

**Submission
No 62**

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

Organisation: Homelessness NSW

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Homelessness NSW

A red graphic element consisting of a horizontal line that tapers to a point on the left and curves upwards and to the right, ending in a sharp hook-like shape.

Submission to Legislative Council Social, public and affordable housing committee

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Introduction

Homelessness NSW is a peak body representing individuals and services with an interest in homelessness in NSW. Our mission is to work towards the prevention and elimination of homelessness.

We work collaboratively with Governments, other peak bodies, community organisations and the private sector to advocate for homeless people and services that support them. Homelessness NSW plays a coordination, advocacy, policy development, leadership and information dissemination role for the homelessness sector in New South Wales.

Homelessness and housing

Homelessness and the risk of homelessness are the sharp end of a failing housing market. That we have so many people in NSW in both of these categories is indicative of systemic failure.

People who are homeless are not a distinct and separate population. In fact the line between being homeless and *not* being homeless is quite fluid. In general, the pathways into and out of homelessness are neither linear nor uniform. Individuals and families who wind up homeless may not share much in common with each other, aside from the fact that they are extremely vulnerable, and lack adequate housing and income and the necessary supports to ensure they stay housed. The causes of homelessness reflect an intricate interplay between structural factors, systems failures and individual circumstances. Homelessness is usually the result of the cumulative impact of a number of factors, rather than a single cause.

Structural factors are economic and societal issues that affect opportunities and social environments for individuals. Key factors can include the lack of adequate income, access to affordable housing and health supports and/or the experience of discrimination. Shifts in the economy both nationally and locally can create challenges for people to earn an adequate income, pay for food and for housing.

Homelessness and poverty are inextricably linked. People who are poor are frequently unable to pay for necessities such as housing, food, childcare, health care, and education. Being poor can mean a person is one illness, one accident, or one pay away from living on the streets.

A critical shortage of housing that is affordable, safe and stable directly contributes to homelessness. Arguably, the most impactful factor is the lack of affordable housing nationwide however; discrimination can impede access to employment, housing, justice and helpful services.

Systems failures occur when other systems of care and support fail, requiring vulnerable people to turn to the homelessness sector, when other mainstream services could have prevented this need. Examples of systems failures include difficult transitions from child welfare, inadequate discharge planning for people leaving hospitals, corrections and mental health and addictions facilities and a lack of support for immigrants and refugees.

Individual and relational factors also apply to the personal circumstances of a homeless person, and may include:

- traumatic events (e.g. job loss),
- personal crisis (e.g. family or domestic violence),
- mental health and addictions (including brain injury and fetal alcohol syndrome), which can be both a cause and consequence of homelessness and physical health problems or disabilities.

Relational problems can include family violence and abuse, addictions, and mental health problems of other family members and extreme poverty.

There is undeniably a strong linkage between domestic violence and homelessness. Family violence can force individuals and families to leave home suddenly, without proper supports in place. This is particularly an issue for youth and women, especially those with children. Women who experience violence and who live in poverty, are often forced to choose between abusive relationships and homelessness. Young people, that are victims of sexual, physical or psychological abuse often become homeless. As well, seniors that are experiencing abuse and neglect are increasingly at risk of homelessness. Family and domestic violence consistently rates as one of the main causes of homelessness in AIHW data that is based on client figures provided by the nation's specialist homelessness services.

Homelessness in NSW

According to the ABS Census data there were 28,194 people experiencing homelessness on Census night 2011. The homelessness rate for NSW rose by over 20% since the 2006 Census. The rate of homelessness per 100,000 people increased from 33.9 in 2006 to 40.8 in 2011.

Of these 1,920 were rough sleepers, 6,507 residing in boarding houses, 4,933 'couch surfing' while the largest cohort were in severely overcrowded accommodation 9,658. In the 2006 Census there were under 6,000 people in severely overcrowded accommodation.

NSW has a large cohort of people 'at risk' of homelessness residing in overcrowded accommodation. According to the 2011 Census there were 22,139 in other crowded dwellings. An unpublished, Housing NSW report (2009) indicated there were 92,000 households (190,000 people) at risk of homelessness.

The ABS describes overcrowding and severe overcrowding as *people living in severe overcrowding are considered to be in the sixth ABS homeless group. Severe crowding conditions are operationalised in the Census as living in a dwelling which requires 4 or more extra bedrooms to accommodate the people who usually live there, as defined by the Canadian National Occupancy Standard (CNOS). Persons living in other crowded dwellings are usual residents living in dwellings reported in the Census requiring 3 extra bedrooms to accommodate them according to the Canadian National Occupancy Standard (CNOS). Under the operationalisation of the ABS definition they are not classified as homeless but are considered to be in marginal housing and may be at risk of homelessness.*¹

The crisis in social and affordable housing

Homelessness NSW believes that this data from the ABS is part of the picture of housing crisis currently existing in NSW. This belief is supported by the data in the in the most recent NSW Government Rent and Sales Report.

Over the December 2013 quarter, the median rent for all dwellings in Greater Sydney increased by \$10 to \$480 per week. The median rent increased in the Inner Ring by \$20 to \$580 and in the Outer Ring by \$10 to \$410 but remained unchanged in the Middle Ring at \$480. Compared to the previous year, the median rent increased by \$20 in the Inner Ring, by \$20 in the Middle Ring and by \$10 in the Outer Sydney Ring.

The median rent for two bedroom flats/units increased over the year in Greater Sydney by \$20 (4.3%) to \$490 per week and by \$10 (2.1%) over the quarter. The rent increased over the year by \$25 (4.2%) to \$620 in the Inner Ring, by \$20 (4.7%) to \$450 in the Middle Ring, by \$10 (2.6%) to \$390 in the Outer Ring and remained unchanged in the rest of the Greater Metropolitan Region (GMR) at \$300. Over the quarter, the median rent increased by \$20 (3.3%) in the Inner Ring whilst remaining unchanged in the Middle Ring, the Outer Ring and the rest of the GMR.ⁱⁱ

The report continues:

The largest increases over the year in median rent for three bedroom separate houses in Greater Sydney were recorded in Sydney (11.1%), Canterbury (10%), Marrickville (9.8%) and Canada Bay (9.4%).

For one bedroom flats/units, the largest annual increases in median rent were observed in Hurstville (17.2%) and Burwood (12.2%). For two bedroom separate houses, the largest annual increase in Greater Sydney was 9.7% recorded in Rockdale.ⁱⁱⁱ

The median sales price for all dwellings across Greater Sydney increased by 1.8% over the September quarter and by 12.6% over the year. Over the quarter, the median sales price increased by 1.1% in the Inner Ring, by 1.3% in the Middle Ring, by 2.6% in the Outer Ring and by 1.5% in the rest of the GMR. Over the year, the median sales price increased in all of the rings by 11.7% the Inner Ring, 12.4% in the Middle Ring, 12.1% in the Outer Ring and 7% in the rest of the GMR.

For non-strata dwellings in Greater Sydney, the median sales price increased by 1.6% for the quarter and by 13.3% over the year. Over the quarter, the sales price increased in the Inner Ring (1.8%), in the Middle Ring (4.3%), in the Outer Ring (3.2%) and in the rest of the GMR (1.8%). The largest quarterly increase of 22.2% was recorded in Ashfield, whilst the largest decrease of 16.1% was recorded in Woollahra. Over the year, the sales price increased in the Inner Ring (15.6%), in the Middle Ring (14.7%), in the Outer Ring (14.2%), and in the rest of the GMR (7.1%). The largest annual increase was 33.9% recorded in Lane Cove. No LGA recorded an annual decrease in sale price.^{iv}

Research by non-Government organisations supports this official data.

The Anglicare 2013 rental snapshot revealed that of the 12,880 properties available for private rental in Greater Sydney on 13 – 14 April, only 23 properties were affordable and appropriate for households on income support payments without placing them in rental stress.

Most glaringly the report found there was not one suitable property for single people on either the Youth Allowance or Newstart.

There were very few suitable properties available for other household types, including:

- singles on the Aged Pension (5 properties)
- single parents on the Parenting Payment with two children (2 properties)
- couples with children on Newstart (2 properties) and
- people on Disability Support (2 properties).

The story was not much rosier for people on the minimum wage. For families with both adults earning the minimum wage, there were 208 affordable and appropriate properties available. For single people on the minimum wage, rental prospects declined substantially to only 34 properties across the city. Prospects for single parents on the minimum wage were even worse, with only 5 properties being affordable.^v

While most of this hard data is based on information on Sydney, anecdotal evidence from our members throughout NSW informs us that the impact of mining in particular in regional NSW has made housing unaffordable for people not involved in that sector. It is not uncommon for housing costs to increase by 30% or more when a mining project is announced. Homelessness NSW believes that mandatory Social Impact Statements and mitigation strategies for major regional projects may go some way to alleviate this issue.

Homelessness NSW has also been consistently informed by our members that seasonal factors also impact on housing affordability. For example, they observe that local residents who have been residing in caravan parks or other forms of affordable housing are often required to vacate to allow tourists to take over the premises at a higher rent. It is surprising how many different regions of the state this impacts, and includes coastal regions during summer holidays, Tamworth during the Country Music Festival, Young during the cherry picking season and Cooma during the ski season. While these events undoubtedly add value to local communities and economies there is often a negative impact on those local residents in or close to poverty. The G20 summit in Queensland provides a vivid example of the impact on homelessness and affordable housing when an event comes to town.^{vi}

What to do

Social housing

From our perspective there are two main causes to this affordability crisis. The first of these is a lack of social housing. In 2003-4 there were 124,735 public housing dwellings. In 2012-13 there are now only 112,216. In that time the population of NSW has grown by approximately 1 million people, but the number of public housing dwellings has declined by close to 10%. We acknowledge that there has been transference of some of this stock to community housing providers, but this divestment has and will in no way alleviate the shortage of public housing.

Evidence of this can be sourced in the public housing waiting list. At June 2013 the waiting list was 57,451; this was an increase of 2,000 in only one year.^{vii}

Wait times for properties remains a major issue. For the entire Greater Sydney region the wait time for any property type is over 5 years. It is a similar story on the Central Coast.^{viii} Again when we talk to services across NSW we are consistently informed that a lack of affordable housing is the greatest impediment to them successfully working with clients and a cause of homelessness.^{ix}

Recommendation: The NSW Government commits to a program of building/purchasing new, additional social housing.

In 2012 the occupancy rate in public housing was 98.9%, indicating that most of the dwellings are occupied.

Despite this high occupancy Homelessness NSW is not convinced that all Housing NSW policies and procedures operate to ensure that people who require their services receive the support necessary. Homelessness NSW broadly endorses the submission of the Public Interest Advocacy Centre, especially their published work *Skating on Thin Ice*.^x We understand that since its publication Housing NSW has been working with Street Care and the Homeless Persons Legal Service to ensure better service delivery for people with episodic disability. We believe that this work should continue.

Recommendation: Housing NSW continues to work to ensure its policies and procedures ensure better service delivery for people with disability

Homelessness NSW continues to be advised that Housing NSW does not make its correspondence to people from a non-English speaking background available in the first language of the client. We believe that this should not be an impossibility.

Recommendation: Housing NSW ensures that all communication with clients is available in the preferred language of the client

Affordable housing

The other key problem is the lack of housing, and especially genuine affordable housing (for low and lower paid working households in particular) in the market place overall. The National Housing Supply Council 2013 Report shows that in 2011 there was a cumulative shortfall of 284,000 dwellings in Australia, an increase on previous estimates of 228,000 dwellings.^{xi} For those at the lower end of the market this impacts on their capacity to locate and secure an affordable rental property.

Homelessness NSW does not believe that the evidence indicates that wholesale land releases on the urban fringe would make a substantial difference to housing affordability.^{xii} We also believe that without adequate infrastructure this would subject many people to ongoing disadvantage. Affordable public transport and educational facilities are necessary pieces of the equation to overcome social disadvantage.

Homelessness NSW does believe that correct planning provisions can assist with the development of affordable housing. As such we would again place on the record our support for the amendments to the new planning laws proposed by Shelter NSW.

Recommendation: The NSW Government ensures that planning provisions permit and encourage affordable housing.

Services to assist those at risk of homelessness and those who are homeless

A further area of attention is the adequacy and effectiveness of the State's homelessness services system. Currently the NSW Government is reforming specialist homelessness services under the name of Going Home Staying Home. Homelessness NSW broadly supports the principles of this reform process, especially the emphasis on the focus on intervening early to prevent homelessness.^{xiii} We believe that a program with more emphasis on prevention and quicker and quality exits from services would deliver better outcomes for individuals and the community.

However, this reform agenda is taking place in an environment of reduced Government expenditure on homelessness programs and services in NSW.

According to the 2013 Review of Government Service Provision report from the Productivity Commission, between 2007 and 2012 the real recurrent homelessness expenditure per person in the residential population in NSW declined by 9.3%. In 2012-13 (according to the recent 2014 report), NSW had the lowest per person expenditure of any jurisdiction at \$18.45; this was \$7.61 or 29% below the national average. Increasing the level of expenditure to the national average would add approximately \$30 million for services in NSW to work with those people either homeless or at risk of homelessness.

The NSW Government is commendably looking to allocate funding resources to homelessness services across the State in the future on a needs as opposed to a historic basis. In particular, this will mean a significant redistribution of funding resources from inner Sydney to both south western and, to a lesser extent, north western Sydney, the Illawarra, the Hunter and the Central coast.

However, the current overall lack of investment in the State's homelessness services means that inner Sydney homelessness services will face a 29% funding cut collectively from 1 July 2014 as the reforms are rolled out. An important reform, because of a lack of funding, has every chance of causing significant damage, as soon as it is commenced.

Homelessness NSW believes that it is imperative that the NSW Government, in conjunction with the Commonwealth Government, increases its level of expenditure on homelessness services in line with the national average.

Recommendation: The NSW Government commits to increasing its level of expenditure on services that target people at risk of homelessness and those who are homeless

Important homelessness service system changes

Among the newer approaches on offer is Housing First where long-term suitable housing is linked to high quality and coordinated support.^{xiv} Again Homelessness NSW supports this initiative.

However for this to be achieved we require a stream of affordable housing. As has been indicated above Homelessness NSW believes there is substantial evidence that we have a housing affordability crisis. The number of dwellings available for social housing has not only not kept up with population growth but has actually fallen in real terms.

Evidence from other countries as well as local services would strongly indicate that without a stream of sustainable affordable housing, whether social or low priced in the private market, a housing first solution to homelessness will struggle to succeed. One solution that is currently working in New York is a Rental Assistance Program (RAP). The program provides monthly rent subsidies as well as budgeting and counseling support for up to two years to help participants successfully transition into and maintain permanent affordable housing. This model program has saved New York City millions of dollars, since the cost of rental assistance (roughly US\$7,700 per year per client) is considerably lower than the cost to shelter a family (US\$38,000 per year). The program boasts an impressive success rate, with 97 percent of program participants maintaining permanent housing and financial independence after graduation.^{xv}

The major differences between this scheme and the Commonwealth Rent Assistance would appear to be the budgeting and counseling support as well as that the RAP is payable to people not necessarily on benefits, but classified as 'working poor'.

RAP is also administered by the not-for-profit sector as a voluntary program. Participants are not forced into the program and they are not punished if they do not sign up. Accordingly they have ownership of both their actions and the program. Homelessness NSW believes that there are valuable lessons to be learnt in this.

Evaluations conducted for Housing NSW, FACS on projects operating under the National Partnership on Homelessness (NPAH) in NSW indicates the effectiveness of housing first models embodied in projects such as Project 40, Platform 70 and Common Ground. It is also interesting to note that the two overseas pilots in the homelessness field that use Social Impact Bond (pay by results) approaches (one in London and one in Massachusetts) are both predicated on providing a supply of sustainable social and affordable housing with coordinated and multi-faceted support services.

Recommendation: Housing NSW work with the not-for-profit sector in the development of innovative programs to prevent homelessness and repeat homelessness which include the provision of suitable long term affordable housing stock.

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- i <http://www.abs.gov.au/AUSSTATS/abs@.nsf/Latestproducts/2049.0Main%20Features402011?opendocument&tabname=Summary&prodno=2049.0&issue=2011&num=&view=>
- ii <http://www.housing.nsw.gov.au/NR/rdonlyres/4C1E2830-776F-4646-97D4-BF924ADF5582/0/RSReport106.pdf>
- iii ibid
- iv ibid
- v <http://www.anglicare.org.au/news-research-events/latest-research/2013-rental-affordability-snapshot>
- vi <http://www.smh.com.au/national/homeless-get-hotel-rooms-for-g20-20140222-3398q.html>
- vii <http://www.news.com.au/national/breaking-news/more-wait-for-public-housing-in-nsw/story-e6frku9-1226729912308>
- viii <http://www.housingpathways.nsw.gov.au/How+to+Apply/Expected+Waiting+Times/>
- ix <http://www.dungogchronicle.com.au/story/2109060/no-services-to-help-dungog-homeless/?cs=410>
- x <http://www.piac.asn.au/publication/2013/10/skating-thin-ice>
- xi http://www.propertyoz.com.au/library/NHSC%20HSAIR%202012%2013_0.pdf
- xii http://www.ahuri.edu.au/housing_information/review/evrev050
- xiii <http://www.housing.nsw.gov.au/NR/rdonlyres/F015C82C-B9E7-490C-AB3A-75828BAED085/0/GoingHomeStayingHomeReformPlan.pdf>
- xiv ibid
- xv <http://www.coalitionforthehomeless.org/programs/rental-assistance-program>