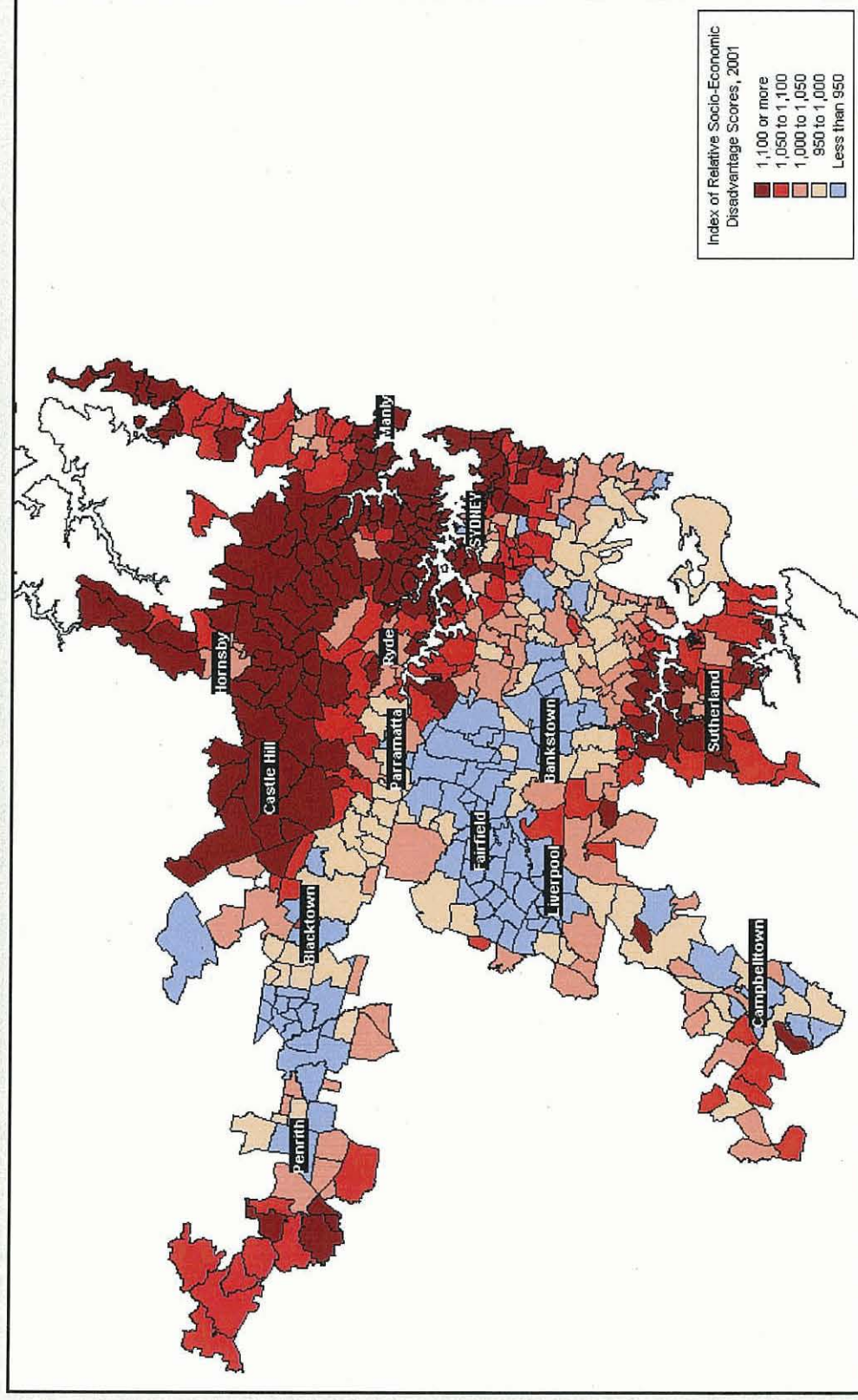
The GWS housing market history

- European settlement in GWS supported by construction of the railway line in 1856.
- Originally, country towns started to expand as the result of large-scale growth before and after WWII.
- Growth fuelled by settlement of returning ex-servicemen and European migrants.
- Development grew further from the railway on cheap land divorced from facilities/services.
- Low income families now highly car dependent with little public transport support.

The Current Housing Situation

- Changing social landscape – increasing social polarisation across the region.
- Physical obsolescence of the dwelling stock in many of the older suburbs built between the 1930s and 1960s.
- Some older areas have been densifying and gentrifying and GWS outer suburbs are becoming upwardly mobile.
- However other older suburbs are ageing and becoming the major locations of urban disadvantage in Sydney.
- These areas include large parts of Auburn, Bankstown, Parramatta, Fairfield, Blacktown, Holroyd, Penrith and Liverpool.

ABS Index of Relative Socio-Economic Disadvantage, Sydney Urban Suburbs 2001 Source Urban Frontiers Program, UWS



Strategic Context

- Higher density older GWS suburbs now catering for 5 sub-markets – immigrants, older retirees, mature people, low income households and young people.
- Urban fringe now attracting higher income low density development focussed on families with children.
- Disadvantage in E. Sydney concentrated in areas of high public housing in contrast to GWS mainly in areas with little public housing but much private rental.
- Consequent growing divide between older and newer areas.

What has changed and why?

- Dwelling stock in older GWS suburbs lacks amenity and reaching the end of its lifecycle.
- Much of the detached housing stock has passed into the private rental market.
- There has been a growth in medium density housing (largely rental accommodation)
- Older owners being replaced by more mobile renters.

What has changed and why?

- Fewer higher income earners or stable households holding the community together.
- High % of CALD population, low income earners, very young families, high unemployment and low employment participation rates.
- High private rental and a small proportion in social housing.

What has changed and why?

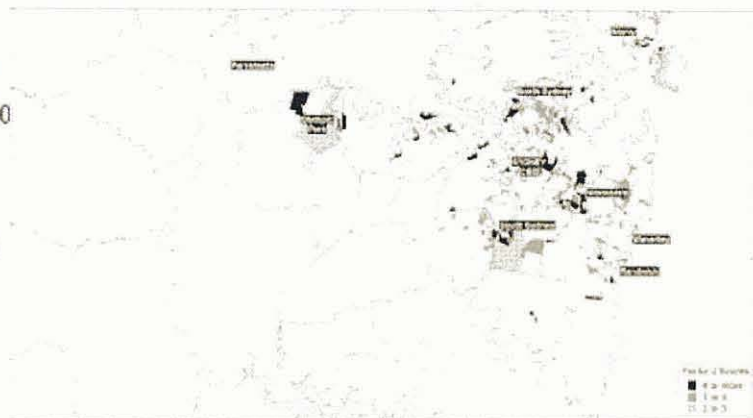
- Private rental areas exhibiting similar characteristics to public housing estates – low income profile, high % young families and high rate of turnover.
- Physical form distinct, unpopular and may be socially stigmatised.
- Selective migration occurring between suburbs – older areas losing the upwardly mobile to the new fringe areas.
- The change is largely unplanned and ad hoc.

Spatial segmentation in the higher density market in Sydney

source: UNSW fbe CityFUTURES

Spatial segmentation in the higher density market in Sydney:
Flats for DINKs, MUPPIES, Singles and Empty Nesters
in East Central...

33% couple only
10% income <\$400
44% income > \$1500
42% fully owned
31% rental
36% overseas born
59% Managers/
Professionals
3% adults
unemployed



And Flats for Battlers in the West.....

43% families with
kids
43% income <\$400
3% income > \$1500
70% rental
36% no car
80% overseas born
9% Managers/
Professionals
24% adults
unemployed



Is Western Sydney Cheap?

- Often considered an area of affordable housing but not necessarily cheap for the people who live there.
- Hidden inequalities such as poor public transport, limited employment opportunities, scarce community facilities/services erode the 'real affordability of living there.
- In 2001 68,000 in GWS were in housing stress (39,000 in private rental and 29,000 mortgages), homelessness high and DoH waiting lists were long.

Is Western Sydney Cheap?

- Higher % of lower prices and rents BUT housing the bulk of low income households.
- High pressures for private rent but rent/income ratios precluding saving for a deposit to buy.
- Private rental becoming a 'tenure of constraint' rather than choice.

The Productivity Commission has questioned the viability of first home buyers purchasing in Sydney.

Is Western Sydney Cheap?

- Sydney median house price (2006) = \$521,000.
- This requires an annual household income of \$145,412 to meet mortgage repayments after paying a 10% deposit.
- In Bankstown LGA the \$379 average weekly mortgage repayment = almost half of the \$762 average household income.

Affordability has been declining dramatically Sydney 1981-2003

Year	Median Price	Median Income	Price to Income Ratio
Houses			
1981	\$78,800	\$17,151	4.6
2003	\$470,000	\$ 54,032	8.7
Flats			
1981	\$65,500	\$17,151	3.8
2003	\$360,000	\$54,032	6.7

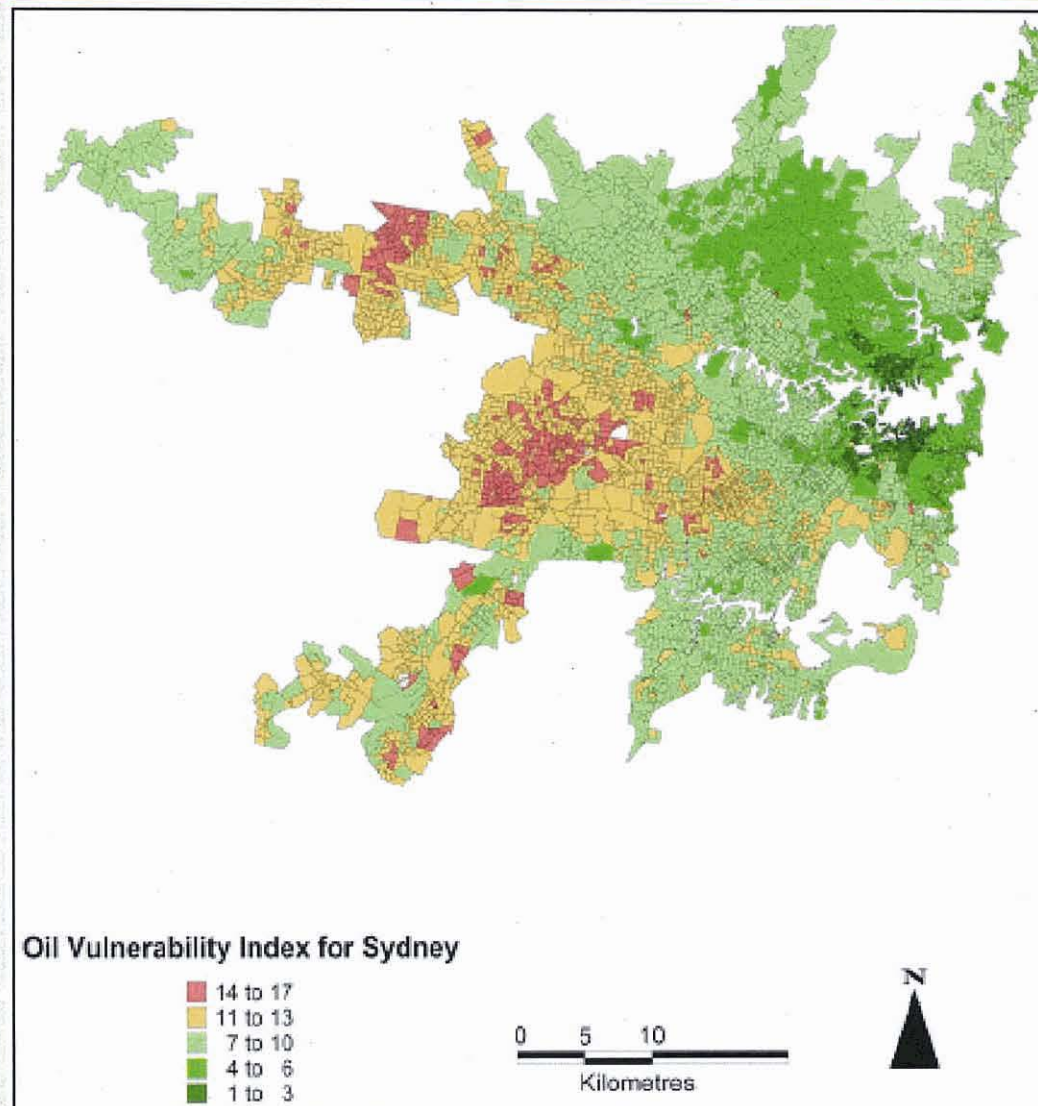
Source: UNSW fbe CityFUTURES

Areas of Vulnerability

- *National Housing Strategy* 1992 noted the issue of locational disadvantage.
- Burnley noted in 1997 the social inequities.
- *Senate Inquiry into Poverty* (2004) noted the poorest 20% of the population suffered a 10% slump in disposable incomes between 1984-1999.
- Griffith University 2005 assessed vulnerability of urban communities to increased fuel prices and the socio-economic impact across different locations. (Communities in the middle and outer suburbs of GWS shown to be the most vulnerable).
- AHURI has reported that State housing authorities are running unsustainable deficits

Oil Vulnerability in Sydney

Source: Jago Dodson and Neil Sipe, Urban Research Program, Griffith University



Ageing of the Population

- Lack of housing choice resulting in inappropriate housing catering for full 'lifecycle' needs.
- Decreased mobility, increased social isolation plus increased housing and transport stress still to be addressed.
- Affordable, adequate transport options essential for accessing health services, shopping and maintaining social links.
- In parts of GWS the current urban form and patterns of service provision ensure the ageing population is completely car dependent and will be left stranded when they can no longer drive.

'Community Stress'

- Lack of housing affordability coupled with little physical and social infrastructure.
- Poor public transport provision, limited employment opportunities and scarce community services and facilities further eroding 'real' affordability in older suburbs.
- Active and engaging meeting places are lacking.
- Increasing evidence of 'community stress' (transport stress due to commuting times, costs and lack of public transport options coupled with housing stress).
- Car ownership is now costing 28% of low income expenditure cf. 13% of average incomes. (NCOSS 2006)
- Socio-economic polarisation is increasing – with some suburbs suffering from 'multiple deprivation'.

The current policy approach

- Issues surrounding physical renewal and associated social change in ageing suburbs receiving little attention by State and Federal Governments in Australia.
- Socio-spatial implications of urban consolidation not understood.
- Social segregation by household type = socially regressive outcomes.
- Concept of social sustainability not well developed in the Sydney Metropolitan Strategy.

What constitutes 'affordable housing' in GWS?

- Affecting ability of those on average incomes to purchase + costs contributing to poverty amongst low income groups.
- Sharp decline from 2000-2004 as prices rose by 71% with highest rises in GWS in the traditionally cheaper areas.
- After 2004 prices fell back to 60% in GWS while in E. Sydney they retained their value.

What constitutes 'affordable housing' in GWS?

- Property price gap between the East and West narrows during boom times but widens again after the bust – resulting in increasing rates of mortgage defaulting in our region.
- Since 2006 rental price jump and a decline in low cost rental properties.
- Few first time buyers can not afford to buy in new release areas.

Who is most affected?

- Low income earners and others in private rental, social housing tenants and first home Buyers.
- Key workers suffering high commuting costs.
- Need for high cost labour markets to retain a diverse range of workers and a focus on low paid occupations generally.
- The ageing population who may be asset rich but are locationally disadvantaged and may not be able to realise that equity without incurring housing stress.

Factors influencing supply of affordable housing

- Opposing views – *more land release and reduction of levies* versus *demand side issues being more important than supply side*.
- Rapid population growth, halving of interest rates since 1990s, and halving of capital gains tax since 2000 (a major factor fuelling the boom).
- Call for reduction in levies but still high demand for land on the fringes keeping prices high.
- Land prices estimated to be affordable for moderate income families at \$100,000-\$140,000 (in reality this is \$150,000 less than cost in GWS).
- Consequently Landcom's inability to meet their '*moderately affordable*' housing goals.

Rental Supply of Affordable Housing

Public rental supply:

- < 10% of GWS rental housing stock, supply not increasing and emphasis on maintenance.
- Currently 90% occupied by social security beneficiaries with low income stream.

Community housing rental supply:

- Currently 13,000 dwellings rising to 30,000 over 10 years + provision for long-term leases for 600 properties for *low-moderate income households*.

But the scale is small and the speed of development of this sector may be slow.

Private rental supply of affordable housing

- More than ½ of low-income Sydney households in private rental stress.
- Increase in private rental supply largely at the top end of the market with a loss of stock at the bottom end.
- Government tax incentives fail to target supply of low-cost rental housing.
- Majority of investors are individuals on lower incomes who do not benefit from tax breaks and therefore are disinvesting.
- Recent superannuation taxing arrangements result in some shifting of housing equity wealth to superannuation.

Factors influencing supply of affordable housing

- During housing boom-and-bust increased demand is driving up prices, with the value going to *sellers* in high priced areas and being lost to *1st home buyers* if equity lost or property devalued after a boom.
- In 2006 E. Sydney prices *increased* by 0.9% while in GWS they *declined* on average by 2.1% (> than 4.8% in Auburn, Bankstown, Fairfield, Penrith and Campbelltown).

Need for Governments' involvement in the issue

- Demographic change pointing to the need to provide a much wider range of housing choice.
- Need for a housing mix policy in both 'greenfield' and 'brownfield' developments.
- More proactive planning needed to address range of interconnected issues, supported by a regulatory regime, funding mechanisms and political commitment.
- LEP template needs to include model clauses for dedications or contributions for affordable housing and for the retention and extension of provisions for low cost housing.

Conclusion

- Average house prices almost doubled over the last 10 years relative to income.
- Unprecedented high levels of housing debt but assets not significantly appreciating.
- Majority (1.5M) low income earners (especially renters and recent purchasers) in housing stress.
- Housing in GWS no longer affordable for increasing % of the population.
- Tight targeting of public housing demands more because the less the tenant pays the more the State subsidises.

What needs to be done?

Understanding of the interconnected issues:

- Replacement of ageing housing stock without displacing those in most need.
- Improved maintenance.
- More effective urban design outcomes.
- Integration of land use/ social planning and social interventions.

What needs to be done?

- Provision of secure affordable housing.
- Retention of upwardly mobile families (particularly those with children) in older areas.
- Mechanisms for site assembly and integrated renewal strategies

What is needed?

- Research into housing needs and local policy development.
- Sub-regional level housing analysis
- Affordable housing as part of a diverse mix.
- Effective liaison between local housing stakeholders.
- Advocacy for change in State and Federal policies and taxation arrangements.

Does it matter if the poor are forced out of Sydney?

- WSROC argues that it would be socially inequitable, environmentally irresponsible, would reduce cultural vitality and would be economically unviable.
- The Minister for Planning has noted that it would be an unsustainable policy and he wants to break down the east/west divide by improving access to employment, education and other key services.
- The Premier listed 'access to affordable housing' as an issue high on his agenda.

We need to ensure that the rhetoric is actually matched to commitment to outcomes.



Submission to the Australian Government Green Paper on Homelessness

June 2008

Prepared by the

Western Sydney Regional Organisation of Councils Ltd



Western Sydney Regional Organisation of Councils Ltd

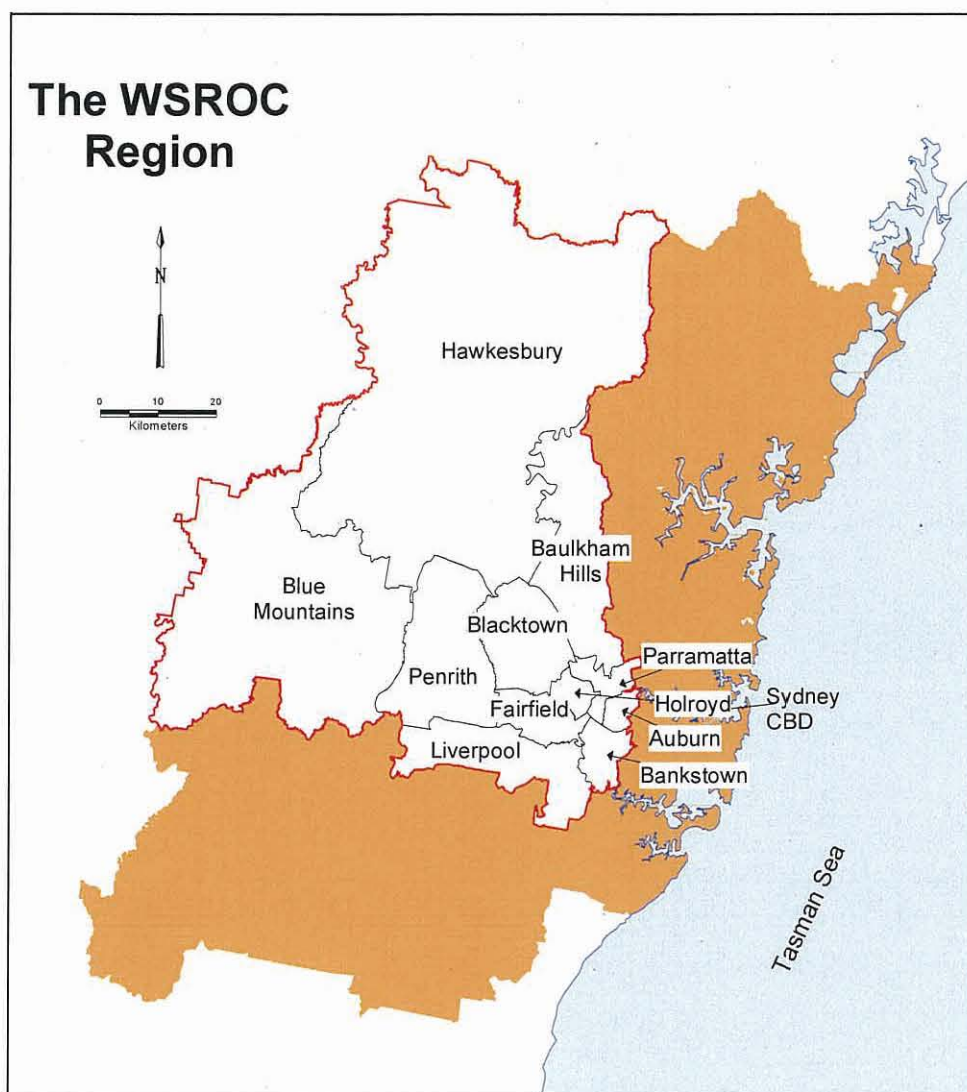
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Submission on the Australian Government Green Paper on Homelessness

'In a wealthy Country like Australia, no citizens should be forced into homelessness. A reasonable standard of housing should be available for all. A small number will need to be assisted with accommodation by governments or community organisations' The Australian Senate Select Committee on Housing Affordability in Australia: *A good house is hard to find*, June 2008

1. INTRODUCTION

'Homelessness' is a wide encompassing term. It can mean someone who is without anywhere to stay or someone who is vulnerably housed in temporary accommodation. For most people the immediate image is of a person sleeping rough on the streets, in a car, in stairwells, in empty buildings. Yet people are also homeless if their accommodation is not permanent, such as living with friends, or family, or squatting. People can also be 'homeless at home' i.e. they need to move into their own accommodation due to overcrowding. People are also homeless if they live in a hostel bed or 'bed and breakfast' accommodation, are at risk of eviction from their tenancy (whether public or private housing) or from their own home.

A shortage of affordable housing and immigration laws make it very likely that more people will become homeless. This presents Australia with new challenges regarding problems with documentation and funding, particularly with minors and those with no recourse to public funds.

In January 2008 the Prime Minister, the Hon Kevin Rudd MP and the Minister for Housing, the Hon Tanya Plibersek MP, announced the development of a comprehensive long-term plan to tackle homelessness as a matter of national priority. In May 2008 the Government released a Green Paper entitled ***Which Way Home? A new approach to homelessness***. It sought public comment on the issues raised in the paper and also called for other issues and possible strategies to be identified.

WSROC commends the Government on making tackling the issue of homelessness one of its main priorities after a decade of neglect by the previous government.

This submission has been prepared by WSROC in response to the release of the Green Paper. WSROC believes that urgent action is needed by all three levels of government. This will require more resources, more comprehensive and integrated policy and, above all, a national impetus. Further advice should be provided regarding the level of funds that could be made available as the result of the consultations on the Green Paper and how the responses are to be assessed.

2. BACKGROUND

It was estimated that at the time of the 2001 Census around 100,000 Australians were homeless. The rate of homelessness ranging from 1 in 253 people in the ACT to 1 in 35 in the Northern Territory Chamberlain and Mackenzie (2003).

The definition of homelessness used by the ABS differentiates between the 'absolute homeless' (primary homeless) and the 'relative homeless' (secondary and tertiary homeless). The former are people without conventional accommodation (living on the streets, in deserted buildings, improvised dwellings, in parks etc.) The latter covers those staying in boarding houses, people using Supported Accommodation Assistance Programs (SAAP) and other similar emergency accommodation services, or people with no secure accommodation staying temporarily with friends or relatives in private dwellings.

A third group, the 'marginally housed' (e.g those living in caravan parks), is not operationally specified in the Census. At the time of the 2001 Census it was estimated that of the 26,676 persons classified as homeless by the ABS, 29% lived in boarding houses, 15% were accommodated in a SAAP program, 45% lived with friends or relatives and 11% lived in improvised dwellings. Hence the largest group were staying with other households on Census night. At that time it was estimated that 68,881 people were marginal residents of caravan parks in NSW, living in 4,531 dwellings.

The lack of comprehensive data on homelessness is of considerable concern. For example, there is little on the percentage of people discharged from institutions who become homeless. People who have been living on the streets for up to 20 years are also neglected. Groups such as homeless men living in sub-standard boarding houses and women with disabilities with specific needs (over-represented amongst the homeless), are often over-looked, as are those with specific issues such as trans-gendered people.

The Green Paper places a lot of evidence on the Supported Accommodation Assistance Program (SAAP) but there is a need for more consideration to be given to the needs of the homeless in mainstream services. SAAP is jointly funded by the Federal and States and Territories governments and provides traditional supported accommodation to people who are homeless or at risk of homelessness. The Supported Accommodation Assistance Program (SAAP) defines a homeless person as;

'A person who does not have access to safe, secure, adequate housing. A person is considered not to have safe, secure adequate housing if the only housing to which they have access:

- damages, or is likely to damage, their health; or
- threatens their safety; or
- marginalises them through failing to provide access to adequate personal amenities or the economic and social support that a home normally affords; or
- places them in circumstances which threaten or adversely affect the adequacy, safety, security, affordability of that housing; or
- has no security of tenure – that is, having no legal right to continued occupation of their home.

A person is also considered homeless if he or she is living in accommodation provided by a SAAP agency or some other form of emergency accommodation.'

However, the SAAP service is but one component of a range of forms of temporary accommodation used by homeless people, which also includes squatting and rough sleeping. Homelessness is multi-faceted and affects different groups of people in diverse ways. The causes and consequences of homelessness vary between groups such as families, young people, women escaping domestic violence, Aboriginal and Torres Strait Islander people, people with alcohol and other drug problems, people with mental health problems and so on.

WSROC is concerned that there has been an under-estimation of the problem by only including those seeking SAAP services and excluding homeless people who have not sought SAAP services or children living apart from their parents who either do not qualify for, or alternatively receive SAAP support. There is a need to reposition SAAP to enable the program to provide longer term support to clients. As part of this process, the existing crisis response within SAAP needs to be improved and better resourced. A new stream of funding should also be made available within SAAP for longer term support to clients. Additional capital funding for homelessness services under CAP would help to address unmet demand for SAAP services.

3. FACTORS CONTRIBUTING TO HOMELESSNESS

3.1 Homeless Children

A report by the Brotherhood of St. Lawrence in 2005 highlighted that in the EU and countries such as Canada the elimination of child poverty has been made a specific goal. However, there has been no similar commitment from Australian governments to date.

In a 2004 report, Hanover Welfare Services estimated at least 90,000 Australian children experienced homelessness, of whom nearly half were aged 0-4 years and 43% were of primary school age.

The UN Convention on the Rights of the Child (Article 27) in May 2005 reported:

"Homelessness remains a significant human right issue for children in Australia. In 2001 approximately 36,000 children were counted as homeless and 64,800 children and youth in 2002/03."

Four key areas of concern have been identified:

- A lack of follow up on notification of children at risk of harm as the result of exposure to domestic violence;
- Problems in dealing with domestic violence and child abuse allegations in family law proceedings;
- Concerns for children on contact visits; and
- A lack of services for children under 12 years of age.

For children there would appear to be no suitable services to deal with homelessness. For example one quarter of all SAAP clients are women with children and over half have experienced domestic violence or physical or emotional abuse. Despite these findings the previous Federal Government reduced homeless program funding in 2005-06 by 9%. VCOSS have also reported that the Victorian Government reduced funding for public housing from \$258.9 million to \$139.3 million.

3.2 Drugs and Alcohol Issues

For many, mental health problems and substance abuse are combined and they therefore need support for a very long period of time. Drug and alcohol services are focussing on prevention and there are new initiatives to reduce violence against women. These big picture issues, including mental health and homelessness, have common risk factors and often the same clients. There is a need for a COAG prevention agenda to target high risk areas and for more consultation with the homeless themselves.

3.3 Mental Health Issues

People with a psychiatric disability are at a particularly high risk of experiencing housing problems and form a significant proportion of the homeless population. Research estimates that the proportion of homeless people who have a mental health problem range from 25%-75% (Kadmos and Pendergast (2001, p.6). The same researchers in 2000 found that 46% of inpatients in public mental health acute units in Perth could have been discharged if there had been suitable community alternatives.

The Green Paper (page 27) reports that in Inner Sydney up to 75% of those aged 18 years and over were found to have a mental health concern. Another study estimated that almost 30% of SAAP service users have experienced an intensive mental health issue.

The policy of de-institutionalisation has led to people with mental health issues taking up an increasing proportion of the public housing stock, or becoming homeless.

In NSW considerable concern has been expressed about the cutting of mental health services (e.g Callan Park has been closed and the facilities at Concord have also shrunk; even though both facilities are reported by health professionals as being needed). Magistrates are distressed at the lack of services, reporting many cases needing hospitalisation but a lack of beds.

3.4 Indigenous Homelessness

According to AHURI, there is a high level of housing stress among Indigenous Australians AHURI, Southern Research Centre (2006). ACOSS have also emphasised the high level of housing disadvantage faced by Indigenous Australians. On census night 2001, 8.5% of homeless persons were Indigenous Australian Institute of Health and Welfare, (2008a, p46), despite Indigenous people constituting less than 1% of the total population.

The recently released Senate Inquiry Report into Housing Affordability in Australia recommended that (2.1) ...

"Given the very high levels of housing stress, overcrowding and homelessness experienced by Indigenous Australians, all levels of government should give priority to addressing their high level of unmet need for public and community housing under all exiting programs and the National Rental Affordability Scheme."

There is therefore a clear need for Federal Government intervention.

3.5 Migrants and Refugees

Key issues for migrants and refugees include:

- A lack of clarity and understanding of where services can be accessed;
- The short time period that successful asylum applicants are given to find suitable accommodation and support;
- An agency focus on the process of gaining legal status, but minimal support given when people are accepted; and
- A reluctance from some agencies to offer housing or services if an applicant's status is not likely to be renewed (particularly for people granted humanitarian protection).

In March 2008 the new Federal Government re-stated its commitment to ending Temporary Protection Visas (TPVs), although some new TPVs may be issued while the new system is put in place, and those currently on TPVs are still being treated in line with policies put in place by the previous government.

Temporary Protection Visas (TPVs) are three year visas granted to refugees that the Australian Government classifies as 'unauthorised arrivals'. Unlike refugees who reside in Australia under a Permanent Protection Visa (PPV), those on TPVs have reduced access to government social services. In effect the Temporary Protection Visa (TPV) penalises those who have been forced to flee human rights abuses but entered Australia undocumented. Access to services and a sense of security are severely limited for TPV holders.

For assistance upon release from detention, in finding accommodation, bond money, employment and learning English, TPV holders rely on the volunteers and the extremely stretched resources of church and community groups as shown in the following table:

Temporary Protection Visas	Permanent Protection Visas
No initial accommodation offered	13 weeks initial accommodation
No bond assistance	Bond assistance
No English language tuition	510 hours English language tuition
Access to special benefit payment only	Immediate access to social security payments
Able to work but no employment assistance	Able to work and receive employment assistance
Able to receive Medicare	Able to receive Medicare

In March 2004 the Senate Community Affairs Reference Committee released a report on poverty and financial hardship entitled *A hand up not a hand out: Renewing the fight against poverty*. Amongst other evidence presented at the Inquiry particular issues for migrants and refugees in Western Sydney were highlighted. For example, the two year waiting period for income support for migrants and refugees on Temporary Protection Visas (TPVs) was seen to be adding greatly to this group's risk of poverty and homelessness. TPV holders need access to intensive programs designed for people facing additional barriers to finding employment. The committee recommended that asylum seekers and new migrants should have guaranteed access to basic services, such as language programs and TAFE training courses, to enhance opportunities for employment.

3.6 Caravan Pak Residents

Extensive general and migrant population growth over decades has strained the provision of services and infrastructure. While Western Sydney is traditionally viewed as containing areas of low income housing there is plenty of research pointing to the fact that this affordability is diminishing. Alternative temporary and cheap accommodation options are limited and reducing in number. The closure of caravan parks in Parklea in Blacktown and Lansvale in Fairfield in recent years is symptomatic of the pressures of growth and redevelopment the region is facing, with the greatest impacts being on those most vulnerably housed.

Caravan park dwellers are particularly susceptible to housing risk, living on the margins of homelessness. Yet there has been little research undertaken in Australia into this issue.

One study by AHURI in 2004 entitled *On the margins? Housing risk among caravan park residents* looked at the marginal housing market – the caravan sector – and examined the extent to which low-income caravan park residents were vulnerable to homelessness. Youth, women (especially women with children escaping domestic violence), families and single men have been found to be the main social housing clients in caravan parks. They are also the five main target groups for the Supported Accommodation Assistance Program (SAAP).

The AHURI study noted:

'It has long been recognised that bottlenecks in crisis accommodation for the homeless are due to a lack of exit points from crisis assistance into medium or longer term housing. This means that SAAP service providers are sometimes forced to exit clients into marginal accommodation. This has created a SAAP and housing policy paradox, where a potentially large population of the incipient homeless inhabit a marginal housing sector that is located

just beyond the remit of the SAAP sector (Bostock 2001). These are the households who form a major source of the potential homeless.

While efforts have been made to integrate housing and homelessness policy to ensure that homeless people can access public housing, many low-income caravan residents have been evicted from public housing and/or private rental or cannot afford the bond required for rental housing.

Given it is recognised that early intervention is the best means of preventing homelessness, the lack of data undermines attempts to both inform early intervention policy and predict future levels of demand for government support services. The severe shortage in the supply of low cost housing, especially for people in need of urgent accommodation, is shown by the extent to which caravan parks are being used by crisis accommodation agencies. Few would suggest that caravan parks are suitable for crisis accommodation for SAAP clients either during or after the support period. Also of concern is that when people leave caravan parks there is little or no knowledge about why they leave or what their housing circumstances are after they have left.

3.7 Homeless Older Persons

There are many factors that can lead to the elderly becoming homeless. They could be the chronic or traditional homeless, the de-institutionalised and those who have recently lost their home or have become temporarily homeless. Risk factors for this group include evictions, the death of a spouse, relative or significant other person, dementia and loss of income. There is a need for better knowledge of risk factors and triggering events in this age group to inform preventative measures. More responsive hospital discharge planning and the establishment of different levels of care would also help.

It is clear from the literature that is available that elderly homeless people have multiple needs extending beyond the lack of housing. They face physical and mental health problems and lack social support at a time when they are at their most vulnerable. Some have problems accessing shelters as a result of mobility needs and physical limitations. As the homeless elderly tend to stay in the system longer, and are less likely to be housed successfully, it is paramount that facilities and services are adapted to suit client needs.

Being homeless is also associated with a greater incidence of morbidity and mortality and a lifestyle that negates the pursuit of disease prevention practices and the treatment of health problems. The homeless elderly frequently suffer from dental problems and other health problems such as arthritis, hypertension, circulatory problems, diabetes, lung disease and stomach ailments and their health status is worse than that of the elderly in the general population.

The fastest growing areas of the Western Sydney region – Baulkham Hills, Camden and Liverpool - have experienced a significant increase in those aged over 65 years. There are emerging issues of housing stress. Many older people will now go into retirement without having paid off their mortgages and are attempting to support younger family members experiencing housing stress.

In parts of Western Sydney the current urban form of service provision is ensuring that the ageing population is completely car dependent and will be left stranded when they can no longer drive. This could lead to higher rates of premature institutionalisation.

3.8 Squatters

Research by Catherine Robinson from the Urban Frontiers Program at the University of Western Sydney in May 2003, funded through the SAAP Co-ordination and Development Committee's National Research Program to Parramatta Mission, investigated anecdotal reports into a rise in the number of people squatting in the Parramatta area and a rise in the numbers of homeless men. It was designed to add to the small but growing body of knowledge of homelessness in Western Sydney.

The research found particular concentrations of correctional services and services for those with mental disorders and forms of disability in the Parramatta area. At that time the location of corrective services meant that Western Sydney housed approximately half of prisoners in NSW, with ex-prisoners presenting at homeless shelters exhibiting high and complex needs. Many clients seeking supported accommodation were ex-offenders, a high proportion had a mental disorder and many received Veteran's Affairs Disability Pensions.

Research by Darcy and Laker in 2001 estimated that half the calls to the Homeless Person's Information Centre (HPIC) originated from Western and South-Western Sydney. It appeared that Parramatta was becoming a focus for homeless people due to a lack of services elsewhere in the Western Sydney region. There was a lack of accommodation services, particularly for women. While migration to the city may have been the choice for some, for others the importance of maintaining informal community and family support networks meant that many chose to stay in the area despite being able to find safe accommodation. It was argued that traditional models of service provision were needed to address the new and changing context of need.

Research by Colin Robinson (2003), for a committee looking into the homeless men's experiences of the accommodation services operating in Parramatta at that time, highlighted the itinerancy of men in accommodation services. It was deduced that the hostels were providing short-term accommodation for people whose multiple and complex issues required long-term support. It concluded that:

"any attempt to examine the effectiveness of services should include the consultation of those who currently or recently have been sleeping rough or elsewhere in alternative temporary accommodation."

The UWS research showed that the Parramatta youth accommodation services were targeting fairly stable youth who could provide housing/behavioural references from previous accommodation, but rarely accommodated women who had been squatting as their target group included those fleeing from domestic violence and women with children.

A central issue was found to be drug use, with many squatters accessing methadone clinics in the Parramatta area. In general squatters were those who had slipped through service and income support gaps because they failed to meet certain criteria. Many were using it as a way to live rent-free while waiting for longer-term housing such as Department of Housing accommodation (often with waiting times over seven years).

Based on the data collected, the study suggested that conservatively at any one time there were at least 100 people living in abandoned buildings or sites around the Parramatta area. The research highlighted the following issues:

- The need to address gaps in immediate short-term accommodation service delivery, including an overall lack of beds, particularly for 'older youths' and women without children. For example single women at that time received the lowest amount of recurrent funding by SAAP for all primary target groups in NSW and young people received the highest amount.
- The need to address gaps in the provision of affordable longer-term accommodation – given the lack of Department of Housing accommodation;
- The need for alternative approaches to supported accommodation, moving away from the view that a lack of housing is a primary or straightforward issue for homeless people. Squatters suggested that accommodation services should respond holistically to clients' needs – through intensive casework, including addressing underlying self-esteem and re-occurring trauma and accommodating drug users and those clients with mental disorders;

- The need for greater consideration of self-empowerment in conjunction with the development of creative and holistic services and a move to resident control rather than institutional control. Human rights should replace anonymity and depersonalisation.

3.9 Housing Affordability

Housing affordability has deteriorated severely over the last decade. There has been a long running fall in real terms in funding for public and community housing over the last 10 years. There is also a shortage of affordable private rental accommodation at present.

As noted above, there are a wide range of issues that can cause homelessness, not simply a lack of affordable housing. It is estimated that one in three low income households in Sydney are now in housing stress. As housing stress continues to impact on an increasing number of families living in areas of Sydney which were once considered to be 'affordable', the risk of becoming homeless is increasing.

The 2006 Census data has shown that income differences across Sydney are widening, as the richest areas have been getting richer quicker than the poorest areas. The greatest decline in housing affordability between 2001-2006 occurred in Holroyd, Auburn, Fairfield, Blacktown, Bankstown and Wollondilly, compared to relatively improved levels of affordability – at least for those living there – in the wealthier LGAs. This is because incomes have risen more quickly than the increase in house prices in the wealthier areas and this has therefore not affected affordability levels.

In Western Sydney more families are falling behind on their mortgage repayments each week – with Wetherill Park being the nation's worst-hit suburb. Rental affordability is also worsening, particularly in areas that are traditionally considered the cheaper parts of Sydney. Many key workers can no longer afford to buy a house near their work, or even climb onto the housing ladder at all. There are now only three LGAs in the Sydney metropolitan area where the median house price is affordable for any key worker occupation (of which Penrith and Campbelltown are in the Greater Western Sydney region). Key workers are also being priced out of units in two thirds of LGAs in Sydney.

The proportion of housing rented from the NSW Department of Housing (DoH) has been dropping – with a loss of 3,334 DoH rental dwellings in the region since 1996. Also local authority approvals for new public housing have plunged to a quarter of a century low.

The Western Sydney region has for a long time been home to a high proportion of an overseas born population. In 2006, almost 40% of the West-Central Sydney sub-region's population were reported as speaking English not well or not at all compared with 37% in the South-west and 30% in the North-West. A lack of English skills is increasingly impacting upon a person's ability to find employment and find suitable accommodation.

High car dependency is exacerbating income dependency in many areas, with localities situated in the middle and outer suburbs as the most vulnerable to the socio-economic impact of oil price rises. Many households in Western Sydney are highly geared making them more susceptible to default in the event of higher interest rates or economic downturn. All these factors point to an increased risk of homelessness in the future.

4. RESPONSE TO THE GREEN PAPER

4.1 Early Intervention

For young people, early intervention is about facilitating family reconciliation and involves working with parents as well as young people. Here schools have a critical role to play by supporting young people who want to remain at school and make the transition to independent living.

For adults it is about providing assistance to people before they lose their accommodation – this can include financial counselling, emergency relief, or assistance with applications for public housing.

In cases of family breakdown where domestic violence is involved, many victims do not request assistance until they are forced to leave. In this context early intervention should involve family counselling or a crisis response supporting victims of domestic violence to move to alternative, secure accommodation. Between broad prevention campaigns and crisis intervention, there appears to be a role for early intervention but there is no obvious institutional site – such as schools or Centrelink – to identify families at risk.

In the 1960s and 1970s studies suggested that the homeless population were mostly male, and disproportionately in the older age groups. Now there is more evidence of more women in the population, more young people and a growing proportion of families, although there are still homeless people who conform to the older stereotype.

Some low income households can survive financial crises, because they have relatives or friends who assist them, but a minority slide into homelessness. The increase in the number of low income households in GWS underpins the increase in homelessness over the past two decades.

4.2 Emergency Assistance Programs

Governments are providing a number of programs designed to prevent and address homelessness as follows:

The **Supported Accommodation Assistance Program (SAAP)** is a joint Australian, State and Territory government program that provides transitional supported accommodation and support services to people who are homeless or at risk of homelessness. This includes the provision of crisis housing and short term supported accommodation; medium to long term supported accommodation, outreach support, day support and telephone information and referral.

According to the Productivity Commission, recurrent funding of SAAP services was \$356 million in 2006-7. Nationally, real recurrent SAAP funding per person has decreased from \$18 in 2002-3 to \$17 in 2006.

Data from the SAAP *'Demand for Accommodation Collection'* report, Productivity Commission (2008, p.15.61) shows that nationally, 54% of adults and unaccompanied children requesting immediate new SAAP accommodation on a given day were turned away. There is clearly a need for an expansion of the SAAP program in response to the needs of households at risk and people experiencing homelessness.

The 2008-09 Federal Budget includes a measure *'A Place to Call Home'*, aimed at reducing the number of people turned away from SAAP services. Under the initiative, \$150 million will be provided over five years to States and Territories to create 600 new homes for homeless individuals and families. They will receive tenancy and other support services for the first twelve months and will not have to leave the housing at the end of the support period. Indigenous people are to be provided with homes and support services at least in proportion to their share of the homeless population.

WSROC queries whether this level of increased support to the SAAP initiative is sufficient to address the level of unmet need outlined above. It also believes there is a need to further increase support to emergency assistance programs to assist the growing numbers experiencing financial crisis.

The **Household Organisation Management Expenses (HOME) Advice Program** is a pilot early intervention program aimed at assisting families who are experiencing difficulties in maintaining their housing due to personal or financial circumstances. FaHCSIA delivers the program in partnership with Centrelink and community agencies in eight locations across Australia.

Families presenting to the Home Advice Program tend to suffer a range of complex problems:

Most common factors contributing to case complexity, 2005-07

Factor	Per cent (%)*
Sought emergency financial assistance in the last 6 months	51
Few social support networks	50
Debt impairing family/social functioning	51
Family conflict	41
History of family violence	40
Poor budgeting skills	44
Limited employment opportunities	40
Mental illness indicated	36
No reasonable transportation to attend work	19
AVO/restraining/intervention order in place	16

Source: Mackenzie et al (2007), p.11

Cases reporting the issue affecting the management of the case as a proportion of all cases in 2005-07

Key aspects of the support program include:

- Early identification of families at risk and early intervention to prevent homelessness by securing accommodation and resolving immediate crisis issues;
- A holistic approach, involving working with the entire family, including children and being Indigenous inclusive;
- Working through a full range of issues with a family to build resilience and achieve sustainable outcomes;
- Provision of flexible brokerage services including assistance to meet rent or mortgage arrears aimed at eliminating the threat of eviction followed by development of a budget incorporating rent arrears repayments; and
- A partnership approach between the agencies including provision of a dedicated Centrelink Home Advice social worker to provide case management and rapid response to complex income support issues.

National Rental Affordability Scheme (NRAS)

The NRAS announced by the Government in March 2008, is a supply-side response to dealing with the shortage of affordable rental housing in Australia. It aims to increase the supply by 50,000 dwellings by 2012; reduce rental costs for low and moderate income households; and encourage large scale investment in affordable housing delivery. While welcoming this response, WSROC would like to see further consideration given to increasing the quantum of support for older Australians living in private rental accommodation.

The **Second Step Program – the Toll Group, Victoria** presents a good example of an integrated response to the needs of people who are aiming to get back into work and community life following a history of drug abuse or incarceration. Such a program is difficult to establish, expensive and requires a long-term commitment. The Green Paper needs to provide more ideas and modelling about how such programs could be replicated nationally.

Housing and Accommodation Support Initiative (HASI), NSW This innovative program is a partnership between NSW Health, the NSW Department of Housing and community sector organisations which assists people with mental illness who need help with accommodation to participate in community life. The 2007 HASI Stage 1 Evaluation Report by the Social Policy Research Centre, UNSW, identified some significant outcomes for participants, including:

- 70% stayed in the same home for 12 months or longer and 85% stayed with the same housing provider, ensuring they maintained secure and affordable housing; and
- Time spent in hospital emergency department decreased by 81%.

The benefits of the partnership approach are evident in the client outcomes outlined above. Despite the positive claims, loneliness is reported to still be a problem for approximately half of all clients, CALD individuals and women are under-represented in the program and Indigenous Australians are much more likely to have exited the program earlier than their counterparts.

4.3 Options presented in the Green Paper

Three options were presented in the Green Paper:

- Option 1 – transform SAAP to build a national homelessness response focused on distinct streams;
- Option 2 – improve the current SAAP response; and
- Option 3 – improve the mainstream service response to homelessness and restrict SAAP to responding to crisis interventions.

Option 1 appears to be the least attractive because it would take the longest to achieve change and could create more 'silos'. Concern has also been expressed in the consultations that SAAP is a poor program and the evidence of its success is problematic. There is a risk that this option would put more fences up rather than providing an integrated response. Also it should be noted that certain parts of the sector are more able to raise funds than others. Streamlining of SAAP would also be counter to the 'wrap-around' effect and social exclusion focus promoted in the rest of the Green Paper. There would also need to be a directive to ensure that Government Agencies engage with NGOs and that there is equal respect.

Both Options 1 and 3, which involve fundamental change to the operation of SAAP, have strengths but also risks.

Under Option 1, responsibility for administering SAAP would sit with different Federal departments, and/or different State/Territory departments. This option does not address systemic issues with the program, including the lack of resources. It would simply transfer the administrative function for the program to different Departments. Funding for different parts of the previous SAAP would be determined by multiple Departments. Agencies also have very different operating philosophies.

It is not clear that this approach would necessarily link people experiencing homelessness with the range of services that they need. For example, if youth SAAP is transferred to education, young people who are homeless are still likely to need access to health, housing and family relationship services. SAAP providers funded under an education portfolio would still need to develop links with other types of services.

It is also difficult to see how this approach would work in an administratively simple manner under the new National Affordable Housing Agreement. If responsibility for SAAP services is given to multiple Departments, each portfolio would potentially need to be a signatory to the new Agreement.

Option 3 would require significant improvements to the ability of mainstream programs to support people who are homeless. Many mainstream social programs have lengthy waiting lists. As well, they lack the ability to identify people who are homeless and would not be able to address waiting

lists by targeting resources at people who are homeless. Developing the capacity to do this would take significant time. For example, a recent NSW Government audit found that there were only two Government departments that were able to identify people who are homeless.

This option also does not identify who will link the people experiencing homelessness to mainstream services. As the Green Paper notes, support services tend to be tied to crisis accommodation. If the capacity of SAAP to work with clients is not enhanced, it is difficult to see who will be able to link the person experiencing homelessness with mainstream services.

Option 2 has to be part of a broader, more integrated response. As with other options, it does not address the broader context in which the national response to homelessness sits. This includes the need for a significant increase in the supply of housing (see sections on housing affordability and the reduction in government housing outlined above). It does not address the areas of policy that could be used to impact on the rate of homelessness at the Federal and State/Territory level or accountability measurement at all levels. Also, improving the response of mainstream services is not canvassed under Option 2, but should not be ruled out at this stage. There is also a need to acknowledge that this will take time to achieve.

A further option would build upon Options 2 and 3 as a dynamic, early intervention, crisis care model. This fourth option would take a much more integrated approach, tackling a much wider range of issues than are currently addressed under SAAP. It would need to cascade down from Federal/State/Local/NGO level and be based on Human Rights, 'social inclusion', 'social justice' principles. A Homelessness Act should also be reflected in State legislation.

In order to ensure that existing services and policies are not exacerbating the homelessness situation health services, institutions such as the prison system, State wards, Family Law and Centrelink rules, need to be reviewed. (A range of social security policies are impacting on homelessness such as the eight week penalty periods which is a very urgent issue.).

There is an obvious need to develop a model that both enhances SAAP, retaining the human rights framework currently provided for in the SAAP Act and drawing together other Government initiatives that can provide a framework for responding to homelessness.

4.4 Homelessness Australia's Alternative Model

WSROC supports in principle the alternative model proposed by Homelessness Australia. The model proposed by Homelessness Australia has nine elements. These:

- Draw together the funding arrangements necessary to address homelessness within an expanded 'National Affordability and Homelessness Agreement';
- Provide for a policy framework that draws across different portfolios in different levels of Government; and
- Set out a robust accountability framework, that includes targets and a research agenda on homelessness, a strong national peak body, and a co-ordinating authority.

The Homelessness Australia model contains the following elements:

Funding mechanisms

1. Set out a ten year increase in funding for housing
2. Enhance the Supported Accommodation Assistance Program (SAAP)
3. Expand early intervention and prevention programs
4. Expand the scope of the National Affordable Housing Agreement to become a 'National Affordable Housing and Homelessness Agreement'

Policy framework

5. Develop a Commonwealth whole-of-government homelessness strategy
6. Build on existing State/Territory homeless strategies

Accountability framework

7. Set targets and develop a strong research agenda
8. Fund strong, well resourced national and State/Territory homelessness peak bodies
9. Identify a central authority to co-ordinate the homeless response

5. CONCLUSION

Poor social and economic circumstances affect people's health throughout life. The longer people live in stressful economic and social circumstances, the greater the physiological wear and tear they suffer and the less likely they are to enjoy a healthy old age. (from the Social Determinants of Health : the Solid Facts). Overseas research has also shown that social exclusion creates misery and costs lives.

It would appear that research into the complex issues outlined above has been taking place in separate silos. Yet the overseas evidence of starting capacity building very early in life is very persuasive. While aboriginal issues have been identified, very little has been done, either in the education system to address aboriginal concerns, or in the juvenile justice system to cater for youth needs.

The lack of safety in homes has been identified for many years and offences comprising domestic violence on children are gaining media attention. Many of the social security rules are very difficult for young people or CALD groups to navigate. A lot of training is required to upskill people in DOCS and DOH to deal with a range of interrelated issues, such as loss of housing through psychiatric admission. Workloads are huge, the accountability functions are lacking and it is unclear who actually needs housing – not just those in rent arrears.

There is a concern that there is a tension between a proposed national scheme to address homelessness and the 'wrapping around' procedures advocated in the Green Paper. Creating a 'home' is not just a service framework, but requires smaller home-based services encouraging people to participate in the development of their lives.

RECOMMENDATIONS

Given the complexities and range of issues experienced by people at risk of homelessness WSROC recommends that :

1. Australia should consider ratifying the UN Charter of the Rights of Children;
2. The human rights framework currently provided for in the SAAP Act should be retained;
3. State and Federal Government Departments should be required to review their policies and processes to ensure that they are not exacerbating the homelessness problem
4. Strategies should be developed to prevent and respond to homelessness amongst women and children escaping domestic violence under the new National Action Plan;

5. The Home Advice scheme should be expanded nationally. After five years the scheme should be evaluated to ensure that it continues to provide social and economic benefits to the community;
6. Consideration should be given to expanding referral pathways to the Home Advice Scheme to include financial institutions, to better capture low income mortgagees at risk of becoming homeless;
7. Applications under NRAS should be targeted to the development of new affordable rental housing in areas of greatest need and/or for communities needing affordable housing for key service workers;
8. The Federal Government should increase funding for social housing over the next 10 years and identify how it will increase access to low-cost private rental housing for people who have experienced homelessness.;
9. The following issues should be addressed in the SAAP:
 - ongoing unmet demand;
 - sufficient resources to support client needs, especially if this support will now be provided longer term;
 - funding children as clients of SAAP in their own right; and
 - increased workforce capacity and development.
10. A new stream of funding should be made available within SAAP for longer term support to clients. This would include additional resources to enable agencies to broker relationships with mainstreams services;
11. The Household Organisation Management Expenses (HOME) Advice Program should be made available as a national program and funding for Reconnect substantially increased;
12. All Federally-funded homelessness programs should be included in an expanded National Affordable Housing and Homelessness Agreement;
13. There should be greater linkage between SAAP and housing exit points. As part of this, targets for access to social housing should be adopted, including the number of people who leave SAAP and go into social housing and the number of people who are able to maintain tenancies in the long term;
14. Additional capital funding should be provided for homeless services under CAP to address unmet demand for SAAP services; and
15. A Commonwealth whole-of-government homelessness strategy should be developed, building on the above recommendations and existing State/Territory homelessness strategies.