

# **Submission of the Equality Rights Alliance to Productivity Commission Human Services Inquiry**

**27 October 2016**

Endorsed by the following organisations [to be supplied]

# Equality Rights Alliance

Equality Rights Alliance (ERA) is Australia's largest network advocating for women's equality, women's leadership and recognition of women's diversity. We bring together 61 organisations with an interest in advancing women's equality. ERA welcomes the opportunity to make this submission to the Productivity Commission's Human Services Inquiry.

## Women and Housing in Australia

ERA's membership has consistently raised concerns about the increasing problems faced by women in accessing affordable and appropriate housing. To this end, we advocate nationally for affordable housing solutions which meet the needs of women in their diversity, particularly women experiencing multiple and intersecting disadvantage.

Access to affordable and adequate<sup>1</sup> housing is a human right protected by the International Covenant on Economic, Social and Cultural rights. The Sustainable Development Goals identify gender equality, reduced inequalities and sustainable cities and communities as critical steps in the roadmap to global sustainable development. For Australia to meet its obligations of *ensuring access for all to safe, adequate and affordable housing*, a national housing strategy that adequately builds public and community housing capacity, must be developed and implemented as a priority.

There is an estimated shortfall of 500 000 affordable and available dwellings for low income earners in Australia.<sup>2</sup> Women face some of the biggest housing challenges in our community. Gendered experiences of economic disadvantage and violence are compounded by an inequitable and unaffordable housing market. Social housing and women's homelessness services play a critical role as safety nets for women. Women make up 56% of public housing tenants,<sup>3</sup> 64% of Commonwealth Rent Assistance<sup>4</sup> recipients and 59% of those seeking assistance from specialist homelessness services. It is understood that older, single women are one of the fastest growing demographics in need of housing assistance. 2011 Census figures reveal that there are 264 604 single women over the age of 45, on low-median incomes

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<sup>1</sup> Australian Human Rights Commission, *Housing, homelessness and human rights*, 2009, retrieved 28/09/16, <https://www.humanrights.gov.au/our-work/rights-and-freedoms/projects/housing-homelessness-and-human-rights>

<sup>2</sup> National Housing Supply Council, *State of Supply Report 2011*, Australian Government The Treasury, Canberra, 2011

<sup>3</sup> Australian Institute of Health and Welfare, *Housing Assistance in Australia 2016 Supplementary Data* Table 6: Number of tenants in social housing by age, sex and program, at 30 June 2015, Canberra, 2016

<sup>4</sup> Data on rent assistance income units by sex provided by Department of Social Services

and renting.<sup>5</sup> Reforms in social housing and family and community services must account for these gendered dimensions. A functional housing system that meets the needs of women in their diversity will advance the Government's gender equality objectives of eliminating violence and increasing participation in the *paid* workforce.

## Grant-based family and community services

ERA supports the principle of informed choice for service users. As highlighted by Jacobs et al, there are a “*suite of implementation and delivery activities,*” such as enabling a diversity through which “*choice can be enhanced.*”<sup>6</sup> However, we are concerned that many of the commonly proposed mechanisms to support user choice are not actually focused on enhancing choice, but instead are largely focused on and limited to increasing competition between service providers as a money saving measure.

Competitive tendering processes in human services risk a diminution, rather than expansion, in the diversity of homelessness services. The NSW *Going Home, Staying Home (GHS)* reforms increased funding for generalist service provision at the expense of specialist services, many of which reside in the women's sector.<sup>7</sup> Specialist expertise and skill is critical in effectively assisting both women and older people faced with housing stress or homelessness.<sup>8</sup> Just as there is no single pathway into housing insecurity or homelessness, there is no single correct response. A diversity of responses and services, with gendered and ageing perspectives and expertise is vital to ensuring the effectiveness of housing solutions. Additionally, competition engendered by *both* limited funding and competitive tendering processes “*can potentially be to the detriment of the sector if it reduces collaboration.*”<sup>9</sup> The GHS post implementation review recommended “*further work is required on the development of alternative procurement approaches for human services, which can be more faithful to the concept of highlight collaborative design, and co-design, while still allowing the benefits of competition to be realised as well as adherence to probity requirements.*”<sup>10</sup> The qualities which distinguish the human services sector from the for-profit sector are often the

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<sup>5</sup> Data generated November 2013 from 2011 ABS Census using Table Builder.

<sup>6</sup> K Jacobs et al, *Individualised housing assistance: findings and policy options. Inquiry into individualised forms of welfare provision and reform of Australia's housing assistance system*, Australian Housing and Urban Research Institute, Melbourne, 2016

<sup>7</sup> Australian Women Against Violence Alliance, *Policy Brief: The role of specialist women's services in Australia's response to violence against women and their children*, Canberra, 2016

<sup>8</sup> Ibid. and M Petersen, 'Addressing older women's homelessness: service and housing models' *Australian Journal of Social Issues*, vol 50, no. 4, 2015, pp 419-438

<sup>9</sup> P Flateau et al, *The Inquiry into the funding of homelessness services in Australia*, Australian Urban and Research institute, Melbourne, 2015

<sup>10</sup> KPMG Health, Ageing and Human Services, *Going Home Staying Home Post-Implementation Review*, Department of Family and Community Services, 2015

same for which the sector is celebrated; *“if voluntary organisations are to retain the distinctive qualities for which politicians have lauded them, procurement and monitoring procedures must be carefully attuned to the social relations and practices of the voluntary sector.”*<sup>11</sup>

Further, for many community organisations the introduction of competition has required the reallocation of scant resources away from service provision to tendering.<sup>12</sup> Similarly, it has been observed that competition and the user-choice imperative among services can fuel reallocation of resources to “niche marketing and branding activities.”<sup>13</sup> This raises questions about the short term performance goals that may be fostered in competitive environments, as opposed to the social and community outcomes.<sup>14</sup> If Governments continue down the path of increasing competition in human services, the regulatory role of Government must be strengthened with an emphasis on maintaining and increasing service levels to improve individual and community outcomes. Cost of delivery should not be the dominant indicator in such processes, particularly in a sector where organisations are driven to ultimately eliminate demand.

In recent years specialist homelessness services have been subject to short-term contracts, decreased capacity and funding uncertainty. These factors negatively impact on the service delivery of domestic and family violence and women’s homelessness organisations. When the focus of reform is limited to facilitating individual choice, structural questions around capacity and certainty of the homelessness services sector remain unanswered and unaddressed. There is significant evidence demonstrating that increased investment in housing and homelessness services reduces justice and health costs down the track,<sup>15</sup> which aligns with the investment approach to welfare. Without addressing these factors, the current constraints experienced by the sector will likely shape any reform; *“the effects that market processes have depend heavily on context and circumstances, and until those circumstances are taken into account, it is not possible to make a sensible policy decision about the process and method that ought to be used.”*<sup>16</sup> As Jacobs et al have posited, competition can have a role in service provision, but “it falls short as a guiding principle for a viable housing reform agenda.”<sup>17</sup>

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<sup>11</sup> H Buckingham, ‘Competition and contracts in the voluntary sector: exploring the implications for homelessness service providers in Southampton,’ *Policy and Politics*, vol. 37, no. 2, April 2009, pp235-254

<sup>12</sup> Australian Council of Social Services, *Competition policy must support community needs and outcomes: ACOSS*, retrieved 25 October 2016,

[http://www.acoss.org.au/media\\_release/competition\\_policy\\_must\\_support\\_community\\_needs\\_and\\_outcomes\\_acoss/](http://www.acoss.org.au/media_release/competition_policy_must_support_community_needs_and_outcomes_acoss/)

<sup>13</sup> K Jacobs et al

<sup>14</sup> K Jacobs et al

<sup>15</sup> W Stone et al, *Housing Assistance Need and Provision in Australia: a household-based policy analysis. Inquiry into individualised forms of welfare provision and reform of Australia’s housing assistance system*, Australian Urban and Housing Research Institute, Melbourne, 2016

<sup>16</sup> Spicker, P, *Reclaiming Individualism-perspectives on public policy*, The Policy Press, Bristol, 2013

<sup>17</sup> K Jacobs et al

## Social housing

ERA supports greater choice for social housing tenants and prospective tenants, who are currently limited by allocation policies.<sup>18</sup> Prospective social housing tenants should be able to choose from a range of housing options that are accessible, universally-designed, well-located and safe. Contestability as a mechanism to increase meaningful choice for tenants relies on an increase of social housing stock. We strongly support the Commission's preliminary finding that *reform options could be explored in Australia to address supply constraints and increase housing options*. We echo support for shifts towards models such as the choice-based letting example from the preliminary findings report, but caution "*any shift towards a choice-based model that is not underpinned by adequate regulation and funding is perceived as introducing risk into the housing system and potentially resulting in even greater degrees of housing disadvantage for the households most in need of support.*"<sup>19</sup> The issue of supply is overriding and paramount to reform.

To this end, ERA endorses calls from the community housing sector for Government-supported expansion of community housing sector through innovative financing models. The need for growth in the community housing sector presents a bigger challenge than stock transfer from public to community providers. ERA is anticipating that the pending findings from the Council on Federal Financial Relations' Affordable Housing Work Group Inquiry in Innovative Financing Models will provide a pathway for action to grow community housing stock. A genuinely multi-provider social housing system must continue to include well-resourced public housing as a key element, as highlighted by the Commission's preliminary findings.<sup>20</sup> As the 2014 Senate Inquiry into Housing Affordability concluded, "*the transferal of current public housing stock should not be interpreted as sanctioning the withdrawal of governments from funding public housing which should remain at the core of social housing to ensure that the most disadvantaged are adequately housed... Community housing should not be regarded as a substitute for public housing but complementary by offering greater diversity in affordable housing.*"<sup>21</sup>

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<sup>18</sup> W Stone et al

<sup>19</sup> W Stone et al

<sup>20</sup> "not preclude the management of properties remaining with the public provider, if they were best placed to provide the service." Productivity Commission, *Introducing Competition and Informed User Choice into Human Services- Preliminary Findings Report*, 2016

<sup>21</sup> Senate Standing Committee, *Out of Reach? The Australian Housing Affordability Challenge*, Parliament of the Commonwealth of Australia, Canberra, 2014

ERA is very concerned at the suggestion that “*for-profit providers could introduce further contestability and choice.*”<sup>22</sup> Recent reports about management companies approaching State governments interested in directly managing social housing, contradict the role of social housing as a safety net for market failure. The experience of divesting social housing to for-profit providers in Germany, leading to further stock decline and expensive government buy-backs, is a cautionary example.<sup>23</sup>

We are also concerned that increasing choice for public housing tenants within the current environment could result in an undue focus on the removal of income-based rent settings. Making Commonwealth Rent Assistance (CRA) available to public housing tenants, as an instrument to increase choice, will ultimately erode the housing safety net and disadvantage public housing tenants. Currently, 41% of CRA recipients remain in housing stress after receiving CRA and 78% of CRA recipients receive the maximum payment.<sup>24</sup> Income-based rent settings are particularly important for those tenants facing complex and long term issues which often preclude employment. The Productivity Commission findings from the *Housing Assistance and Employment in Australia* report noted that “*the relatively low employment rates for public housing tenants are due to their characteristics, not their receipt of housing assistance.*”<sup>25</sup> The universal application of CRA, premised on an assumption that income-based rent settings provide disincentives to work must be reconsidered in light of this finding.

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<sup>22</sup> PC preliminary findings

<sup>23</sup> J Lawson et al, *Transforming public housing in a federal context: Inquiry into affordable housing industry capacity*, Australian Housing and Urban Research Institute, Melbourne, 2016

<sup>24</sup> Productivity Commission, *Report on Government Services- Housing and Homelessness* Tables GA27 and GA28 Australian Government, Canberra, 2016

<sup>25</sup> Productivity Commission, *Housing Assistance and Employment in Australia*, May 2015, retrieved 25 October 2016, <http://www.pc.gov.au/news-media/pc-news/pc-news-may-2015/housing-assistance-and-employment>