

Homelessness NSW

A red graphic element consisting of a thick, curved line that starts wide on the left and tapers to a point on the right, resembling a stylized arrow or a swoosh.

‘More houses not more reform’

Homelessness NSW submission to the Productivity Commission’s reform into Human Services

15 February 2017

About Homelessness NSW

Homelessness NSW is a peak not for profit organisation that works with its 170 members to prevent and reduce homelessness across NSW. Our members include small, locally based community organisations, multiservice agencies with a regional reach and large State-wide service providers who work to address and prevent homelessness.

Key services that we provide include policy development and advocacy in working to end homelessness, public education about the changing faces of homeless people and those at risk, information about the diverse mix of initiatives operating in NSW and elsewhere and advice and support for member organisations and others about organisational change and improvement.

Executive Summary

Homelessness NSW welcomes the opportunity to comment on the Productivity Commission's issues paper, *Reforms to Human Services* (the issues paper).

Homelessness NSW's submission focuses on two components of the Productivity Commission's issue paper- reforms to the social housing system and commissioning family and community services.

Homelessness NSW notes that in late 2016 IPART released an issues paper *Review of rent models for social and affordable housing* which canvassed many of the same responses to reform the social housing system to enhance tenant transition into the private rental market.

In our response to IPART's issues paper, Homelessness NSW argued that the focus on transitioning people out of social housing is based on an incorrect understanding of the current tenancy cohort and does not address the issues of chronic undersupply of social and affordable housing that is the real driver of the current housing crisis. We also highlighted that the implementation of measures such as restricting eligibility and changing levels of support will leave many tenants extremely vulnerable to homelessness.

We believe these same concerns are valid in relation to the approaches proposed by the Productivity Commission's issue paper in relation to social housing. Rather than seeking to implement such ineffective approaches, Homelessness NSW calls upon the Federal Government to immediately develop and implement an Affordable Housing Strategy that includes the building of additional social housing properties and provides specific targeted measures to address housing barriers.

Homelessness NSW also has considerable concerns with the Productivity Commission's proposed approach to reform family and community services including the specialist homelessness services sector. Homelessness NSW notes that the New South Wales government through the Going Home Staying Home (GSHS) sought to reform the provision of specialist homelessness services (SHS) based upon similar values to those identified by the Productivity Commission's issues paper. The GSHS reforms have had a considerable negative impact upon SHS sector including resulting in increased rates of homelessness and diminished collaboration between service providers.

Homelessness NSW has developed this submission in consultation with its members and is available to expand on any of the issues or recommendations outlined in the submission.

Social Housing

Homelessness NSW provides the following comments in relation to the Productivity Commission's proposed changes to the social housing system.

Background

Homelessness NSW believes it is necessary to place the Productivity Commission's issues paper in the context of the current housing and homelessness crisis in Australia.

The Productivity Commissions' issues paper correctly identifies the extreme difficulties many people have accessing social housing. According to the NSW Audit Office in 2015 there were over 55,000 applications for housing, representing 120,000 people on the wait list. In New South Wales, there are 247 areas and towns where social housing is available. In over 20 per cent of these areas, applicants can expect to wait more than ten years for social housing. Similarly, high waiting lists exist in all other states and territories.

These high rates of demand for social housing is in part due to the private rental market being available for those experiencing disadvantage. Anglicare Australia's *2016 Rental Affordability Snapshot* conducted in the first weekend in April 2016 found that only 76 properties (less than 1 per cent) advertised across greater Sydney and the Illawarra were available to people on income support payments. In Sydney, the overwhelming bulk of these were in the outer suburbs, more than 20 kilometres from the CBD.¹ In addition to acute shortage of affordable rental accommodation, those experiencing homelessness experience numerous systemic barriers entering the private rental market including adverse listings on Rental Tenancy Databases and discrimination including on the grounds of receipt of Centrelink benefits, history of homelessness and engagement with social housing providers.

The current housing crisis has led to a situation where the only options for many people is crisis accommodation. Specialist Homelessness Services (SHSs) across Australia are currently reporting high demand for their services across the range of groups known to experience homelessness including rough sleepers, young people and women and children escaping domestic and family violence. Data recently released by the Australian Institute of Health and Welfare (AIHW) has confirmed this, with services across Australia seeing 279,000 clients in 2015–16 (up from nearly 256,000 in 2014–15). There are simply not enough crisis accommodation spaces to meet the current demand for services.

Data from AIHW reveals that in New South Wales 45,240 people sought accommodation support from SHSs, an increase of 39 percent in 2013-2014 (n= 32,578). Significantly, a lack of affordable housing options meant that SHSs were unable to provide accommodation assistance for over 34 per cent (n=15,241) of those that sought such assistance.

Social housing tenant transition

As detailed above, Homelessness NSW supports the recognition within the issues paper of the increasing housing crisis in Australia. However, Homelessness NSW is concerned that

¹ Anglicare Australia, *Rental Affordability Snapshot 2016*, June 2016, accessed at <http://www.anglicare.asn.au/research-reports/the-rental-affordability-snapshot/docs/default-source/default-document-library/rental-affordability-snapshot-2016>

the Productivity Commission's issues paper incorrectly focuses on measures to encourage social housing tenants to transition into the private market as ways of reducing the high waiting list. While supportive of measures that encourage tenant participation in employment and education, Homelessness NSW believes the large-scale tenant transitions from social housing to the private market is unrealistic. As detailed above, the private market is simply unattainable for the clear majority of people in social housing. Homelessness NSW also believes the focus within the issues paper on transitioning people out of social housing is based on an incorrect understanding of the current tenancy cohort. To discuss housing pathways for social housing tenants which considers social housing as transitional housing does not understand the current social housing tenant profile who require access to long term, affordable and accessible housing. In NSW over 93 per cent of current social housing tenants are on income support payments of some kind and for whom pathways out of social housing is inappropriate.

Nor does Homelessness NSW support measures which attempt to reduce the waiting list for social housing by increasing its eligibility requirements. As identified above, the considerable current wait times for social housing are not the product of less 'suitable' people being placed on it, but rather the chronic undersupply of social housing. In a New South Wales context, IPART has similarly proposed restricting access to the NSW Housing Register to those currently deemed to be a 'priority'. As detailed in our response to the IPART review, currently many highly vulnerable groups do not receive priority status under the NSW Housing Register, and who would therefore be without housing options under the suggested change.

Rather than relying upon measures to increase tenant transition and reduce the number of people eligible for social housing, the current housing crisis can only be resolved through substantial Federal Government developing a coherent national strategy to deliver more social housing and end homelessness. Homelessness NSW believes there are five key reforms which should be implemented:

1. Significant growth in public and community housing and other affordable options

The Federal Government should commit to developing an Affordable Housing Growth Fund starting with \$750 million in the first year, growing to \$15 billion over 15 years. This funding should be explicitly for expanding the stock of social housing to provide real alternatives for low income Australians locked out of home ownership. The funds should be deployed in tandem with strategies to attract private investment into the affordable housing sector, with the precise means for this to be informed by the current policy process being managed by the Affordable Housing Working Group

2. A renewed National Homelessness Strategy and Plan

The Federal Government should commit to a renewed plan to end homelessness, which addresses the drivers of homelessness, rapidly rehouses people who are homeless, and provides adequate and flexible support for those needing help to sustain housing. A recommitment to aspirational targets for reducing homelessness, should be integrated with a wide range of strategies which provide housing and address known risk factors leading to homelessness. In particular, we support the investment of new and additional funding and resources into early intervention programs.

3. Reform the tax treatment of rental housing

The Government should commit to limit the offsetting of losses on investments in rental properties purchased after a specified date to income from those assets, rather than the investor's other income. Part of the revenue saved from this measure should be used to introduce a two-tier rental housing investment incentive to support the creation of affordable rental housing.

4. Increase Commonwealth Rent Assistance

In order to reduce the number of Commonwealth Rent Assistance recipients in housing stress, the maximum rate of payment should be increased by 30%, and it should be indexed to the rental component of the CPI.

5. Address the shortfall of appropriate, social housing for people with disabilities

In the context of the introduction of the National Disability Insurance Scheme, the Commonwealth and State Governments need to work with the community housing sector to develop a ten-year plan to deliver 16,000 new units of specialist disability housing and improve the capacity of other parts of the mainstream housing system to cater for people with disabilities.

Family and Community Services

Homelessness NSW notes that the Productivity Commission's issues paper considers the role of SHS's in its proposed reforms to family and community services. The following comments are provided in relation to the impact of introducing models based on consumer choice and contestability on the SHS sector and people at risk of and currently experiencing homelessness.

User choice

The Productivity Commission's issues paper supports the introduction of models which facilitate greater user choice in the provision of support services. However, Homelessness NSW does not believe consumer choice can operate effectively in the provision of services to groups of highly vulnerable people known to experience homelessness.

Data from AIHW reveals of those seeking assistance from SHSs, 38 per cent (n=106,000) were doing soon after experiencing domestic and family violence. Other groups known to be frequently present for assistance at SHS include people exited from an institution such as gaol or a mental health facility with no accommodation, families being evicted from private rentals, woman and or a young person leaving an unsafe home environment.

Rather than user choice over the types of support services provided, each of these groups are in a crisis and require access to safe and affordable housing. Evidence has clearly indicated that best practice interventions that address homelessness must include safe, affordable long term housing including supportive housing models. Supportive housing models provide affordable housing with wrap around support to people experiencing homelessness without requiring the person to access crisis accommodation and/or transitional housing or rehab or other health interventions before accessing long term accommodation. Supportive housing

models such as Housing First have demonstrated high housing retention rates for people who have experienced homelessness.² Effective models have previously been implemented in NSW including Platform 70 and Common Ground. Platform 70 secured considerable outcomes for its supported housing system including an 81 per cent tenancy sustainment with tenants reporting improved health outcomes and reduced interactions with the criminal justice and health systems.³

However, due to the lack of affordable housing in Australia, supportive housing is not the primary option and instead clients are referred to crisis accommodation. User choice in this context is therefore limited to what is available rather than what will provide the best outcome for clients and meet their needs. User choice can therefore not be applied to the Specialist Homelessness Service Program whilst the housing market limits client access to safe and affordable housing.

That is not to say that people at risk of or currently experiencing homelessness should not have input into the way services are provided to them. Marginalised people such as people experiencing homelessness and those at risk of homelessness have a right to participate in decision making process that directly impact upon them.⁴ The active involvement of those who are or have been homeless has also been shown to lead to the development of more effective public policy and service delivery in response to issues facing people experiencing homelessness, as well as assisting in the empowerment of participants.

To facilitate this participation to occur with SHSs, Homelessness NSW through the Industry Partnership is currently seeking to develop and pilot training for consumers of specialist homelessness services to be run in Sydney and two regional centres. The training aims to undertake skills development for consumers of homelessness services in effective consumer participation and consultation.

Contestability

The issues paper also seeks input into reducing limitations within current commissioning processes. Homelessness NSW notes that in several jurisdictions, the SHS Program has been subject to reforms that have included contestability and alternative pricing and funding models, including New South Wales, Tasmania and Queensland.

In New South Wales, the Going Home Staying Home (GHSH) reforms have had several negative impacts on the provision of services to people at risk of or experiencing homelessness. These include:

- undervaluing of commitment of the SHS sector in delivering outcomes for clients over and above the funding provided;
- undervaluing of the SHS sector and individual service reputation, relationships, expertise and networks that had been developed over an extensive period of time and by delivering services to clients on a long term basis;

² Tsemberis, S. (2010a) *Housing First: The Pathways Model to End Homelessness for People with Mental Illness and Addiction* (Minnesota, MN: Hazelden Press).

³ For more information see <http://www.nhc.edu.au/wp-content/uploads/2015/11/TS1-Rebecca-Pinkstone.pdf>

⁴ This right is well-established in international human rights law. Article 25 of the *International Covenant on Civil and Political Rights* states that every citizen shall have the right and the opportunity without unreasonable restriction to take part in the conduct of public affairs.

- undervaluing of community and individual client trust, respect, and reliance on the existing SHS sector and the work of individual services;
- undervaluing and subsequent loss of workforce skills, specialist knowledge and experience;
- failure to appropriately cost infrastructure costs;
- the destruction of pre-existing partnerships and collaborative approaches in the sector as organisations were forced to compete against each other; and
- reduced access to appropriate, adequately-resourced specialist and domestic and family violence and youth services (eg. for women and children impacted by domestic and family violence, Aboriginal and culturally and linguistically diverse communities, people with disability, LGBTQIA communities).

Most significantly following the reforms there has been a significant increase in the number of people experiencing homelessness.⁵

One of the major cause of the GSHS attempts to implement contestability based reforms to a sector already experiencing high demand for services due to a lack of safe and affordable housing and underfunding of crisis accommodation. Without a supply of safe and affordable housing, the reforms did not result in better outcomes for people at risk of or experiencing homelessness and instead resulted in a greater focus on supporting people in crisis.

Homelessness NSW believes the same limitations would be applicable to the Federal Government attempting to introduce contestability in the context of a lack of increased investment in affordable housing. As detailed above, prior to undertaking any reforms to the commissioning processes in the SHS sector, the Federal Government must develop and implement an Affordable Housing Strategy.

Conclusion

To address the considerable number of vulnerable people on the social housing waiting list, the Federal Government must increase social housing supply, address the lack of affordable housing, and implement measures to assist them retain their tenancy.

Measures such as those contained in the Productivity Commission's issues paper will do little to address the current housing crisis and runs the risk of further marginalising disadvantaged tenants and potentially increasing the rates of homelessness. Homelessness NSW looks forward to the ongoing discussion and developments in this area.

⁵ See the Australian Institute of Health and Welfare, Specialist Homelessness Services 2015-2016, December 2016 accessed at <http://www.aihw.gov.au/homelessness/specialist-homelessness-services-2015-16/>