

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

**Organisation:** UnitingCare CYPF

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## ***Submission***

***SOCIAL JUSTICE UNIT***

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# Submission to the Legislative Council Social, Public and Affordable Housing Committee



We would like to thank the staff of the following agencies within UnitingCare and the wider Uniting Church for participating in consultations and making other contributions as part of the preparation of this submission; and also to the clients of these services for sharing their stories:

UnitingCare Children, Young People and Families

UnitingCare Ageing

The Wayside Chapel

Parramatta Mission

Wesley Mission



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# About UnitingCare Children, Young People & Families

UnitingCare Children, Young People and Families (UnitingCare CYPF) is a service group of UnitingCare NSW.ACT. Our concerns for social justice and the needs of children, young people, families and individuals who are disadvantaged, inform the way we serve and represent people and communities. The Service Group is comprised of UnitingCare Burnside, UnitingCare Unifam Counselling and Mediation, UnitingCare Disability, UnitingCare Children's Services and the Institute of Family Practice, a registered training organisation. Our purpose is to provide innovative and quality programs and advocacy to break the cycle of disadvantage that affects vulnerable children, young people, families and individuals.

This submission draws on the experience of UnitingCare Disability and UnitingCare Burnside (Burnside). In addition through our connections and partnerships with other branches of UnitingCare services in NSW and the wider Uniting Church, we have also been able to consult with, and include case studies and experiences from UnitingCare Ageing and a select number of Uniting Church Parish Missions including Parramatta Mission, Wesley Mission and The Wayside Chapel.

## About Burnside

Burnside is a leading child and family welfare organisation that has been delivering services to vulnerable children and young people for more than 100 years. Burnside provides services across the continuum of care, ranging from preventative programs; early intervention programs such as Brighter Futures; intensive family support programs such as Newpin (New Parent and Infant Network), out-of-home care and aftercare programs. Burnside entered into a joint contract with the NSW Government to develop Australia's first Social Benefit Bond for the Newpin program in 2013.

Burnside provides a number of services that support people experiencing or at risk of homelessness. It operates specialist homelessness services that provide casework, brokerage and accommodation information to young people at risk of or experiencing homelessness (DOORWAYS and The Drum Youth Resource Centre). In the Central Coast of NSW Burnside delivers a homelessness prevention program called Household Organisation

Management Expenses (HOME) Advice. In Dubbo, South West Sydney and Gosford, Burnside runs *Reconnect*, a national early intervention program aimed at reducing youth homelessness.

### **About UnitingCare Disability**

UnitingCare Disability plays a lead role in the provision and development of services for people with disabilities and their families. Its aim is to help transform lives by creating options that enable all people to live a good life as valued citizens in their communities. It puts into practice the principle that people with disabilities should have equal opportunity to participate in the social, cultural and political life of the nation, with the same opportunities for employment, housing, income, education and other services.

UnitingCare Disability works to support people with disabilities to move from licensed boarding houses into the community through transitional accommodation and support and planning. UnitingCare Disability also provides outreach support to people currently living in licensed boarding houses through the Active Linking Initiative (ALI) program in Sydney's Inner West. In addition they provide a number of longer term support options for people who have exited licensed boarding houses including a Supported Living (drop in support) program and a small group home for people requiring 24-hour care and support.

### **About UnitingCare Ageing**

UnitingCare Ageing is responsible for the Uniting Church's ministry for older people, particularly those who are disadvantaged, vulnerable and isolated. Providing care to more than 14,000 people, UnitingCare Ageing is the single largest provider of aged care services in New South Wales and the ACT.

UnitingCare Ageing offers care in a range of accommodation settings including high care, residential care, retirement living, community care, day centres, private nursing services and respite care. UnitingCare Ageing continually strives to develop services by seeking knowledge, responding to and meeting community expectations and by developing innovative approaches that will provide the best possible care for the people they serve.

## **About Uniting Church Parish Missions**

Uniting Church parish missions typically engage in health, welfare, housing and other community services and advocacy on behalf of people in need. The parish missions consulted for this submission together represent over 200 years of caring for the vulnerable and marginalised.

The Wayside Chapel has provided care and support for people on and around the streets of Kings Cross since 1964 including provision of emergency food, meals, accommodation, referrals and welfare and social activities. The Wesley Mission provides services across aged care, respite, child and family services, mental health and youth services. Wesley Mission homelessness services include the provision of accommodation options for individuals, families, young people and the elderly. Parramatta Mission has been providing services to people who are homeless, people facing crisis and people living with mental illness for over 40 years.



## Executive summary

UnitingCare CYPF welcomes the opportunity to contribute to the Select Committee Inquiry into social, public and affordable housing in NSW. The services and parish missions consulted by UnitingCare CYPF in preparation for this submission represent years of experience in delivering programs for vulnerable individuals and families across the life span. This includes services specifically targeting people who are homeless or at risk of homelessness across the lifespan: from children, young people and families to people with a disability and people residing in aged care.

The housing affordability crisis cuts across all UnitingCare services. This submission attempts to capture the impacts that it is having on the different cross sections of the community that both UnitingCare services and Uniting Church parish missions work with on a day-to-day basis. The case studies included in this submission represent the human face of the NSW housing affordability crisis.

This submission is structured as follows:

- 1) Explains the crisis in private ownership, private rental and social housing. This includes how people have been excluded from all three realms due to rising prices and the impacts this is having for clients across different services
- 2) Focuses on accommodation and related supports needed in different homelessness services. Explores the role of the housing affordability crisis in increasing homelessness statistics and how it is impacting upon short to mid-term accommodation, crisis and refuge accommodation and transitional housing.
- 3) Explores the potential of Social Benefit Bonds (SBBs) in increasing affordable housing in NSW. This draws on the unique experience of UnitingCare Burnside in developing Australia's first SBB.

The consultations with services and parish missions highlighted a number of areas of Commonwealth policy that are beyond the jurisdiction of this inquiry, but are responsible for declining housing affordability. These issues have been included as it is important to recognise that as long as macro-level drivers of the housing affordability crisis remain in place, local initiatives aimed

at tackling this crisis will only have a limited impact. These policies are also the concern of the NSW Government as the resultant housing affordability crisis is playing out on the streets of NSW and in many ways, the NSW Government is left holding the bill for the shortcomings of Commonwealth policies.

A summary of our recommendations is below. While not addressing the cause of the housing crisis, these recommendations provide practical suggestions for alleviating the pressure of the housing affordability crisis on low-income households and also identify areas of critical need amongst clients of UnitingCare and Uniting Church programs.

We hope that the NSW Government can use the material provided here in its own advocacy with the Commonwealth Government. Overall there is a critical need for a range of affordable housing options across NSW. UnitingCare CYPF encourages any process by which the NSW government can develop mechanisms to increase affordable housing stock, particularly for people on low incomes.

### **Overview of recommendations**

- That the NSW Government explore initiatives to assist low-income families struggling under mortgage stress to be assisted to stay in their homes
- That the Home Modifications Scheme (HMS) be considered for greater expansion
- That the NSW Government explore initiatives to ease the burden of private rents in NSW for low-income households
- That the NSW Government reassess provisions on residential tenancy databases in the Residential Tenancies Act 2010 to ensure that they do not discriminate against families leaving violence
- That the Residential Tenancies Act 2010 be reviewed in order to provide tenants with greater security of tenure. In particular the “no just cause” clause should be reviewed, so that landlords can only terminate a tenancy according to prescribed circumstances
- That the supply of transitional housing and supported accommodation facilities be increased to meet current needs
- That the NSW Government continue to raise the issue of ongoing funding for homelessness and housing programs with the Commonwealth as a matter of urgency



- That the NSW Government increase the availability of affordable and secure housing options for young people and families
- That the NSW Government increase investment in refuges and crisis accommodation and explore other initiatives that could assist women and men leaving violent relationships in finding and accessing long-term affordable housing options
- That the NSW Government continue to expand the Staying Home Leaving Violence program so that it is available to women and children in all areas of the State
- That services for young people experiencing or at risk of homelessness be expanded
- That young people who have grown up in formal and informal out-of-home-care have preferential access to public housing and be able to register automatically for priority housing from age 15, as occurs in Western Australia
- That the NSW Government consider initiatives to increase support for asylum seekers living in the community on bridging visas.

## Introduction

UnitingCare CYPF have used the opportunity of this inquiry to talk to services across UnitingCare NSW.ACT and also with selected parish missions of the Uniting Church to find out what issues in the housing sector exist for our clients. Lack of access to adequate housing was consistently and unanimously raised by everyone. It impacts on our clients across the spectrum, from the very young to the very old.

In drafting this submission UnitingCare CYPF has been guided by principles of social justice that recognise access to adequate housing as a fundamental human right. Adequate housing is more than simply just shelter, it is critical to delivering positive outcomes for children, young people and families across the lifespan. Having a stable home is central to health and wellbeing and all aspects of a quality life. Without access to adequate housing, other basic rights are comprised including the right to health, development, family life and privacy.<sup>1</sup>

“The right to housing has particular significance for children. Because of their vulnerability they have special needs for care and protection. Without decent secure accommodation children are unlikely to realise their right to grow and develop in an atmosphere of moral and material security, free from abuse and neglect.”<sup>2</sup>

Adequate housing is also central for the family unit, with the home a place for sharing fundamental aspects of daily life such as eating, sleeping and relaxing. In addition, having a stable home allows people to build friendships, relationships, networks and communities. This is vital for the long-term well-being of children, young people and families.

NSW is currently facing a housing affordability crisis. There is a lack of housing for people on low incomes and for disadvantaged households across the public and private rental spheres and home ownership markets. Decades of increasing rent and housing prices have pushed low income and disadvantaged households to breaking point. Waiting lists for social housing

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<sup>1</sup> Sidoti, C. 1996, 'Housing as a human right, Address to National Conference on Homelessness Council to Homeless Persons, [accessed 28/02/2013] at <  
[https://www.humanrights.gov.au/sites/default/files/content/pdf/human\\_rights/housing.pdf](https://www.humanrights.gov.au/sites/default/files/content/pdf/human_rights/housing.pdf)>

<sup>2</sup> Ibid

stretches beyond 15 years in most areas. Crisis and transitional housing is in high demand, and there are simply not enough places to meet current need. Refuges are full. Homelessness continues to rise.

Those UnitingCare programs and parish missions that provide homelessness services or brokerage for housing are facing significant challenges in finding long-term stable and adequate housing solutions for clients. Many clients cycle through the system. Due to a lack of options some clients are addressing their issues and then re-entering homelessness. Others are entering the private housing market at considerable cost and so being thrust into housing stress and housing precariousness.

Services and parish missions which do not directly deal with housing or homelessness are also seeing the effects of the housing affordability crisis on clients. Child protection orders can be triggered due to a lack of stable housing, and families working towards restoration can be prevented from doing so until appropriate housing is found. We have clients currently living in tents in their friend's back yard, in garages, on couches and in cars. People are desperate for housing and are sleeping where they can.

Many of the families in UnitingCare programs receive some form of social security payments, or are on low-incomes which are not sufficient to cover housing costs. Trying to balance limited budgets with high rent or mortgage payments mean people are skipping meals, missing out on medication and going without electricity to keep a roof over their heads. Many of our clients find themselves in precarious housing situations that cause instability, anxiety, depression and prevent them from actioning long-term plans.

Quite often, clients that come into our services have a range of complex needs including histories of trauma and abuse, addictions, mental health issues, entrenched disadvantage, homelessness and domestic violence. Without access to stable accommodation, clients are unable to address any of their other concerns. As one of our service managers said: "housing is everything".

Fundamentally, there is a need for affordable housing options to be increased across the public and private spheres in New South Wales as well as an expansion of current short term, transitional and crisis accommodation options. UnitingCare CYPF encourages the NSW Government to develop

mechanisms that increase the availability of affordable and secure housing options for all vulnerable people in NSW.

# 1. The affordability crisis in NSW

## Housing stress and the crisis in private home-ownership

In NSW low-income households have limited access to adequate housing due to the insufficient supply of affordable dwellings in private ownership and private rental markets and an oversubscription of social housing.

There are an increasing number of households experiencing housing stress, living in severely overcrowded housing and becoming homelessness. Households are defined as being in stress when more than 30 per cent of their income is going to housing payments. This is especially true of households in the lower two income quartiles.

According to the Australian Council of Social Services (ACOSS) “Decades of rent and mortgage increases above the rate of inflation have left more than a million people on low incomes experiencing housing stress”.<sup>3</sup> Nationally 48 per cent of households are in mortgage stress. In lower-income households this rate increases to 54 per cent.<sup>4</sup>

In the private home-ownership sphere, housing stress has been driven by house prices that have grown significantly more than any rises in household incomes.<sup>5</sup> Between 1986 and 2005 house prices quadrupled, and then increased a further 50 per cent to August 2013.<sup>6</sup> Over the space of a few months in 2013, the average home loan size taken by a first time buyer jumped \$50,000 from \$297,000 in August to \$344,000 in December.<sup>7</sup>

Home ownership is now out of reach for a number of people in NSW on middle-incomes let alone lower-incomes. Sydney is particularly unaffordable

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<sup>3</sup> Australian Council of Social Services (ACOSS), 2014, *Budget Priorities Statement 2014-2015*, Strawberry Hills, NSW, p.33 (using the National Housing Supply Council Data)

<sup>4</sup> Shelter NSW, 2013, *NSW Housing Factsheet: A Quick guide to Housing Facts and Figures*, p. 2

<sup>5</sup> Kelly, JF, 2013, *Renovating Housing Policy*, The Grattan Institute, p.11

<sup>6</sup> Janda, M. 31/08/2013, ‘Homeowner dreams and aged underclass nightmare’, *The Drum*

<sup>7</sup> Johnstone, T. 11 February 2014, ‘First timers comeback’, *Sydney Morning Herald*, [accessed 12/02/2014] at <<http://smh.domain.com.au/real-estate-news/first-timers-make-comeback-20140211-32fga.html>>



with a number of suburbs now averaging house prices of \$1 million.<sup>8</sup> The “great Australian dream” of private house ownership is fading for a growing number of Australians with fewer people owning their own home, specifically in younger and middle-aged groups.<sup>9</sup> More people are entering life-long rental.

Macro-economic settings including a range of regressive tax instruments (particularly negative gearing) are consistently blamed for directly contributing to house price inflation in Australia.<sup>10</sup> Whilst not in the scope of this inquiry to consider federal fiscal policy, it is important to recognise that as long as macro-economic drivers of the housing affordability crisis remain in place, local initiatives aimed at tackling this crisis will only have a limited impact.

UnitingCare CYPF is concerned for low-income clients who have been assisted to buy properties but have had changes in circumstances and are no longer able to make repayments. Families in particular are affected, with many finding their housing options outside of ownership are limited due to the tight and expensive rental market, and with long waiting lists for public housing. There is a lack of flexible and dynamic support packages that can assist people to stay in their own home. Crisis assistance is almost entirely limited to those without property and negotiating the system to find appropriate help can be confusing.

The lack of alternative options is forcing many people into unsatisfactory and inappropriate housing arrangements in order to retain a roof above their heads. UnitingCare CYPF would welcome consideration of any initiatives that could assist low-income families struggling under mortgage stress to be assisted to stay in their homes.

Clients with disabilities, particularly acquired physical disabilities, can face difficulties remaining in their own home where accessibility becomes an issue. This is also an issue faced by ageing people. The Home Modifications Scheme (HMS) run through the Department of Ageing, Disability and Home Care does provide subsidies for approved clients to make modifications that would enable them to remain in their own home such as access ramps and

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<sup>8</sup> Johnstone, T. 25/01/2014, ‘Welcome to Sydney’s new million-dollar suburbs’, *Sydney Morning Herald*, [accessed 4/03/2014] at < <http://news.domain.com.au/domain/real-estate-news/welcome-to-sydneys-new-million-dollar-suburbs-20140124-31e9a.html>>

<sup>9</sup> National Housing Supply Council, 2012, *Housing Supply and Affordability Issues 2012-2013*, Commonwealth of Australia

<sup>10</sup> Kelly, J.F. 2013, *Renovating Housing Policy*, Grattan Institute



safety modifications. This is a valuable scheme that UnitingCare CYPF recommends should be considered for greater funding allocations.

Feedback on the HMS from UnitingCare Disability services revealed long waiting lists, which has resulted in people with critical needs ultimately having to leave their homes or reside for long periods of time in housing that was completely inadequate for their needs. Both scenarios limit the right of people with disabilities or ageing people to access adequate housing.

One UnitingCare Disability client with a degenerative disorder lost the ability to walk unaided but could only access his house via steps to the property. Initially family were able to assist him to access his home. Unfortunately for this client, his family members also had health problems, which prevented them from continuing to do this on a long-term basis. Although an application had been put in to the HMS, almost 12 months later it had not come through, and the client ended up having to leave his property.

**Recommendation:** That the NSW Government explore initiatives to assist low-income families struggling under mortgage stress to be assisted to stay in their homes.

**Recommendation:** That the Home Modifications Scheme (HMS) be considered for greater expansion.

## The crisis in the private rental market

Nationally the majority of people experiencing housing stress are in private rental. Research by ACOSS found that 60 per cent of people on low incomes in private rental were experiencing housing stress, with 25 per cent of people on low incomes spending over half their income on rent.<sup>11</sup> Statistics in NSW are higher than the national average with 62 per cent of low income households experiencing rental stress.<sup>12</sup>

In 2013, UnitingCare CYPF commissioned a report from NATSEM at the University of Canberra on 'Poverty, Social Exclusion and Disadvantage in Australia'. The report found that in 2011, the percentage of households in NSW Local Government Areas (LGAs) experiencing rental stress ranged from 5.3 per cent to 46 per cent. Of great concern was that 73 LGAs in NSW had rate of rental stress exceeding 30 per cent. Clusters of households experiencing rental stress were identified in Auburn, Canterbury and Liverpool and on the outskirts of Sydney as well as in regional towns such as Inverell, Clarence Valley and Kempsey in the North East of NSW and in Shoalhaven, Eurobodalla and Bega Valley in southern NSW.<sup>13</sup>

Housing stress in the private rental market has been driven by rental prices rising significantly beyond that of income, particularly in low-income households. Over the past decade average nominal rents for houses have increased by 75.8 per cent, and for apartments by 91.8 per cent, massively outstripping the average earnings increases of 57 per cent over the same period.<sup>14</sup> Record low vacancy rates across much of NSW have contributed to this price squeeze with vacancy rates in October 2013 at 1.4 per cent in Newcastle, 2.4 per cent in Wollongong and 0.8 per cent in inner Sydney.<sup>15</sup> The Real Estate Institute of NSW has labelled these rates "horrendous" and at "crisis point".<sup>16</sup>

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<sup>11</sup> ACOSS, 2014, op. cit.

<sup>12</sup> Shelter NSW, 2013, *NSW Housing Factsheet: A Quick guide to Housing Facts and Figures*, p. 2

<sup>13</sup> Phillips, B. Miranti, R. Vidyattama, Y. & Cassells, R. 2013, *Poverty, Social Exclusion and Disadvantage in Australia*, NATSEM, University of Canberra

<sup>14</sup> National Housing Supply Council, 2012, op.cit.

<sup>15</sup> Sweeney, N. 2014, 'NSW vacancy rates 'horrendous'', *Your Investment Property*, [accessed 4/3/2014] at < <http://www.yourinvestmentpropertymag.com.au/property-management/nsw-rental-vacancy-rates-horrendous-79656.aspx>>

<sup>16</sup> Ibid.

Reports analysing the availability of affordable private rental property in Australia show that the private market is all but out of reach for those on low incomes in all corners of the NSW. The annual Anglicare Housing Affordability Snapshot analyses available rental properties over the space of one week, with over 54,000 properties surveyed in 2013. In the Greater Sydney area there were no properties that were affordable for single people on Youth Allowance or Newstart, and only one per cent of properties were affordable for low income households.<sup>17</sup> For single parents on the minimum wage, only five rental properties were considered affordable across the entire Greater Sydney region.

Areas in NSW outside of Sydney are not faring much better, with only a handful of properties affordable and appropriate for people on income support across the Illawarra region, Southern Tablelands and Western NSW. There were no affordable properties in North Coast NSW. Western NSW was found to be heavily impacted by the mining industry, with a significant proportion of low income households in certain areas priced out of local markets.<sup>18</sup>

The increasing dearth of affordable rental properties for low-income earners has occurred at the same time as the NSW Government has increasingly looked towards the private housing market to supply low-income earners with housing solutions. Since 1995 the number of new social houses has stagnated and the profile of public housing tenants has moved away from low-waged households, to those with significant and often complex needs.<sup>19</sup> As noted by Shelter NSW:

“Recent changes in social housing eligibility and allocation policies aim to refocus the system on meeting the needs of the most disadvantaged applicants, and then encouraging them to move back into the private housing market when their situation improves”.<sup>20</sup>

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<sup>17</sup> Anglicare, 2014, ‘Rental affordability crisis: Less than 1% of Sydney homes affordable for low income households’, [accessed 11/2/2014] at <<http://www.anglicare.org.au/news-research-events/latest-research/2013-rental-affordability-snapshot>>

<sup>18</sup> Anglicare Australia, 2013, *Rental Affordability Snapshot*, Canberra, p.63

<sup>19</sup> Audit Office of New South Wales, *New South Wales Auditor-General’s Report: Performance Audit: Making the Best Use of Public Housing*, Housing NSW, NSW Land and Housing Corporation

<sup>20</sup> Eastgate, J. Rix, P. & Johnston, C. 2011, *View from the Estates: Tenants Views of the Impact of Changes in Eligibility and Allocation Policies on Public Housing Estates*, Shelter NSW, p.1

This has a significant impact on our services, especially those where the funding agreement requires delivery of long-term housing solutions to clients. It also has a significant impact on our clients, many of whom are either currently utilising, or are expected to find stable housing solutions in the private market. There is a policy mismatch between the ideal policy outcome of disadvantaged people moving to private market housing, and the reality whereby disadvantaged people are frozen out of this solution.

The impact of housing stress on clients cannot be underestimated. Utilising a significant part of a small income on housing costs means that many other day-to-day expenses compete with each other. UnitingCare services reported that we have clients who go without meals and medicines and are unable to purchase basic household items such as a fridge. Subsequently UnitingCare services and parish missions provide many low-income families with food vouchers, as families are unable to buy food and pay the rent and electricity.

Services reported that housing stress had led to anxiety and depression amongst clients and in some case had re-triggered post-traumatic stress. Research has found evidence that housing stress can contribute to family breakdown.<sup>21</sup> It can also lead to housing instability with families forced to move often and/or live in totally inadequate accommodation.<sup>22</sup>

Services noted that instability comes with high financial costs for storage, removalists and transferral of bills, pushing those experiencing financial hardship further into poverty. Ultimately housing stress is a major contributor to homelessness with housing stress becoming the primary reason for homelessness in NSW in 2009.<sup>23</sup>

### **Social security has failed to keep pace with the cost of housing**

“As in years gone by, the 2013 [Anglicare Housing Affordability] Snapshot highlights remarkably well that low incomes like government payments and the minimum wage are completely insufficient to cover costs in the Australian rental market”.<sup>24</sup>

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<sup>21</sup> Shelter NSW, 2010, *What Housing Issues Contribute to Homelessness?*, Shelter Brief 44, p.9

<sup>22</sup> Ibid.

<sup>23</sup> Ibid.

<sup>24</sup> Anglicare Australia, 2013, *Rental Affordability Snapshot*, Canberra, p.4



One of the issues for tenants receiving any kind of social security payment is that increases in these payments have not kept pace with market rents. They also bear no resemblance to the actual cost of living needs of people who are expected to survive on them. Although determined by the Commonwealth Government, and so not in the purview of this inquiry, the poverty crisis created through the nexus of limited welfare and high housing costs occurs in the homes and streets of NSW.

The State Government should advocate to the Commonwealth to fulfil the primary purpose of the social security system in Australia, that is, to 'provide individuals with a minimum adequate standard of living'.<sup>25</sup>

The current rate for a single person with no children on Newstart is \$501/fortnight or just over \$35/day and on Youth Allowance (and living away from home) is \$414.40/fortnight or less than \$30/day. These rates are significantly below the poverty line with a deficit of \$74/week and \$160/week respectively.<sup>26</sup>

Comparatively, the average weekly rental cost in Australia four years ago was \$305/week, more than the average weekly earnings on Newstart or Youth Allowance.<sup>27</sup> Indexed against the Consumer Price Index (CPI), Newstart and other payments have not been effectively increased since 1994, meaning that they have steadily slipped behind community standards of living.<sup>28</sup>

However, difficulties in rental affordability are experienced by clients across the full gamut of welfare payments including those on disability and aged pensions. The impact of poverty caused by the welfare-rent nexus runs across our services.

A significant impact for clients has been the changes to eligibility of the Single Parenting Payment that has pushed many single-parent families who were

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<sup>25</sup> Australian Law Reform Commission, 2012, 'Australia's social security system', *Grey Areas – Age Barriers to Work in Commonwealth Law*, Australian Government

<sup>26</sup> Peters, A. 2013, *Single Parents Protest Changes to their Welfare Benefits*, Council of Social Services NSW (NCOSS), [accessed 10/03/2014] at <<http://www.ncoss.org.au/content/view/8031/100/>>

<sup>27</sup> Australian Bureau of Statistics (ABS), 2012, 'Housing costs', *Year Book Australia*, [accessed 5/3/2014] at <<http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by%20Subject/1301.0~2012~Main%20Features~Housing%20Costs~130>>

<sup>28</sup> Australian Council of Social Services (ACOSS), nd. *\$35 a Day: Not Enough to Live on*. [accessed 5/3/2014] at <[http://acoss.org.au/images/uploads/Newstart%20Allowance%20brochure%20FINAL\\_March%20version.pdf](http://acoss.org.au/images/uploads/Newstart%20Allowance%20brochure%20FINAL_March%20version.pdf)>

already financially struggling, onto the lower Newstart allowance. UnitingCare Burnside's Brighter Futures programs are just one of many services that have witnessed an increase in single parent families experiencing poverty. Brighter Futures is a program aimed at preventing families from entering statutory child protection services. They reported that:

"The high cost of housing, combined with low income, means that many single parent families cannot afford the basics such as rent, food, transport and bills. This includes families who have no issues with financial management and with no additional expenses from drug and alcohol issues or smoking cigarettes".

One Brighter Futures service reported that they referred one single parent family for financial counselling to assist with budgeting. The financial counsellor reported back that there was nothing that could be achieved through financial counselling as the income was too low to meet the basic needs of the family.

For another family, the poverty they were experiencing meant that the mother was unable to access the medical treatment she required as the cost of seeing a specialist was prohibitive. This placed the family under additional stress as the children worried about their mother's health.

Initiatives by the NSW Government under Housing Pathways to assist disadvantaged households in the private rental market are a welcome help for some tenants. Assistance with brokerage, a loan and a tenancy guarantee do provide for some critical needs in the private market. However, they do not (and nor are they designed to) assist with easing the cost of market rent. This means that a significant amount of low-income people remain frozen out of the private rental market or are forced into precarious housing situations and housing stress due to the high percentage of incomes spent on commercial rent.

### **Relationship of Commonwealth Rent Assistance to market rates**

Commonwealth Rental Assistance (CRA) is available to those people receiving Centrelink benefits and residing in the private rental market in order to assist with housing costs. However, the level of CRA is insufficient to reduce housing stress or to avoid living in "extreme housing poverty" for many



Centrelink recipients.<sup>29</sup> In 2012, out of all NSW households receiving Commonwealth Rent Assistance, 41 per cent were in rental stress, with many recipients (13.2 per cent) paying more than half of their incomes on rent.<sup>30</sup>

Like other Commonwealth income support payments, CRA has failed to keep pace with increases in market rent. The National Welfare Rights Network (NWRN) notes that this is due to the fact that CRA is linked to CPI and not movements in average market rents.<sup>31</sup> For example, in the three years to 2009, rents rose by an average of 10 per cent per year whilst the maximum rate of CRA rose by only 2.7 per cent.<sup>32</sup>

Again, although this is not in the jurisdiction of the inquiry, it must be noted that inadequate Commonwealth supports are creating poverty traps for the residents of NSW. Existing provisions to ease the burden of private rents should be reviewed. UnitingCare CYPF urges the NSW Government to raise the issue of inadequate level of private rental support through the CRA with the Commonwealth as a matter of urgency.

**Recommendation:** That the NSW Government explores initiatives to ease the burden of private rents in NSW for low-income households.

**Case study: the difficulties for welfare recipients in finding stable housing**

I am from western Sydney. I am 21 years old and I have an 11 month old daughter. I am a single mother trying urgently to find stable and affordable housing for myself and my daughter.

I do not have housing at the moment. My daughter was removed from my care after she was born because of domestic violence threats. At that time I was in private rental that I had found myself with my friend. FACS [Department of Family and Community Services] said I had to move from the coast if I wanted a chance to get my daughter back.

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<sup>29</sup> National Welfare Rights Network, 2013, *A Home on the Range or a Home out of Range? How Commonwealth Rent Assistance Fails Low Income Australians*, p.3

<sup>30</sup> Shelter NSW, 2013, *NSW Housing Factsheet: A Quick guide to Housing Facts and Figures*, p. 2

<sup>31</sup> National Welfare Rights Network, 2013, Op.Cit. p.4

<sup>32</sup> Ibid.

There was no supported accommodation for me and my daughter. So I gave up my lease and moved to Sydney.

Family friends had put their hand up and become foster carers so I could live within their house and look after my daughter. I have now gone through all the hard work and have parental responsibility for my daughter again. I am ready and able to move out, to live as a family, myself and my daughter, and to move on with building a happy life.

However without being on priority [the priority housing list for public housing] there is no chance of getting housing. I don't want to be handed a house. Rent assistance through Centrelink is not enough for me to be able to get private rental. I'm stuck. I support myself and my daughter and have just so much left for rent.

The family I have lived with for 9 months are selling and moving so I am desperate to find stable and secure housing. Without being on priority I am stuck. My best option now is looking for private rental with my friend who also has a small child. But she is less able to pay bills than me, so I would need to take charge of that.

When I have applied for housing I have always had good references about my tenancies, but estate agents don't care. They want a family because that means no parties and someone working. It is discrimination. To them single mother means party animal, pension, pension spent on drugs and alcohol, lazy.... Some people are like that.... but I'm not. The system is just not fair, especially for single mums on a pension.

My dream would be to have a private house, somewhere we can settle for a few years, not just for three months or for six months, a decent house, not the best house, but suitable for me and my child, close to my supports, not on a junkie street where it is not safe to raise a child.

### **Landlords cherry picking tenants: discrimination in the private rental market**

The tight rental market means that landlords are able to pick from an increasing pool of prospective tenants. UnitingCare CYPF services have heard of landlords "cherry picking" tenants, excluding disadvantaged people

such as single parents and others on Centrelink benefits. Further, the eligibility and assessment processes for private rental properties can preclude people from accessing housing, especially where they have unstable or patchwork housing histories. This is particularly a problem for those who have experienced homelessness or have been recently released from prison.<sup>33</sup>

Discrimination is also a continuing issue, with Aboriginal clients and clients from a CALD background, who have good rental histories, being unsuccessful for multiple rental applications without good reason (see case study below). As noted by Shelter NSW, racial discrimination is a continuing issue in the private rental market across Australia, and when people are prevented from access to properties due to discrimination, it increases their risk of homelessness.<sup>34</sup>

#### **Discrimination in the private housing market**

I am an Aboriginal woman and a single mum with three children.

I recently left a domestic violence relationship and moved to a rental property but due to circumstances relating to my health in January this year I had to give up my residence in an attempt to be closer to my family.

As a result I have been homeless for the past nine months.

My home for my family has been a tent in the back yard of a relative.

I have applied for over 75 properties well within my budget. I work part-time for the Department of Education.

I have been given reasons for not being successful with my applications, and usually the real estates say to me that because I'm a single mother with three children I can't get a rental.

I know the real reason but people are smart they don't say "you're Aboriginal and that's why you can't have a rental".

I have been to the Department of Housing and asked for help. One day whilst

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<sup>33</sup> Shelter NSW, 2010, *What Housing Issues Contribute to Homelessness?*, Shelter Brief 44, p.14  
<sup>34</sup> Ibid

I was standing in line three white fellas got assistance and were told about the next step of their applications.

When I handed in my forms I was asked "Can you read and write?"

I replied 'I hold a bachelor of Education in Adult Education with double majors in Community Development and Aboriginal Studies, I think I can read and write. Oh, I also work. I'm not completely stupid'.

My morale is low. I am often depressed and can't see the light at the end of the tunnel.

I still send my children to school, they play sport on a regional level, my son has just been offered a scholarship in a private school, and he was also school captain last year. My eldest daughter is currently trying out for the next Olympics in Rio and also goes to summer school at a local university.

Even though I am at my lowest, my family and their education and well-being remains a priority.

Not bad for a bunch of black fellas hey.

So if anyone can offer me help to get a home I would be forever grateful.

### **Women leaving violence and the barrier of residential tenant history databases (TICA)**

Residential tenancy databases are managed by private companies and offer a tenant checking system used by real estate agents. The main operator in NSW is TICA. Tenants who have previously left a property in disrepair or have not paid rent are listed on a database, which is then able to be checked when future leasing applications are made. Residential tenant databases such as TICA are sometimes referred to as 'the blacklist'.

Services across UnitingCare NSW.ACT and the parish missions are aware of clients who have been adversely affected by TICA. These clients have typically been in a violent relationship. The violence of their previous partner has led to the destruction of landlord property. If both partners are named on the lease, this can lead to both partners being named on TICA.



UnitingCare CYPF's service Brighter Futures has worked with women leaving violence who find that they are unable to access private rental housing because of their inclusion on a TICA. Where their inclusion on TICA is due to rental arrears, services found that even after debt is paid off, tenant's names remain on the blacklist. For clients, getting their name removed from a blacklist is a long and expensive process with calls to services charged at \$5.45 per minute from a landline (and more for people calling from mobiles).<sup>35</sup> This fee precludes people on low-incomes from lodging appeals or following up on their removal from the list, placing vulnerable people at a further disadvantage.

UnitingCare CYPF recognises new provisions in the Residential Tenancies Act 2010 that prevent real estate agents and landlords from reporting residents to the blacklist for trivial reasons. This is a significant improvement on the previous 1987 Act. However, UnitingCare CYPF is aware of families (who may have come into contact with TICA under the previous Act) who are reluctant to discuss repairs and housing concerns with landlords for fear of being evicted or included on the TICA blacklist.

Once someone is listed on TICA, their listing can remain for up to three years, unless they are successful in an application to remove their name prior to the 3-year expiry. Removing a name from TICA is a long and difficult process. Waiting out three years on TICA is similarly problematic. By reducing accommodation options, inclusion on TICA can force families into inadequate living situations.

**Recommendation:** That the NSW Government reassess provisions on residential tenancy databases in the Residential Tenancies Act 2010 to ensure that they do not discriminate against families leaving violence.

## **Residential tenancy legislation leaves vulnerable tenants at risk of eviction**

While UnitingCare CYPF acknowledges the positive changes to TICA under the Residential Tenancies Act 2010, we are significantly concerned about the introduction of a "no just cause clause" for rental terminations. This clause

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<sup>35</sup> Tenants NSW, 2013 *Factsheet 19: Tenant Database*, [accessed 1/3/2013] at <<http://www.tenants.org.au/factsheet-19-tenant-databases>>

gives landlords the right to terminate a residential agreement without any grounds and undermines any other gains made in stabilising tenancies for private renters.

UnitingCare CYPF is concerned that this provision in the Act will allow landlords to discriminate against tenants. We also believe it will prevent people from seeking repairs or making complaints for fear of eviction, and further increase the rate of instability in private rentals. This provision will overwhelmingly negatively impact disadvantaged and vulnerable people.

UnitingCare CYPF supports calls made by the Tenants Union NSW for the Act to be reformed in order for terminations of residential tenancies by a landlord to be restricted to prescribed circumstances.<sup>36</sup>

**Recommendation:** That the Residential Tenancies Act 2010 be reviewed in order to provide tenants with greater security of tenure. In particular the “no just cause” clause should be reviewed, so that landlords can only terminate a tenancy according to prescribed circumstances.

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<sup>36</sup> Tenants Union NSW, 2014, *Submission to the NSW Legislative Council Select Committee on Social, Public and Affordable Housing*



## The crisis in social housing

Although NSW has the largest amount of public housing in Australia (with over 150,000 dwellings) this housing is heavily over-subscribed.<sup>37</sup> According to the 2013 Attorney General's report on public housing in NSW there are 214,000 people currently living in public housing in NSW, with a further 55,000 eligible households on the waiting list for this accommodation.<sup>38</sup>

Subsequently, waiting times to get into public housing are long, with over 20 per cent of areas having waiting times that now exceed ten years.<sup>39</sup> Like all other forms of housing, the biggest response from our services in regards to public and social housing was "there's not enough".

The Auditor General's report notes that NSW is "facing significant challenges" in providing access to public housing due to the increasingly ageing housing that is not fit for purpose. Particularly there is growing demand for housing by single person households and those on very low incomes and with complex needs.<sup>40</sup> They note that the increasing shortage of affordable housing options in the private market has contributed to a decline in people exiting public housing in the past five years.<sup>41</sup>

### Access to the priority housing list difficult

There is a critical need for many clients of UnitingCare and Uniting Church parish missions to access public housing, but many services reported difficulties in getting clients on the priority housing list. Services have reported that it seems to be standard Housing NSW practice to require people to apply for a minimum of 30 houses before they will even consider them for priority housing, regardless of their circumstances. One youth homelessness worker reported that she had seen the availability of public housing tighten up dramatically over the past decade:

"Years ago, you would get priority if you had 15 knock backs from private housing. We used to be quite successful getting our young people into

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<sup>37</sup> Audit Office of New South Wales, 2013, *New South Wales Auditor-General's Report: Performance Audit: Making the Best Use of Public Housing*, Housing NSW, NSW Land and Housing Corporation, p. 9

<sup>38</sup> Audit Office of New South Wales, 2013, op. cit. p. 2

<sup>39</sup> Audit Office of New South Wales, 2013, op. cit. p. 13

<sup>40</sup> Audit Office of New South Wales, 2013, op. cit., p. 2

<sup>41</sup> Audit Office of New South Wales, 2013, op. cit. p. 16

public housing because they were homeless and got the knock backs. About 10 years ago one-third would have got public housing within 12 months. It used to be that being homeless would get you to the top of the list. Not anymore.

Over the past 2 years we have had very few clients in public housing and the focus from the Department is to move clients into private rental. A few years ago we worked with a woman who had applied for around 100 properties but still got knocked back for priority”.

In assessing whether or not a client is eligible for priority housing, Housing NSW measure what capacity that client has to rent in the private market. In making this assessment, Housing NSW considers rent to be affordable where it “does not exceed 50 per cent of the household’s total gross weekly income, plus Commonwealth Rent Assistance”.<sup>42</sup>

The standard definition of affordable housing is that which costs less than 30 per cent of a household’s weekly income. It is concerning that Housing NSW appears to consider a higher benchmark than this for people seeking priority housing. If clients were to accept private housing at 50 per cent of income and CRA they would be instantly moved in to housing stress and income poverty.

Many of our services felt that the process of private rental applications was an “exercise in futility”, with clients expected to spend their own time, energy and money looking for affordable houses that did not exist, and applying for places they had no chance of getting. Many staff felt that it was making people unnecessarily “jump through hoops”. As noted by one staff member at one of UnitingCare’s services:

*“It’s really a waste of time. Who is going to rent to a young person on the dole? Their dole doesn’t even cover rent”.*

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<sup>42</sup> Housing NSW, 2014, ‘Social housing eligibility and allocations policy supplement’, *Housing Pathways*, Department of Family and Community Services, [accessed 6/3/2014] at < <http://bit.ly/1osGWDO>>

### **Jumping through hoops: the trials and tribulations of finding stable accommodation in NSW**

UnitingCare CYPF provides support to young people who have grown up in foster care or residential care to help them in the transition from care to independent living.

The Aftercare Service is currently working with a young women named Ella\* who grew up in residential care. She is now 21 and has a one year old baby.

Ella previously lived with her partner for about eight months but the relationship broke down and her ex-partner kicked Ella and the baby out. Her ex-partner does not provide any financial support.

The Aftercare worker took Ella to the Department of Housing (DOH) to apply for priority housing. However, DOH said that she would need to apply for 30 houses before even being considered for priority housing.

As a single parent with no job, Ella was constantly knocked back when she applied for houses on the private rental market.

In the meantime, Ella was couch surfing with friends but having to constantly move from place to place with the baby. Some of these places were very unsuitable environments for a baby, for example, with alcohol or drug consumption.

Eventually, Ella managed to obtain a lease for a very cheap flat and moved in with the baby in January. The Aftercare program is providing support with furniture and food. However, while she uses most of her benefit on rent, she is struggling and often misses rent payments. Consequently, the Aftercare worker is concerned that she will soon be evicted.

The Aftercare worker is trying to link Ella into the Brighter Futures program so that she can get support with parenting issues and accessing early childhood education and care (ECEC). Having access to ECEC for the baby would allow Ella to look for work and increase her income.

\*Names have been changed to protect identities

## Inadequate housing and difficulties with repairs and maintenance

Clients across services (including homelessness services) find it very hard to access social housing and often linger on waiting lists. UnitingCare CYPF is aware of clients, who when housed, have found that the house is inadequate for their needs. Where this included an issue with the condition of housing, services reported instances of clients finding it difficult to get the Department of Housing to fix problems with the property, such as the example provided below.

*“One family is living in social housing in a house with holes in the walls which the Department of Housing has not fixed. This family have needed to stuff clothes and blankets in the holes in winter to stay warm. Another family with eight children were living in a Department of Housing home which was mouldy and rotting. They have been asking for this to be fixed for months but no work has yet been done on the property”.*

UnitingCare Disability runs programs that assist in transitioning people from boarding house accommodation to independent living. One of the issues they face is sourcing suitable accommodation for people in public housing in the area of their choice. Staff mentioned that many clients were reluctant to move to other areas because of their established connections to services as well as family, community and other networks in the local area. They also noted that some areas were not suitable for clients due to lack of public transport and services.

Placing families in inadequate housing can lead to issues with health and wellbeing. Children’s development can be impacted, and residents can spend part of their limited incomes on trying to fix disrepairs themselves. Placements in areas far away from transport, networks and services can entrench economic and social dislocation. For people with disabilities, being located away from services and transport can severely hamper their ability to participate in all aspects of community life and so infringe on their basic rights.<sup>43</sup>

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<sup>43</sup> People With Disabilities Australia, 2010, *Accommodation Human Rights: A Human Rights Perspective on Housing, and Housing and Support for, Persons with Disability*, p.44



### **Lengthy waits for repairs mean that people living in inadequate housing**

I am a single mum with two young children and I got a house through NSW Housing on the Central Coast in December 2012. The home is in a social housing estate. In May 2013 I approached NSW Housing to ask for them to repair gaps between the floor boards and the wall as our home is extremely cold in the winter. We use a heater but because the house is not insulated well and there are so many gaps, the heat escapes quickly and I can't afford to keep the heater going on a continual basis because of the high cost of electricity.

My two young children complain about being cold during the night and I've had to spend a significant amount of money on blankets and doonas to keep them warm, but they still sometimes they complain of being cold.

My caseworker has written a support letter to try and help influence NSW Housing into repairing the house. I have also approached my local Member to advocate on our behalf but to date NSW Housing have not done the repairs.

### **Impact of the housing affordability crisis on family restoration**

UnitingCare Burnside runs a number of programs aimed at building resilience in families. The Newpin program works with parents whose children have been taken into the care of the Minister due to child protection concerns. Through Newpin parents are assisted to make the changes they need to enable their children to be restored to their care. As previously mentioned, the Brighter Futures program works with families to prevent them from entering the statutory child protection system.

Although not directly involved in providing accommodation or providing accommodation brokerage, these services see the impacts of the housing affordability crisis. Safe, stable and affordable housing is essential for families on both side of the child protection equation.

Staff from Brighter Futures noted that without access to adequate and stable housing, clients are not able to focus on addressing issues other than the crisis of day-to-day living, and sourcing a roof over their heads. The first step

in delivering a program to improve parental capacity and child outcomes is to stabilise housing. As one staff member reported:

“For Brighter Futures, housing outweighs everything else. Until stable housing is found, parents are unable to address other concerns”.

Newpin staff noted that having suitable housing is a prerequisite of the Department of Family and Community Services (FACS) for parents looking to have their children restored to them (see case study below). One Newpin staff member commented:

“It is common to have mums who are doing all FACS requires of them, and all the Newpin program requires of them, but the restoration of their child is held back because of their lack of suitable housing. It doesn’t matter whether they need to move on from supported accommodation, or from staying with friends, or from a crowded extended family house, or from a caravan. There is just not enough housing available at a price they can afford.

The biggest barrier is the long public housing wait combined with the limited supply and huge cost of private rental. It’s not that complicated. There’s just not enough affordable housing out there. I also do not know how people negotiate the system without an advocate like a worker to help them and guide them and write support letters to Housing and so on.”

Although access to long-term affordable housing solutions in private or public housing would be beneficial for clients across services, both of these programs noted that access to transitional accommodation would be beneficial for clients. In NSW, transitional accommodation provides short to medium term tenancies of between three and 18 months for people at risk of or experiencing homelessness.<sup>44</sup>

Access to transitional housing allows for clients to have time to find suitable long-term accommodation. For victims of domestic violence on the TICA system, this can also provide time to get their name off the system and source appropriate accommodation for their family. Brighter Futures together with homelessness programs noted a “chronic shortage” in transitional accommodation for families leaving refuge and crisis accommodation.

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<sup>44</sup> As defined by Housing NSW, see Housing NSW, 2014, *SHS Transitional Housing Reform*, [accessed 1/3/2014] at <http://www.housing.nsw.gov.au/Community+Housing+Division/Community+Housing+Providers/Specialist+Homelessness+Services/SHS+Transitional+Housing+Reform.htm>

Newpin staff reported that clients would benefit from better access to supported accommodation options including independent and semi-independent housing with support staff nearby. Supported accommodation provides housing as well as access to case work or other wrap-around services and is useful for clients to address other issues that may have led to housing precariousness in order to maintain future tenancies.

However, staff at the Newpin program have reported that at least one nearby supported accommodation facility utilised by clients has recently closed, and others now offer only three month placements down from the 12 to 18 months of support previously offered. This means that many people who would have benefited from accessing supported accommodation in this area are now missing out, or being provided with very limited timeframes to address their particular issues.

Although short-term placements can be useful for clients at risk of or experiencing homelessness, its function is often to provide relief whilst long term housing options are sought. As the case study below illustrates, providing only short-term housing options traps people in housing precariousness. Clients are then unable to engage with programs beyond their tenure, and continue to be impacted by the stress and dislocation of homelessness.

**Recommendation:** That the supply of transitional housing and supported accommodation facilities be increased to meet current needs.

### **The importance of stable housing in family restoration cases**

I live in western Sydney. I am 20 years old and my son is two years old. When I turned 18, I put myself on the wait list for social housing. My son was in out-of-home care. I was living at my mum's with seven people in one three-bedroom townhouse.

My son being restored to my care depended on me being in housing. I did all the other things FACS asked me to do. With help from my family worker at Newpin, I applied for all sorts of supported accommodation. This meant my son could be with me and there would be workers nearby if needed.

Eventually I got assessed and accepted into a Barnardo's place for three

months and then another three months. At that time Housing NSW calculated that I could afford to pay \$300 a week in rent! That wouldn't leave me enough to pay for my child's needs, food, electricity and transport.

During that time, everyone was helping me to try to get housing to move into. I was also looking myself at units, houses, granny flats... I had to get DOCS approval for anything I found. They were judged by the social worker to be not suitable or not stable enough. Some were revolting, rundown. If I had been single I would have been able to find something. Once they knew I had a child I got nowhere.

I tried to get the private rental subsidy. I had been on priority but was taken off once I joined Barnardo's. I ended up moving to my dad's garage. My son slept in the house and I turned the garage into a bedroom for me. I joined Mission Australia. They started applying for places for me. I got lots of knockbacks. Eventually I got a townhouse with Fairfax Housing on a three month lease. Now I'm on another three month lease. I finally got a house and it was only for three months!!

I don't know what's next. I'm again applying for private rental. I go to the area, go to estate agents, I go online I fill out the applications. I pay for photocopies of ID's, bills, bank statements, hand it in, wait for the reply, get knocked back, apply again. It's a never ending game.

Estate agents say "sorry you missed the inspections" or "you can't see the house now". I think they are lying to me. They see I have child and think "pensioner".

We are not bad tenants. We keep up with our bills. We keep our places clean. At Barnardo's I was the cleanest resident.



## 2. Impact of the housing affordability crisis on homelessness

The causes of homelessness are complex. The Australian Bureau of Statistics (ABS) in their description of homelessness note that it is not simply the result of “too few houses” but caused by a variety of drivers and circumstances including domestic violence, unemployment, mental health issues, drug and alcohol abuse, family breakdown and a shortage of affordable housing.<sup>45</sup>

There is no doubt that the housing affordability crisis is forcing more people into homelessness as housing options in the private and social housing spheres are increasingly out of reach due to price and oversubscription. As noted earlier, housing stress overtook all other homelessness causes to become the primary reason for homelessness in NSW in 2009.<sup>46</sup>

As explored below, accommodation that has traditionally helped different groups experiencing homelessness transition to long-term housing has also become harder to access as demand increases.

One of the impacts of this crisis is that homelessness across Australia has continued to rise despite significant Commonwealth and State Government spending on homelessness prevention and services over the past five years. Since 2007 there has been an overall increase in homelessness in Australia of 27 per cent.<sup>47</sup> NSW has the largest rate of homelessness with 28,910 homeless people recorded on the night of the 2011 census.<sup>48</sup>

Between 2011-2012, 70,890 people accessed a homelessness service in NSW,<sup>49</sup> although on average there were 117.6 requests for services from homelessness agencies per day in NSW that were not able to be assisted.<sup>50</sup>

As housing affordability becomes an increasing factor in homelessness, the cohort of the population that are experiencing homelessness has shifted. As

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<sup>45</sup> Australian Bureau of Statistics (ABS), 2011, *Census of Population and Housing: Estimating Homelessness*, 2049.0, p.4

<sup>46</sup> Shelter NSW, 2010, op. cit. p.10

<sup>47</sup> Australian Bureau of Statistics (ABS), 2011, op. cit.

<sup>48</sup> Ibid.

<sup>49</sup> Australian Institute of Health and Welfare (AIHW), 2012, *Specialist Homelessness Services, NSW Supplementary Tables, 2011-2012*, as quoted in Shelter NSW, 2013, *NSW Housing Factsheet: A Quick Guide to Housing Facts and Figures*, p.14

<sup>50</sup> Ibid.

noted by the Wesley Mission, the face of homelessness in NSW is changing from something predominantly experienced by older men to an experience increasingly represented by women, families and children.<sup>51</sup>

Additionally, UnitingCare CYPF knows that vulnerable people are more likely to experience homelessness. This includes 90 per cent of children and young people on remand in NSW<sup>52</sup> and over 50 per cent of young people leaving out-of-home care in NSW.<sup>53</sup> Aboriginal people are over-represented in homelessness statistics with 7.8 per cent of the homeless population identifying as Aboriginal (compared to 2.5 per cent of the population). People with a disability are also represented in disability statistics, representing 18 per cent of the general population but 25 per cent of homelessness clients.<sup>54</sup>

The impacts of homelessness are profound. One staff member from UnitingCare CYPF youth homelessness services reported:

“Housing is a basic need so if these young people, young families and young pregnant women are without housing, it puts a stop on all other aspects of their life. Mental health, trying to get a job, trying to get into TAFE, looking after their children, maintaining a healthy relationship all become a massive, massive challenge if you’re homeless.

When we can get them a roof over their head, even if it’s in the short term, we can start to assist them to address their other needs. Once they have accommodation they think “now I can go to the doctor about this sore leg I’ve had for ages”, or “now I can fix up my Centrelink payments, or now I can inquire about what TAFE courses there are”.

Once they have a roof over their head you can start working on all the other things that have contributed to their homelessness and compounded their homelessness. A lot of people have suffered profound disadvantage, and would have complicated issues from their childhood that they still need to work through, but you’re not going to be able to address any of that until you have some sense of stability, until you have somewhere to live”.

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<sup>51</sup> Wesley Mission, 2013, *The Wesley Report: Homelessness and the Next Generation*, Number 12, p.4

<sup>52</sup> Wood, J. 2008, *Report of the Special Commission of Inquiry into Child Protection Services in NSW*, State of NSW, p.558

<sup>53</sup> Wood, J. 2008, op. cit., p.836

<sup>54</sup> Homelessness Australia, 2013, *Homelessness and Disability*, [accessed 19/02/2014] at <[http://www.homelessnessaustralia.org.au/images/publications/Fact\\_Sheets/Disability.pdf](http://www.homelessnessaustralia.org.au/images/publications/Fact_Sheets/Disability.pdf)>

## **Shortage of crisis accommodation, short and medium term options**

With a lack of immediately available longer-term housing options, short-term, medium-term, crisis and refuge accommodation are critical elements in assisting people experiencing homelessness or at risk of homelessness to more permanent housing solutions. All of the consulted services and parish missions that provide direct homelessness programs reported that there was a critical lack of availability of these accommodation options.

Many services and programs noted that the lack of affordable housing options means that people are staying in short- and medium-term accommodation options longer, preventing other people from accessing these services. For instance, one staff member had heard multiple stories of people who should have only been in a service for one year staying for over twice that as it was impossible for them to move out due to lack of other options.

On the other side of this equation, lack of affordable and secure long-term housing means that people at risk of homelessness are often forced to use Specialist Homelessness Services (SHS) as de facto social housing and become repeat users. The problem of repeat client usage of homelessness services or “churn” in the system is an issue that has been identified by previous government papers.<sup>55</sup> However, the affordability crisis as the driver of repeat usage is outside the control of the SHS system.

In order to increase the capacity of SHS to address homelessness, the NSW Government should develop mechanisms to enhance the availability of affordable and secure housing options for people at risk of homelessness.

The National Partnership Agreement on Homelessness (NPAH) signed in 2009 brought an extra \$1 billion in State and Federal funding to homelessness and housing programs over five years. Of great concern is that this funding is due to finish in June 2014 and there is currently no clarification around whether or not this funding will be extended. This means the future of homelessness services funded under the NPAH is unclear. Recent newspaper reports have highlighted the impact of uncertain funding on services, with many accommodation services reducing tenancy lengths,

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<sup>55</sup> Commonwealth Government, *The Road Home: A National Approach to Reducing Homelessness*, p.xi



turning clients away and laying off staff.<sup>56</sup> Given the increase in demand for homelessness services during the life of the NPAH it is critical to maintain current levels of funding.

**Recommendation:** That the NSW Government continue to raise the issue of ongoing funding for homelessness and housing programs with the Commonwealth as a matter of urgency.

**Recommendation:** That the NSW Government increase the availability of affordable and secure housing options for young people and families.

### **Crisis accommodation applications exclude people who need help most**

Housing NSW provides up to 28 days of temporary accommodation per annum. This is available for people experiencing homelessness who can demonstrate that they do not have anywhere to stay on a particular night. However, to access this assistance, the applicant must demonstrate that they have been actively looking for other short-term or long-term accommodation.

All services across UnitingCare and the Uniting Church actively working in the homelessness sector raised issues about this process in consultation. Clients trying to access temporary accommodation, feel just like those trying to get on the housing priority list, in that they are being made to “jump through hoops”.

Those who have received access to temporary accommodation undergo assessments every two or three days, and clients are expected to fill out a ‘rental application diary’ to prove they have been applying for accommodation. Our SHS staff are concerned that the process is not actually helpful in securing accommodation. They reported that they had worked with clients on Youth Allowance who had been instructed to look for apartments valued at up to \$160/week which equates to almost the entirety of their allowance.

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<sup>56</sup> Griffiths, E. 11/3/2014, ‘Homelessness funding: Prime Minister Tony Abbott moves to quell concerns over sector’s future’, *ABC News*, [accessed 12/3/2014] at <<http://www.abc.net.au/news/2014-03-11/abbott-homeless-funding/5313110>>



The Wayside Chapel noted that the process required to access temporary accommodation creates significant barriers for people who often have a range of complex issues, as well as being a humiliating and demoralising process.

Wesley Mission reported that the bureaucratic process of crisis accommodation application is a particular problem for people who do not have the literacy skills necessary to negotiate the system. Literacy barriers can inhibit the ability of people to appropriately access, comprehend and understand available support services and associated requirements and responsibilities. As the case study below demonstrates these processes can leave people feeling hopeless and humiliated.

### **Trapped in a cycle of homelessness: How the current system works against those who need help the most**

#### **A case study from the Wayside Chapel**

Shaun\* is an Aboriginal male in his 30s who comes from an intergenerational background of drug/alcohol addiction and homelessness. His mother was an alcoholic who was unable to attain housing due to numerous factors. She eventually died of alcohol-related diseases.

In the present day, Shaun finds himself in a similar predicament. He has lived on the streets intermittently since he was in his early teens, and never managed to obtain an education. He is now unable to read and write, which is one of the first barriers to obtaining housing or employment. He has been on the public housing list for several years.

Housing NSW grants the homeless 28 days of temporary accommodation per annum, but they must jump through the hoops of filling out a 'Rental Application Diary', and these are checked by Housing to ensure the client has done their work.

For Shaun, this is where the humiliation begins. He must approach a staff member of Wayside for help with the form. We then provide a list of boarding houses, which are now managed by real estate agents that require rental references, which Shaun does not have. These rooms are primarily filled by students, travellers, or the higher functioning group of marginalised people.

Shaun is acutely aware of the futility of the process; except he knows that following this lengthy process of knockbacks will earn him three or four days in

a motel. After that period he will have to begin the process again.

Shaun decides at this point that he prefers the street to the constant knock backs. He then goes through a series of 'couch surfing' arrangements with Housing NSW tenants he knows from the street and is often exploited financially, or subjected to the very drug-fuelled environment he is trying to avoid. When forced to sleep rough, 'using' is the only way to close the world out, since he has no front door to close when he has just had enough.

During these times, it is very hard for Shaun to avoid contact with police and the legal system; this strain becomes greater as time goes on and he becomes more visible to local police. A few weeks ago he brought me a fine for 'jay walking'. If any regular member of the public did this around Kings Cross I doubt it would incur a fine. It now increases in increments, since he cannot afford to pay it on a government pension.

Shaun now has the support of the Way2Home team and Wayside in a joint effort to get him into housing. He has an appointment next week with Housing NSW to see if he can be accepted onto the Priority Housing List. Even if this occurs, he will still be waiting for at least a year.

With the lack of regulation around the private rental market, and previously mentioned barriers, he has almost no chance of getting in there. He has only a slim chance of getting into a boarding house, which will cost him most of his pension, for most are around \$250 a week for a tiny room in a house filled with influences he would rather avoid.

Hopefully Shaun will be granted housing before he becomes incarcerated again; for when he comes out, his paper work will have 'lapsed' and we will have to start again.

\*Names have been changed to protect identities

# Specific needs of different groups of people experiencing homelessness

## Needs of women and children experiencing homelessness

The main reason for women and children to lose their homes is due to domestic and family violence.<sup>57</sup> However, lack of affordable housing options is preventing women from leaving violent relationships and also means that some women who do leave are transitioning into homelessness.

Women leaving violent relationships can also experience further barriers to accessing housing resulting from low incomes, a lack of affordable housing options, ongoing harassment and intimidation by the ex-partner and, as mentioned earlier, poor rental or credit histories and inclusion on rental blacklists.<sup>58</sup>

As noted by Baker et al:

“There is a complex interplay of issues that may affect women’s risk of housing instability or homelessness after separating from their partners. These issues may result in significant barriers for women in obtaining and maintaining stable housing for themselves and their children”.<sup>59</sup>

Refuges provide a critical role for women leaving violent relationships but are heavily oversubscribed. A recent report in the Sydney Morning Herald revealed that up to half of women seeking a place in a refuge in NSW during 2013 had been turned away as services were too full to take on new clients.<sup>60</sup>

Staff at UnitingCare CYPF’s Brighter Futures program noted a chronic shortage of refuge and crisis accommodation for women and children. As already noted, accessing transitional accommodation which forms the next step in addressing longer-term housing solutions is also difficult due to the high demand for these services. These services should be expanded to meet the current demand.

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<sup>57</sup> Spinney, A. & Blandy, S. 2011, ‘Homelessness prevention for women and children who have experienced domestic and family violence: innovations in policy and practice’, *AHURI Positioning Paper No. 140* Australian Housing and Urban Research Institute (AHURI),

<sup>58</sup> Baker, C. Billhardt, K. Warren, J. Rollins, C. & Glass, N. 2010, ‘Domestic violence, housing instability and homelessness: A review of housing policies and program practices for meeting the needs of survivors’, *Aggression and Violent Behaviour*, 15, p.431

<sup>59</sup> Ibid.

<sup>60</sup> Ralston, R. Corderoy, A. & Ting, I. 8/03/2014, ‘Revealed: The women we failed’, *Sydney Morning Herald*, [accessed 9/3/2014] at < <http://www.smh.com.au/nsw/revealed-the-women-we-failed-20140307-34cs2.html>>

Programs which help women and children experiencing domestic violence remain at home by removing the offender are also worthy of increased attention. A pilot of the Staying Home Leaving Violence (SHLV) program in South West Sydney found the program enabled 63 per cent of women to remain in their homes without the perpetrator of violence, thereby decreasing the instability of leaving the family home.<sup>61</sup>

As noted in Commonwealth Government's White Paper on homelessness titled *The Road Home: A National Approach to Reducing Homelessness*, the SHLV model is only appropriate for women and children where a comprehensive professional risk assessment indicates this is a safe option.<sup>62</sup>

Also some women will not choose the option of remaining in their own home and prefer to re-locate.<sup>63</sup> Therefore, the need to focus on improving the availability of crisis, transitional and long-term housing for women and children affected by domestic and family violence will remain.

**Recommendation:** That the NSW Government increase investment in refuges and crisis accommodation and explore other initiatives that could assist women and men leaving violent relationships in finding and accessing long-term affordable housing options.

**Recommendation:** That the NSW Government continue to expand the *Staying Home Leaving Violence* program so that it is available to women and children in all areas of the State.

## Needs of young people experiencing homelessness

Responding to the needs of young people experiencing or at risk of homelessness is challenging due to the high level of advocacy, financial and practical support needed in order to gain and maintain stable housing.

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<sup>61</sup> Family and Community Services, 2011, *Staying Home Leaving Violence program overview*, NSW Government.

<sup>62</sup> SW Government, 2008, Media Release, <[www.community.nsw.gov.au/docswr/\\_assets/main/lib100039/stayinghome\\_leavingviolence.pdf](http://www.community.nsw.gov.au/docswr/_assets/main/lib100039/stayinghome_leavingviolence.pdf)>

<sup>63</sup> Edwards, R., 2011, *Staying Home Leaving Violence: Listening to women's experiences*, Social Policy Research Centre, University of New South Wales.



Concurrently the other major challenge is the limited availability of appropriate accommodation facilities. As one youth homelessness staff member said:

“There is no quick access to affordable housing in the private rental market, and shared housing is not a suitable option for these kids. The community housing waiting list is too long. So responding to their needs is quite difficult”.

Homelessness is a particular risk for young people exiting informal or formal out-of-home care arrangements. Young people leaving care need to manage multiple transitions including finishing school, finding work or further study and becoming financially independent as well as moving to independent housing. This all has to be managed at a younger age and with fewer resources than their peers.<sup>64</sup>

Funding under the National Partnership Agreement on Homelessness (NPAH) from the Federal Government committed state and territory governments to implement a policy of ‘no exits into homelessness’ from statutory and custodial care, with young people leaving child protection and juvenile justice systems identified as a priority.<sup>65</sup> As already noted the ongoing viability of these services is unclear.

Youth homelessness services reported that greater access to supported accommodation options for younger people experiencing, or at risk of homelessness, would be of great benefit in meeting the housing gap.

While different accommodation options are important, the expectation that young people are ready to move to independent living at such a young age is often unrealistic. Transitional or supported housing can provide care leavers with an important ‘middle way’ between care and complete independence particularly for those least prepared for independent living due to their age, care experiences, life skills or emotional or mental health.<sup>66</sup>

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<sup>64</sup> Johnson, G., Natalier, K., Bailey, N., Kunnen, N., Liddiard, M., Mendes, P., and Hollows, E., 2009, *Improving outcomes for young people leaving state out of home care*, AHURI positioning paper no 117, Australian Housing and Urban Research Institute, RMIT Research Centre.

<sup>65</sup> Department of Social Services, 2014, *An Outline of National Standards for Out-Of-Home Care*, Australian Government, [accessed 1/3/2014] at <[www.fahcsia.gov.au/our-responsibilities/families-and-children/publications-articles/an-outline-of-national-standards-for-out-of-home-care-2011?HTML](http://www.fahcsia.gov.au/our-responsibilities/families-and-children/publications-articles/an-outline-of-national-standards-for-out-of-home-care-2011?HTML)>

<sup>66</sup> Hannon, C. et al, 2010, op cit.

These young people are less likely to be able to maintain an independent tenancy and so are more at risk of unstable accommodation and homelessness. 'Housing plus support' models recognise that many young people who are transitioning from OOHC have few positive relationships and rely on professional support to deal with any difficulties or crisis they encounter. This approach also enables young people to move to greater independence at their own pace and in a more gradual way.

Young people who have been in the care of the state need to have priority of access to government services because they are more vulnerable as a result of their experiences and do not have family and other supports that other young people their age generally have available to them.<sup>67</sup>

Better support for "care leavers" should include preferential access to priority public housing. In Western Australia, *Rapid Response* is a cross-government framework and action plan that prioritises services to children and young people in care. Through the *Rapid Response* initiative, several partnerships have been developed to support young people in their transition from care to independence including an agreement with the Department of Housing that enables all young people in care to register from 15 years of age on the priority Housing Needs Register.<sup>68</sup> UnitingCare CYPF recommends the NSW Government adopt these provisions and allow all young people leaving care to be able to register automatically for priority housing from age 15.

**Recommendation:** That services for young people experiencing or at risk of homelessness are expanded.

**Recommendation:** That young people who have grown up in formal and informal out-of-home-care have preferential access to public housing and be able to register automatically for priority housing from age 15, as occurs in Western Australia.

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<sup>67</sup> Cashmore, J. and Paxton, M., 2008, op cit.

<sup>68</sup> Department for Child Protection, nd, *Rapid Response: Prioritising Services for Young People in Care*, Government of Western Australia, [accessed 1/3/2014] at <<http://www.dcp.wa.gov.au/Resources/Documents/Documented%20Education%20Planning/RapidResponse2011.pdf>>

### **Reflections of a frontline worker on the critical nature of access to affordable housing for young people at risk of homelessness**

Greg\* is 19 and on Youth Allowance Unreasonable to Live at Home benefit. Greg was kicked out of home at the age of fourteen. He came from a local disadvantaged area in Campbelltown and grew up experiencing violence, trauma, and neglect from his family. Greg has been “couch surfing”, in crisis refuges and sleeping rough for many years. Greg has found his way to The Drum in the hope of receiving information and support to obtain stable accommodation.

For Greg the options for medium or long-term accommodation are extremely limited. Greg would be advised to apply for social housing but with stock being so low and waiting lists being so long Greg would not obtain accommodation through this avenue in the foreseeable future. In fact Housing NSW would be encouraging Greg to apply for private rental which, as Greg is on benefits, is way out of his reach and will be impossible for him to obtain as private rental costs are way above Greg’s income at present.

Another avenue for accommodation for Greg would be medium- or long-term supported accommodation. In one respect this would suit Greg to the ground as the rent is affordable and he gets the support of a caseworker. This too will be very difficult to obtain as the demand for this accommodation far outweighs the supply. Greg will be advised to apply to these programs along with many other homeless young people and he may or may not be accepted into the program. The waiting lists are long and Greg could be placed on a list which could last for months, even possibly a year. Greg may never find a vacancy.

The idea of medium- to long-term supported accommodation is to provide some stable accommodation with support to young people while they address any other issues which could be impacting on their lives, for example mental illness and unemployment. The theory behind these programs is that, after a year or two with an accommodation provider, the young person has the skills to move on and obtain private rental. What we find in reality is that medium to long-term supported accommodation providers are finding it difficult at times to move their client out into the private rental market; this would be for reasons such as affordability and lack of private rental options. This in turn “clogs” up the system; young people find it difficult to move in because clients find it difficult to move out into affordable accommodation.



Greg's options for medium or long-term affordable accommodation are extremely limited, waiting lists are extensive with no guarantee of a placement, and public and private rental is not an option at this stage. So what happens to Greg? In my experience Greg will remain homeless in the foreseeable future. He will probably continue bouncing between couch surfing, sleeping rough and crisis refuges. As a result of this homelessness Greg will not have the opportunity to address his issues such as AOD, mental health, general health, training/employment, living skills development.

For a person in crisis who is homeless, it is imperative that they obtain affordable accommodation to allow them the stability to work on all issues which have impacted on their situation. Without affordable accommodation the cycle for the client continues. Custodial sentences may occur, hospital stays are likely as is an increase in mental health issues, being at risk of harm from others and to themselves etc. If affordable accommodation was more readily available to people, I am quite sure clients lives would drastically improve, our communities would benefit enormously and the costs would be dramatically reduced on Government spending in way of gaols, policing, health care, community services etc. To provide this affordable accommodation makes very good sense to me.

\*Names have been changed to protect identities

### **The importance of the Transition to Independent Living Allowance (TILA) in achieving stable placements for young people leaving care**

The Transition to Independent Living Allowance (TILA) is an Australian Government payment of up to \$1,500 per person that assists young people leaving care to meet some of the costs associated with the transition to 'independent living'. Changes to TILA came into effect on 1 January 2014. These changes restrict access to TILA to those young people exiting statutory care and so prevents young people from accessing TILA who are exiting informal care arrangements.

This change to TILA impacts on young people who have been in kinship care arrangements, informal care arrangements (such as couch surfing), juvenile justice and specialist homelessness services. This change means a



significant number of vulnerable and disadvantaged young people who would have previously had access to the payment, now lose this support.

TILA had previously played a critical role for young people leaving SHS in helping to pay for essential items such as fridges and other whitegoods, in order for them to transition in to other accommodation and maintain an adequate standard of living. It also assists the young person to maintain the property. As noted by one of our SHS workers:

“As workers we do know that young people who have little or no family have a much better chance of maintaining and sustaining a property when they have the right kind of assistance. This includes casework, health, education, employment, and material aid such as TILA.

The provision of TILA items enable young people to obtain essential items such as a fridge and a bed. Being able to store food hygienically in a fridge, being able to do your washing, being able to provide basics to yourself and your children enables the young person a much greater chance to sustain the property.

This TILA support in my opinion reduces stress on the young person and provides a happier, healthier home environment. In my opinion no one should ever underestimate the life-changing impact a TILA payment can have on a young person's life”.

Many of the clients that are in UnitingCare CYPF SHS have been in informal care arrangements prior to arriving at the service and have lost access to TILA. Many young women who have been in informal care arrangements become parents in their teenage years.<sup>69</sup> (see case study below). Providing essential items is critical for young parents to be able to maintain an appropriate quality of living for the health, wellbeing and development of themselves and their children. In the absence of TILA our services are either directly loaning items or engaging in brokerage to get items for the young person, both of which are putting a strain on our services.

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<sup>69</sup> Cashmore, J. & Paxton, M. 2006, *Longitudinal Study of Wards Leaving Care: Four to Five Years On*, Report on research commissioned by the NSW Department of Community Services

### **Case study from a Specialist Homelessness Service on the role of TILA in assisting young people in achieving housing stability**

Alison is a twenty year old woman who currently is six months pregnant and has an 18 month old son. Alison first experienced homelessness since at age 16 after being “kicked out” by her mother during another violent tirade against her. Alison fled to safety at a friend’s house temporarily and has not had stable accommodation since, enduring periods of sleeping rough, couch surfing and staying in refuges.

Alison presented at The Drum Youth Resource Centre in crisis and Homeless. She was seeking stable accommodation for herself, her son and unborn child. A case plan with Alison was formulated by a Drum caseworker who supported Alison by obtaining crisis accommodation for herself and her son in the short-term. The caseworker then connected Alison with welfare and health support and assisted Alison with her goal of obtaining private rental accommodation which would be long-term and suit the needs of her family.

It was during Alison’s stay in crisis accommodation that eventually she was approved for a private rental residence. With no money, savings or family support The Drum organised Bond Payment and looked to furnishing the property with essential items that could enable Alison to care for herself and children.

An Application for TILA was lodged for whitegoods and furniture as this was the only means available to Alison to provide these essential items for her family. TILA was approved for Alison and she was able to set up her home to an appropriate standard by the time her second son was born. As with all casework from The Drum the caseworker continued with Alison’s further goals and supporting her to maintain the property.

It can be seen that the TILA payment not only assisted Alison to obtain stable accommodation and stability in her life for the first time in many years but it also enabled Alison to provide a safe home for her children, In effect one TILA payment had supported three people .

## Disabilities and homelessness

People with disabilities make up approximately 18 per cent of the general population but are over represented in specialist homelessness services representing 25 per cent of clients.<sup>70</sup> As noted by many reports, people with disabilities are vulnerable to homelessness due to employment and housing barriers and low incomes, with women especially vulnerable and more likely to be institutionalised.<sup>71</sup>

Research is clear that those with an intellectual disability or mental illness are at major risk of homelessness. UnitingCare Disability staff reported that the involuntary behaviours of some clients with a mental illness or intellectual disability can fall foul of rental tenancy contracts in public and private rental property and put clients at risk of eviction. They noted that this is particularly the case with people who had a tendency towards hoarding that was perceived to be a result of a disability or illness and recent transition from boarding houses or other institutional settings.

A study by the University of Adelaide on physical disabilities and homelessness found that accessing appropriate housing was a critical issue for most of the respondents, with many experiencing a long history of poor quality, unsafe, unaffordable and insecure housing.<sup>72</sup> “An acute shortage of low-cost appropriate housing was a major systemic problem”.<sup>73</sup>

## Asylum seekers and homelessness

At the end of September 2013 there were 22,987 people living in the community on bridging visas awaiting processing for their asylum application.<sup>74</sup> Bridging visas do not confer work rights, and those on the visa can only access a limited range of welfare benefits equivalent to 90 per cent of the Newstart Allowance. Unlike other welfare recipients those on a bridging visa are not able to claim other benefits such as housing benefit to help with the cost of living.

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<sup>70</sup> Homelessness Australia, 2013, *Homelessness and Disability*, [accessed 19/02/2014] at <[http://www.homelessnessaustralia.org.au/images/publications/Fact\\_Sheets/Disability.pdf](http://www.homelessnessaustralia.org.au/images/publications/Fact_Sheets/Disability.pdf)>

<sup>71</sup> *Ibid.*

<sup>72</sup> Bear, A. Baker, E. Mallett, S. Batterham, D. Pate, D. & Lester, L. 2012, *Addressing Homelessness Amongst Persons with a Disability: Identifying and Enacting Best Practice*, National Homelessness Research Projects, University of Adelaide, p.5

<sup>73</sup> *Ibid.*

<sup>74</sup> Department of Immigration and Citizenship, 2013, *Immigration Detention and Community Statistics Summary*, 30 September, Australian Government



This has systemised the impoverishment of asylum seekers living in our communities, who have been turning to missions and churches (including the Uniting Church) for assistance. Unlike many Australian citizens, asylum seekers do not have community networks or families to support them during the process of refugee status determination. They are therefore wholly reliant on Government support and/or charity to fill the gap between provision and life costs (which itself is putting a strain on charities).

From the limited research of where and how those on bridging visas are living, it is clear that many in NSW (at least 30 per cent) on bridging visas are homeless or at risk of imminent homelessness.<sup>75</sup> Other reports are anecdotal but paint a picture of distress. Many Uniting Churches congregations and Missions provide direct support to those on bridging visas. They have told us that the majority of asylum seekers are living in severely overcrowded housing.

It is not unusual to hear of 20 to 30 people sharing a 4-bedroom house. Even the most limited essential items, such as blankets and fridges, are out of reach on their existing budget, exposing many to ill health. Charitable agencies have stepped in and provided housing for asylum seekers, but demand has vastly outstripped supply.<sup>76</sup>

Although the terms of immigration visas are set by the Commonwealth Government, the reality is that a crisis of human suffering caused by these policies is taking place on the streets of NSW. UnitingCare CYPF recommends that the State Government assess their capacity to provide support to those on the bridging visas in order to ease cost of living burdens that are forcing people into homelessness. For instance, NCOSS note that the extension of travel concessions to asylum seekers living in the community on bridging visas would make a significant positive impact and be of limited cost to the NSW Government.<sup>77</sup>

Ultimately it is in the best interests of the State Government for asylum seekers to have working rights so that they can contribute to local economies through greater expenditures and tax revenue.

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<sup>75</sup> Asylum Seekers Centre, 2013, *An Overview of NSW's Hidden Homelessness: Issues Surrounding Asylum Seeker Homelessness*, p.3

<sup>76</sup> Ibid

<sup>77</sup> Council of Social Services NSW (NCOSS), 2013, *Fare Concessions: Transport Concessions and Subsidies in NSW*



**Recommendation:** That the NSW Government consider initiatives to increase support for asylum seekers living in the community on bridging visas

### 3. Exploring the role of Social Benefit Bonds for increasing affordable housing in NSW

The terms of reference of the inquiry specifically ask about the application of Social Benefit Bonds (SBBs) to increasing the affordable housing supply in NSW and encouraging more effective management of existing social housing stock. UnitingCare CYPF is uniquely placed to discuss the potential application of Social Benefit Bonds (SBBs) as a financing mechanism, due to innovative work that Burnside has undertaken in developing Australia's first SBB.

Our experience of SBBs and our reflection on their use for increased investment in housing stock is outlined below. Key lessons drawn from the development of the Newpin SBB warrant careful consideration before an accurate assessment is made of the potential of SBBs to increase the supply of social, public and affordable housing.

UnitingCare CYPF do not see that there is scope to use SBBs to more effectively manage existing stock.

#### **Social Benefit Bonds in NSW: About the UnitingCare Burnside Newpin Social Benefit Bond**

A SBB is a financial instrument that pays a return based on the achievement of agreed social outcomes. Under a SBB, investors fund the delivery of services targeted at improving a particular social outcome. Attainment of this outcome should reduce the need for, and therefore government spending on, acute services. A share of public sector savings are used to repay investors' principal and to pay a return on investment contingent on the change in outcomes achieved

Feasibility studies published in 2011 on the use of SBBs in NSW conducted by the Centre for Social Impact (CSI) found that there were policy areas and programs for which SBBs would be an appropriate model of financing including homelessness. The study also found that there were a range of NGOs that had the capacity, competencies and legal powers to issue a social

benefit bond; and there were indications of investor appetite for social benefit bonds in NSW<sup>78</sup>.

At the launch of a SBB trial in by the NSW Treasury in 2012, Burnside was selected to enter a joint development phase (JDP) with government to develop the selected bonds to a point where contracts could be developed and the bond issued<sup>79</sup>. Following the 12-month JDP a contract for Australia's first SBB was signed between the NSW Government and Burnside.

The Newpin SBB will support the maintenance and expansion of Burnside's Newpin program which provides support for families to facilitate the restoration of their child from foster care or to prevent children entering care. The \$7 million bond issue (over 7 years) was raised and was actually oversubscribed by Social Ventures Australia (SVA) who will now manage a secured loan made to a special purpose entity (a trust). The Newpin SBB is forecast to deliver the following outcomes over the SBB period:

- Restoration of over 400 children to their families and preventing 60 children entering care
- The expected 65 per cent restoration rate would deliver investors an annual rate of return of 10-12 per cent
- Expected long-term savings to government estimated to be \$95 million (many of these accrue after the SBB period as a child restored in the final year of the SBB will continue to generate significant savings in foster care costs for an extended period. Of these savings, around 50 per cent is to be retained by the Government and the balance directed to Burnside to fund the Newpin program and provide a return to investors.

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<sup>78</sup> The Centre for Social Impact (2011). Report on the NSW Government Social Impact Bond Pilot. Available at: [http://www.csi.edu.au/assets/assetdoc/0b6ef737d2bd75b9/Report\\_on\\_the\\_NSW\\_Social\\_Impact\\_Bond\\_Pilot.pdf](http://www.csi.edu.au/assets/assetdoc/0b6ef737d2bd75b9/Report_on_the_NSW_Social_Impact_Bond_Pilot.pdf)

<sup>79</sup> KPMG (2014) Evaluation of the Joint Development Phase of the NSW Social Benefit Bonds Trial. Available at: [http://www.treasury.nsw.gov.au/\\_\\_data/assets/pdf\\_file/0006/123189/KPMG\\_Evaluation\\_SBB\\_JDP\\_Final\\_Report\\_290114.pdf](http://www.treasury.nsw.gov.au/__data/assets/pdf_file/0006/123189/KPMG_Evaluation_SBB_JDP_Final_Report_290114.pdf)

## **Application of SBBs to improved housing and homelessness outcomes**

UnitingCare CYPF have identified three separate applications of SBBs to homelessness services that should be explored further in considering the usefulness of SBBs in the housing sphere.

### **a. SA discussion paper on social impact investment**

In 2014 the Government of South Australia (SA) released a discussion paper on social impact investment called 'Building a Stronger Society'. The paper identifies homelessness as a potential area of application in SA and provides a sophisticated discussion of opportunities and constraints<sup>80</sup>.

Persons at risk of homelessness are heavier users of non-homelessness services than the population in general. The SA paper quantified the potential annual cost offset per client - if health, justice, welfare, children in care and eviction rates were to be reduced to population averages – as ranging from \$14,700 per client/year for street-to-home services to \$44,100 per client/year for single men. If this offset were able to be maintained over the average remaining lifetime, this would equate to a cost offset of between \$352,800 per client for street-to-home and \$1.06 million per client for single men. Even if cost savings were only to relate to a five-year period, they would range from \$67,400 for street-to-home clients to \$202,100 for clients of services for single men.<sup>81</sup>

The paper identifies the greatest opportunity for social impact investment in the housing and homelessness sector to be through improved sustainability of tenancies for highly disadvantaged groups (young people, people with disabilities) leading to longer-term savings from stability and additional support. The following four intervention areas were identified as warranting further exploration and we argue that similar exploration would be of value in NSW. The areas are more aligned with measures which facilitate social service integration as opposed to increasing the supply of social, public and affordable housing per se:

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<sup>80</sup> Government of South Australia (2014) Building a Stronger Society – Discussion Paper on Social Impact Investment. Available at: <http://saplan.org.au/media/W1siZiIsIjIwMTMvMTIvMTgyMDBfMjRfMjRfNDMwX0J1aWxkaW5nX2FfU3Ryb25nZXJfU29jaWV0eV93ZWJfdmVyc2lubl8ucGRmI1d/Blding%20a%20Stronger%20Society%20%28web%20version%29.pdf>

<sup>81</sup> Ibid.



- Transition program for young people out of care into secure housing.
- Intensive outreach service for rough sleepers
- Innovative approaches to independent living for people with disabilities
- Supporting young people into employment.<sup>82</sup>

The SA discussion paper stresses that additional development work should only proceed once consideration has been given to the availability of appropriate data to evaluate the success of the programs. At a national level, comparable and reliable data availability has been a particular issue in homelessness service delivery, especially where there are flow-on costs across other areas of government including health, justice and employment<sup>83</sup>.

UnitingCare CYPF would stress that whilst estimating effect sizes may be difficult, research by the Australian Housing and Urban Research Institute (AHURI) has produced some evidence of cost savings in expenditures on health, justice and social welfare services. AHURI found these savings flowed on from the impact of specialist homelessness services (SHS) in providing more stable accommodation, and therefore improved income, social relationships and reduced rates of incarceration.<sup>84</sup> The reduction in average non-homelessness costs in just the first year of receiving support was estimated to be \$3,685 per client<sup>85</sup>.

### **b. Massachusetts – social impact bond to house the chronically homelessness**

In January 2012, lawmakers in the US state of Massachusetts passed a bill to establish the state's Social Innovation Financing program and a trust fund to hold up to \$50 million in aggregate state funds (with a portion appropriated annually over the next several years) to support future outcome payments for the contracts. It has subsequently developed two 'pay-for-success' contracts which target juvenile justice and chronic homelessness.

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<sup>82</sup> Ibid.

<sup>83</sup> Ibid.

<sup>84</sup> AHURI (2008) The cost-effectiveness of homelessness programs. Available at: [http://homelessness.energetica.com.au/index.php?option=com\\_content&view=article&id=409:the-cost-effectiveness-of-homelessness-programs-ahuri-research-and-policy-bulletin&catid=255:homelessness&Itemid=184](http://homelessness.energetica.com.au/index.php?option=com_content&view=article&id=409:the-cost-effectiveness-of-homelessness-programs-ahuri-research-and-policy-bulletin&catid=255:homelessness&Itemid=184)

<sup>85</sup> AHURI (2014) The cost of homelessness and the net cost of homelessness programs: a national study. Available at: <http://www.ahuri.edu.au/publications/projects/p82014>

Support was prioritised for chronic homeless individuals who suffer from “complex medical, mental and addiction disabilities that are virtually impossible to manage in the unstable setting of homelessness”.<sup>86</sup> The reason being that within a growing homeless population in Massachusetts, the chronically homeless cost taxpayers the most, but stable funding streams to address the needs of the chronically homeless do not exist.<sup>87</sup>

Under the Social Impact Bond, the Administration will partner with organisations to provide stable housing and support to chronically homeless individuals to reduce emergency shelter and Medicaid costs. The key outcome is continuous tenancy supported by services including medical and employment assistance. The target population has been tightly defined as “unaccompanied homeless individual with a disabling condition who has either been continuously homeless for a year or more, or has had at least four episodes of homelessness in the past three years”<sup>88</sup>.

It is anticipated that:<sup>89</sup>

- The project will attempt to house 400 homeless individuals over a three-year service delivery period: five total years including planning and start-up at the beginning and service maintenance and measurement at the end
- The annual cost savings to the state per successfully-housed individual from reductions in other spending will be roughly \$20,000
- Costs associated with providing housing subsidies for housed individuals will need to persist indefinitely
- The Commonwealth seeks to have the budgetary cost of the initiative be no greater than the savings produced.

Following an open procurement process, the state selected the non-profit Massachusetts Housing and Shelter Alliance as the lead intermediary for the contract with supporting partners that include the Corporation for Supportive Housing. The Massachusetts Social Impact Bond is unique among similar social financing projects in that the state chose to separately procure both the

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<sup>86</sup> Benjamin Cox (2012) Financing homelessness prevention programs with social impact programs, Review of Banking and Financial Law, Vol. 31.

<sup>87</sup> Benjamin Cox (2012) Financing homelessness prevention programs with social impact programs, Review of Banking and Financial Law, Vol. 31.

<sup>88</sup> Ibid.

<sup>89</sup> Ibid.

intermediary to organise programs, as well as the service providers themselves. This is instead of leaving the selection of providers to the discretion of the intermediary, as in the “traditional” social impact bond model.<sup>90</sup>

### **c. London – social impact bond to help rough sleepers off the street**

The Greater London Authority (GLA) has commissioned a £5 million Social Impact Bond (SIB) for rough sleeping. The aim of the SIB, which started on 1 November 2012 and runs for three years, is to improve outcomes for a cohort of about 800 people who move in and out of rough sleeping.

Two voluntary sector providers - St Mungo's and Thames Reach - have been commissioned by the GLA to deliver a range of services, in order to achieve the following outcomes:

- Reducing rough sleeping
- Supporting clients into stable accommodation
- Supporting clients to achieve sustained reconnection to a country with which they have connections
- Supporting client progress towards employment
- Supporting clients to better manage their health.<sup>91</sup>

From the perspective of UnitingCare CYPF, one of the more impressive features of the London SIB was the background paper commissioned by the GLA to guide the development of, and create a business case for, a SIB to meet the needs of entrenched rough sleepers.

The paper prepared by Social Finance and the Young Foundation documented the vulnerabilities and support needs (particularly in relation to drug and alcohol misuse and mental health) of rough sleepers who are not supported by current initiatives. They identified a cohort of 653 rough sleepers who had been seen rough sleeping and/or have stayed in a London rough sleeping hostel in the previous three months and who had been rough

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<sup>90</sup> Reason Foundation (2013) The emergence of social impact bonds: paying for success in social service innovation.

<sup>91</sup> Greater London Authority (2012) Social impact bond for rough sleepers. Available at: <http://www.london.gov.uk/priorities/housing-land/tackling-homelessness-overcrowding/homelessness-rough-sleeping/social-impact-bond-for-rough-sleepers>



sleeping at least 6 times over the previous two years. This group had accounted for 44 per cent of rough sleeping outreach contacts in the previous year<sup>92</sup>.

We would encourage the Inquiry to look at the outcomes metrics, baselines and payment profiles proposed in the paper (see pages 8, 20-22). These reinforce how critical it is to ensure that consideration of SBBs is based on an understanding on whether data is available to provide a standard for the measurement of impact, and to enable the identification of baselines for the achievement of similar cohorts.

Savings to government will only be realised if initiatives deliver superior results to the counterfactual or 'business as usual' scenario. Clearly defined payment principles are critical to encourage the right behaviour of service providers working with the cohort and to reduce perverse incentive effects.

### **Lessons from developing Australia's first Social Benefit Bond**

The experience of UnitingCare Burnside in developing Australia's first SBB and the KPMG evaluation of the joint development phase of the NSW SBB Trial provide key lessons that warrant careful consideration before conclusions can be drawn on the potential of SBBs to increase the supply of social, public and affordable housing and improve social service integration.

First, SBBs and other 'payments by results' financing models depend on clear definition and measurement of outcomes. This includes the ability to compare outcomes achieved for the intervention group to those achieved for a 'like' group under a 'business as usual' scenario. It is critical to assess what data is available to support identification and outcomes analysis of both the intervention and control groups. The poor quality of administrative data in the child protection system created significant design challenges and imposed high transaction costs in the development and contracting phases of the Newpin SBB.

Second, it is important to determine whether the direct and indirect benefits (cost savings) that accrue to the government through a successful

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<sup>92</sup> Social Finance and the Young Foundation (2012) 'A social impact bond for entrenched rough sleepers: outline business case'. Available at: <http://www.london.gov.uk/sites/default/files/Rough%20Sleeping%20SIB%20Report%20-%2020%20January%202012.PDF>



intervention which improves housing and related social outcomes can be measured and translated into dollar terms. For example, can we measure the savings that flow from reduced court appearances and hospital stays for a defined cohort of persons in insecure accommodation or experiencing homelessness. If not, it is difficult to make robust forecasts to investors.

Third, the KPMG evaluation highlights the need to build the capacity of government and non-government organisations to develop outcomes-based financial arrangements. Skills need to be developed in areas including measurement, contracting and financial modelling.

Fourth, it is important that SBB Request for Proposals in the social, public and affordable housing space are developed in consultation with providers of housing and associated support services. SBB investment is a means to supplement rather than displace government funding so that a wider range of interventions can be available to service users and to support and evaluate service innovation. A clear social case for funding a new intervention and provider knowledge are critical to understanding service gaps. It is similarly important to engage with the sector on the role of social investment in assisting providers to deliver improved outcomes for people in need in an efficient way.

Finally, while Social Benefit Bonds have generated great enthusiasm and are being developed in a number of countries around the world we do not yet know whether they work. It can be expected that the high transaction costs in the NSW SBB Pilot will decrease if capacity is built and the field matures. However, it is important to consider whether there are simpler forms of social finance or outcomes-based contracts with government can be utilised to increase social, public and affordable housing supply, and to improve social service integration.

UnitingCare CYPF is uniquely placed to discuss the constraints and opportunities associated with a new form of social financing. We would be happy to provide more detailed information or to discuss our SBB experience with members of the Social, Public and Affordable Housing Select Committee.