

**Submission  
No 178**

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

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## **Beyond Affordable Housing: How to Afford Rights?**

### **Universal Declaration of Human Rights Article 25.**

(1) Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control.

(2) Motherhood and childhood are entitled to special care and assistance. All children, whether born in or out of wedlock, shall enjoy the same social protection.

Were you to volunteer for some hours in Greens MP for Balmain, Jamie Parker's Glebe electorate office, you would encounter a steady procession of people who are not living in dignity. Many are doing battle with the bureaucracy of Housing NSW as they seek performance of basic maintenance or respite from abusive neighbours. The Glebe Estate would have to be one of the densest arrays of heritage housing in the country but it is arguable whether it is in the right hands to ensure its preservation. Inability to provide such routine maintenance as gutter cleaning has consequences in terms of structural damage, mould, leaks, floods, seepage into electrics and deleterious health for its residents. It is widely believed that outsourcing of maintenance means contracts are subbed out several times so that the person at the end of the chain who actually turns up to do the job is working on a very low rate, with small, if any, margin for profit.

Domestic violence is widespread and while mediation services do exist, the preferred mode of dealing with disturbances is to report them to the police. After officers have attended a number of times, the "antisocial" tenants can be taken to the Consumer, Trader and Tenancy Tribunal (CTTT) - and probably evicted, subjecting another neighbourhood to their problems, with no attempt to rectify them. The saddest thing is that children are caught up in all this. To try and remove them from ongoing cycles of learned behaviour, they are removed from their parents, contributing to the shocking 51.5% increase in out-of-home care since 2005 (UNICEF).

Many people with drug or alcohol addictions or mental illness are living in social housing, seemingly with inadequate levels of support. Mission Australia's CEO, Toby Hall, relates that it is unusual to find a young person with drug or alcohol addiction who is not also experiencing a mental illness yet what services exist deal with one or other of the conditions, not both. He cites their residential Triple Care Farm (TCF) as an exception to this. Only 19% of its funding comes from governments: Australia's funding for mental health continues to be well below other western countries (UNICEF). TCF takes 100 enrolments each year yet receives 6,000 enquiries from around Australia annually, such is the unmet demand for its services (Hall).

Early intervention is vital in so many respects to prevent young people from becoming homeless in later life, to provide adequate support to children with

disabilities and to assist particular groups with higher risk of mental health problems; children from refugee and migrant backgrounds, indigenous children, young carers, or same sex attracted young people (UNICEF and Channel 4). Yet in NSW the state government simply hasn't enough money to deliver the most basic of services; it is proposing to make people pay for public pre-school places.

The specific housing scenarios raise serious questions as to the stewardship of public resources, the effective use of police time and application of public funds but the broader issue is how should the transition from where we are now to where those of us supporting a Human Rights Charter for NSW would like to be, be funded?

Notwithstanding the lack of the political will to deliver on the arguably Utopian social and economic aspirations of UDHR Article 25, the resultant social exclusion leads to further public expense or lost productivity. So how to find the wherewithal to support the vitally needed services the existing model fails so spectacularly to provide? Simple maintenance would lend itself to social enterprise initiatives whereby NGOs facilitate the training and "employment" of welfare recipients, though gutter cleaning would probably present OHS challenges of the pink batt catastrophic variety. Some such schemes already exist but their take up is patchy.

A fairer means of generating state income might be lifting the GST rate which has not changed since its introduction in 2001. Some offsetting of a basic commodity or service that is presently subject to GST could make the proposal more palatable to those on low or fixed incomes. A Financial Transactions Tax is finally gaining some traction as a tool for alleviating global poverty but there are many domestic needs that need resourcing and the whole idea requires international cooperation that is far from forthcoming. Australia is one of the few OECD countries without an inheritance tax. This perpetuates wealth and capital in the hands of the already wealthy - and does little to encourage them to give it away.

While Mission Australia funds 81% of the running costs of Triple Care Farm from private and corporate donations, many demands are being made on very few philanthropic dollars. 2011 Australian of the Year, Simon McKeon, might have tried to encourage the practice of philanthropy among our super-rich but it looks as if one of our most generous benefactors is American. Chuck Feeny has donated more than \$500 million, mainly in medical research. Meanwhile of the 8,000 Australians who declared more than \$1m taxable income in 2011, one third made no claim for tax deductible giving. (Steffens)

To break the nexus between housing and speculation for capital accumulation, the tax forum in October 2011 considered the introduction of a uniform system of land tax within Australia, a potential lever to reduce the incidence of homelessness and "housing stress" (officially defined as where the rent exceeds 30% of household income, Stillwell). The Henry Review discussed tax reform but little has being implemented. Labour continues to be taxed more effectively than capital accumulation, with the results that social initiatives are underfunded and the gap between the very rich and the very poor continues to widen. How does the market system or neo-liberalism factor in care for those who through physical or mental illness, misfortune or social disadvantage are simply unable to keep up?

The neo-liberal approach is governments must stop looking after people who cannot look after themselves. Seemingly, we need to go back to the nineteenth century, a provident or mutual society when the poor looked after the poor. The increasing extent of housing stress experienced by Sydney households is detailed by Anglicare in their annual Rental Affordability Snapshot. We are watching the emergence of the working poor, people struggling to meet their demands by working in two of three low-paid, insecure jobs. Meanwhile the profligately high salaries shareholders are allowing executives to cream off for themselves are distorting the allocation spectrum.

As long as these questions remain unanswered people will continue living amongst us, denied the basic dignity that should be attributed to them purely by virtue of being human. We are accustomed to seeing the homeless and mentally ill on our streets, foraging in our garbage bins. There is sufficient to meet everyone's needs; it is a matter of how wealth is distributed.

#### Conclusion and recommendations

The demands currently made on NSW government agencies for social services far exceed their capacity to provide them and as the population grows and ages, this situation will only worsen. The NSW Auditor-General's Report *Making the Best of Public Housing* encourages the development of long term housing funding arrangements.

The NSW State Government needs to petition the Federal government for more creative ways to fund essential support services.

Such measures could include:-

- lifting the GST rate - with some offsetting of a basic commodity or service that is presently subject to GST in the interests of social equity
- the introduction of a Financial Transactions Tax
- encourage philanthropy by tax offsets
- introducing an inheritance tax
- breaking the nexus between housing speculation and capital accumulation by implementing a uniform, Australia-wide land tax
- taking measures to remove the dysfunction from the housing market in general and Sydney in particular by addressing the distorting factors of:-
  - negative gearing
  - foreign investment
  - SMSF Investment
  - discounted CGT
- introducing social enterprise initiatives for housing maintenance whereby NGOs facilitate the training and "employment" of welfare recipients

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