

## MERCY FOUNDATION SUBMISSION IN RESPONSE TO:

### **The House of Representatives Standing Committee on Social Policy and Legal Affairs inquiry into homelessness in Australia**

**June 2020**

#### **BACKGROUND**

The Mercy Foundation, established by the Sisters of Mercy North Sydney in 1990, is an organisation committed to social justice and structural change to create greater social equity and inclusion in the Australian community.

The primary social justice issue with which the Mercy Foundation is currently concerned is homelessness and its related causes and consequences. It has a special interest in the prevention and impact of homelessness on women and in the implementation of appropriate policy, systems and service responses.

The Mercy Foundation is an independent voice, informed by evidence and current research as it works to change social structures and practices, laws and ways of thinking. The Mercy Foundation works in partnership with other organisations on issues and activities that support its mission.

The Mercy Foundation provides grants for a range of social justice and community initiatives as well as for services, projects and research that will contribute to the goal of ending homelessness.

#### **INTRODUCTION**

The Mercy Foundation appreciates the opportunity to provide a submission to the Parliament of Australia on its Inquiry into Homelessness. Homelessness in Australia is completely solvable. It requires an effective and evidence-based response that results in the ending of an individual or family's homelessness. Homelessness is damaging to people's lives and has severe and lasting impacts. People experiencing chronic homelessness have a life span thirty years less than their peers in housing. Urgent action must be taken to ensure we end homelessness and prevent others from falling into homelessness as soon as possible.

Housing is a human right. Affordable, appropriate, permanent housing is key to physical and mental health, to quality of life and human dignity. Homelessness is a symptom of serious failures in our society. Failures of existing and past systems, policies and practices concerning housing, employment, justice, health, poverty reduction and the social safety net. Homelessness can only be solved and prevented by addressing its systemic and structural causes. Employment and adequate income reduce poverty and provide access to new housing options. An adequate social safety net would ensure nobody experiences the indignity and risk that rough sleeping brings. An increased

supply of permanent, appropriate, affordable housing would solve homelessness for most Australians.

COVID-19 has served to emphasise the importance of a safe, secure, affordable home. It is impossible to practise social distancing or hygiene and sanitation requirements if you do not have a home or are living in an overcrowded dwelling.

There is a general perception in the community that people's homelessness is a result of a personal failing. This stigmatises homelessness, creates a sense of shame amongst people experiencing homelessness and influences how we as a community respond to homelessness. For most people, access to permanent, affordable housing ends their homelessness. Some people may need and access to the other supports to stay in housing and a small percentage will require permanent support to help them stay housed.

Without an increase in the supply of social and affordable housing, the homelessness system will remain clogged. More people will experience homelessness and more people will endure the indignity and the risks of street homelessness. When people are safely and permanently housed, they have much greater chance of finding a job, addressing their health challenges and increasing their wellbeing.

The Mercy Foundation is particularly concerned with chronic homelessness and older women at risk of or experiencing homelessness; this submission focuses on those two cohorts.

**SUMMARY:**

- Homelessness is a solvable problem. Most people experiencing homelessness need access to appropriate, affordable, permanent housing to end their homelessness.
- Consequently, there is an urgent need for investment in more social and affordable housing to enable people' homelessness to be ended.
- A small number of people experience chronic homelessness. They may require a high level of support to sustain their tenancy. By using a Housing First approach, their homelessness can be ended. This group are often heavy users of emergency services and there is a substantial cost benefit to ending their homelessness.
- More permanent supportive housing options are required to solve chronic homelessness.
- Using the VISPDAT and the Functional Zero approach, communities across Australia can gain an understanding of who is homeless and what their housing and support needs are. Using real time data, resources can be applied efficiently to work towards ending homelessness in their community.
- Older women are one of the fastest growing cohorts to experience homelessness. Access to services to prevent their homelessness and the allocation of social and affordable housing to this group will help address their housing needs.

## TERMS OF REFERENCE

### TOR 1: The incidence of homelessness in Australia

#### Chronic homelessness

Chronic homelessness is defined as an episode of homelessness lasting 6 months or longer or multiple episodes of homelessness over a 12 month period or more. People who experience chronic homelessness are likely to have complex needs, which means that they have one or more of the following:

- Developmental disability
- Traumatic brain injury
- Serious physical health problems
- History of abuse or trauma
- Mental illness
- Mental disorder
- Psychiatric disability
- Addictions.

People experiencing chronic homelessness often transition from shelters to refuges to rough sleeping and boarding houses. This can continue for many years. They often engage with emergency services such as ambulance, hospital emergency departments, police and justice.

Of greater concern, people who are chronically homeless are at a much greater risk of adverse health outcomes and early death. Research shows that people experiencing homelessness die up to 30 years earlier than their peers in housing.<sup>1</sup>

The number of people experiencing chronic homelessness is small. Only 8,200 Australians were counted as sleeping rough in the 2016 Census. It is estimated that around 40% of the rough sleeping population and 20 – 30% of people in supported crisis accommodation are chronically homeless. There is good evidence to support that the cost of ending someone's homelessness is actually less than the cost to society.

#### Older women

The Mercy Foundation has a special interest in older women and homelessness. Older women are the fastest growing group to experience homelessness. The 2016 Census counted 6,866 women over 55 years as experiencing homelessness. This represents an increase 31% compared to the 2011 Census.

Women over 55 are at great risk of financial and housing insecurity due to systemic and compounding factors such as:

- Lack of superannuation
- Working part time or casually throughout their lives
- Taking time out of the workforce to care for family
- Bearing the brunt of the gender pay gap

- An increasingly unaffordable private rental market
- Age discrimination

Women living on a low fixed income, who have not had the opportunity to buy a home, are at great risk of homelessness.

## **TOR 2. Factors affecting the incidence of homelessness, including housing-market factors;**

Poverty and lack of affordable housing are key drivers of homelessness. There are many factors that impact on poverty and housing supply. Some of those factors are discussed below.

### **Poverty**

Poverty is a key driver of homelessness in Australia. The latest HILDA report found that the proportion of people living below the relative poverty line (50% of median income) increased from 9.6% in 2016 to 10.4% in 2017. One of the key causes is the movement of people from higher pension benefits to the Newstart allowance.

The poverty rate for older women was in excess of 30%.

The relative poverty line is around \$430 a week for a single person. Before JobSeeker payments, the Newstart allowance was only \$277.85 a week. This is an inadequate payment that cannot cover the basic costs of accommodation and food, and pushes people into poverty.<sup>ii</sup>

As a result of COVID-19, the unemployment rate in Australia climbed to 6.2% in April 2020 and is predicted to be around 10% in June 2020. In April, the number of unemployed people rose to 823,300. Employment fell by 594,300, the largest drop on record, to 12,418,700.<sup>iii</sup>

Reducing poverty in Australia requires people to earn more through employment, or if they are unable to work, to receive a social benefit that enables them to enjoy a decent standard of living. The casualisation of the workforce has created increased poverty and unpredictability. People who cannot work full-time or at all need adequate levels of income support to ensure they remain stably housed.

### **Older women at greater risk of financial and housing insecurity**

Women aged over 50 are at greater risk of financial and housing insecurity than older men. This has been linked to a number of compounding and systemic factors such as lack of superannuation, low pay rates, taking time out of the paid workforce to care for children and fulfil other caring roles.

The number of older women renting in the private rental market has increased significantly over the past three censuses. In 2006, there were 91,549 older women in the private rental market. This increased to 135,174 in 2011 and 180,617 in 2016. This is a concern because of the trends that show an increase in older women living in poverty and the deficit in affordable housing in the private rental market.

Many older women do not identify as being homeless. As such, they do not access homelessness services and explain their situation as a housing crisis. Of the 1,518 homelessness agencies across Australia, only three are funded as specialist services for older people.

Homelessness is often precipitated by a shock. The loss of a spouse, illness, car accident, no grounds eviction, or any other event that suddenly impacts on income or housing status can lead to homelessness.

Housing is an older woman's most basic need. Access to affordable, long-term housing is an important health intervention.<sup>iv</sup>

### **Access to housing: Housing affordability**

Australia is one of the least affordable nations in the world. The 2019 Demographia International Housing Affordability Survey reports that all five of Australia's housing markets are severely unaffordable.<sup>v</sup> Historically low interest rates, rising household debt, rapid house price growth that has outstripped wage growth, population growth and current taxation settings contribute to current poor housing affordability conditions.

Anglicare's 2020 Rental Affordability Snapshot shows that the private rental market is failing to deliver affordable housing for people on low incomes. Of the 69,960 properties available for rent across Australia, just 3% were affordable and appropriate for households on government income support payments. Three properties were available for people receiving a Youth Allowance and none for a person on the JobSeeker payment. 526 properties were affordable for a single person on the Aged Pension.<sup>vi</sup>

Nationally, the rental vacancy rate is low, reported as 2.6% in April 2020, although there have been recent reports of increasing vacancies due to COVID-19.

### **Access to housing: Housing supply**

A deficit in housing supply means that people cannot find a place to live. City Futures reports that the shortfall of social housing dwellings is 437,000, and the unmet affordable housing need is estimated to be 213,000.<sup>vii</sup>

Increasing the housing stock is essential if we are to make any inroads in homelessness. It is simple economics that a lack of supply drives up rents and makes access to housing difficult for low-income groups.

The Mercy Foundation supports Inclusionary Zoning targets that require 15% of dwellings built on private land and 30% of dwellings built on formerly public land be affordable. These targets will eventually lead to an increased supply of affordable dwellings for vulnerable cohorts as well as key workers and minimum wage workers. Inclusionary Zoning policies create additional affordable and social housing stock across the metropolitan area, rather than concentrating development in particular suburbs.

**TOR 8: Examples of best-practice approaches in Australia and internationally for preventing and addressing homelessness;**

**8.1 Evidence based solutions to ending chronic homelessness**

The Mercy Foundation advocates for evidence-informed approaches to ending homelessness. Housing First is the evidence based approach to ending chronic homelessness.

**Housing First** is an approach or methodology for assisting homeless people to access permanent housing with support as needed. It is based on the idea that people need a stable and secure home before they can address any other challenges. A safe, permanent home is the foundation that we all need to thrive. The principles of Housing First are:

- Housing is provided as quickly as possible for people experiencing chronic homelessness
- People do not have to be assessed as 'housing ready'. There are no pre-requisites for people to access housing.
- Housing First provides people with permanent housing and access to services needed to help them sustain their tenancy. Most people will just need permanent housing to end their homelessness; some may need a period of transitional support as they move back in housing, and a small number of people have high or complex needs and may require permanent support. An individual's engagement with these services is not required for them to maintain their housing.

People with complex needs may need permanent supportive housing to end their homelessness.

Studies of housing programs around the world reveal that tenants engaged in Housing First arrangements are more likely to stay in their accommodation long term, have improved health outcomes, have higher employment and training success and are more engaged in the community.

A study of 225 people in the USA compared the outcomes of those using traditional housing services and those using a Housing First program known as *Pathways to Housing*. The research found that 88% of those in the Housing First program retained their housing for two years compared to 47% in the other programs.<sup>viii</sup> Housing First programs in Australia show similar rates of success.

**Common Ground model of Permanent Supportive Housing**

The Common Ground model is one form of permanent supportive housing, providing Housing First to people who are chronically homeless with complex needs. The mixed-tenancy model provides some support services on site. Workers on-site can assist tenants with support as well as helping to co-ordinate other professional health, mental health and support services for the person.

**The cost benefit of solving chronic homelessness**

An evaluation of the Brisbane Common Ground model in 2016 reveals that governments can save in excess of \$13,000 per person each year, by providing secure, long term housing and access to relevant support services. The savings are primarily in health (less mental health episodes, less visits

to the emergency department, fewer hospital admissions). There are also saving to criminal justice and homelessness services.<sup>ix</sup>

Solving someone's experience of chronic homelessness pays economic, social and health dividends, more importantly it is the right thing to do.

### **Ending homelessness requires collaboration**

Ending homelessness requires collaboration between local, state and federal government, housing and homelessness sectors, community services, health, mental health, justice and education sectors and the business sector.

**Registry Weeks** also known as Connections Weeks enable communities to identify by name every individual and family requiring safe, permanent and sustainable housing. Using a survey tool called the VI-SPDAT<sup>x</sup>, the data collected prioritises the most at risk individuals, identifies the type of housing required and the type of supports needed to end the experience of homelessness for each person.

Registry Weeks focus community efforts on ending homelessness rather than simply managing or servicing homelessness. Once each community sees that the problem is a solvable number, resources can be directed into actions that can assist people into permanent housing. The Mercy Foundation provides local communities with a toolkit to help them implement a Registry Week.<sup>xi</sup>

The Mercy Foundation has assisted a number of communities to run Registry Weeks. These communities include Newcastle, inner Sydney, Waverley and the Nepean region. By harnessing the resources of cross-sector organisations, many of these communities made substantial reductions in street homelessness. The challenge has been to continue the momentum and work to prevent people falling into homelessness.

**Functional Zero:** Counting down the number of people experiencing homelessness means that there is a continual effort to prevent and solve homelessness in a community. A community is said to have reached Functional Zero when the number of new people entering the homelessness system in a given period of time (eg one month) is no greater than the average housing placement rate for that same period.

The VI-SPDAT provides the data needed to develop a by-name list, which is continually updated in real time, as individual's circumstances change. This by-name list helps communities improve and customize service recommendations for each individual. It also provides communities with actionable data that can help focus local system improvement efforts to drive reductions in homelessness over time.<sup>xii</sup>

Reaching Functional Zero means that the homelessness system works to make homelessness rare, brief and non-recurring.

In 2017, Adelaide was the first Australian city to commit to work towards Functional Zero for rough sleepers. The **Adelaide Zero Project**, a collective impact project designed to end street homelessness

in the Adelaide inner city area, is working with 40 partner organisations to reach Functional Zero street homelessness by the end of 2020.<sup>xiii</sup>

The Adelaide Zero dashboard reports that 318 people have been housed since Connections Week in May 2018.<sup>xiv</sup>

The **Australian Alliance to End Homelessness' Advance to Zero campaign** is a national movement of communities working together to permanently house and support Australia's most vulnerable population experiencing homelessness. The campaign employs a functional zero approach, supporting communities to use proven practices and deploy existing resources more efficiently to end homelessness. This approach places the person at the centre of the support system, ensuring their individual needs are the focus. This approach uses real time data and highlights systemic causes that can be addressed to prevent others from falling into homelessness and sustain the tenancies of people moving into housing.<sup>xv</sup>

## 8.2. Older women and homelessness

In 2014, the Mercy Foundation commissioned research to identify the pathways out of homelessness for older women. The key learnings from this research are:

- a) The majority of older women become homeless for the first time in later life
  - Housing affordability and accessibility are the primary reasons for their homelessness
  - Some women become homeless as a result of a breakdown in relationships with family
  - Some become homeless due to a life shock, such as the death of a partner
- b) A smaller group have lived precariously in marginal housing and substandard accommodation throughout their life.
  - This smaller group of women can be characterised as experiencing chronic homelessness
  - They have higher needs and require more intensive services
- c) A smaller group of older women have had transient lives, working, house sitting and travelling with family. With secure housing and access to support services they are able to manage their health concerns

Whilst secure housing is imperative for older homeless women, their life experiences, culture, background and communities need to be recognised and their own needs and wants in relation to the form of housing.

In 2018, the Mercy Foundation brought together the **National Older Women's Housing and Homelessness Working Group**, to develop a national plan for change. A submission from the group was submitted to this enquiry.

### Women's Property Initiatives Older Women's Program

The Mercy Foundation funded a project with Women's Property Initiatives to enable older women to access affordable, permanent housing. WPI recognised that there is a cohort of women with some assets that makes them ineligible for social housing, but with limited income that prevents them



from accessing a mortgage or owning a home of their own. These women typically pay expensive private rental until their assets are diminished. This program enables low-income women over 55 years with modest assets to invest in safe, secure and affordable housing where their contribution will be preserved. They pay rent on a portion of the property, but they will have peace of mind from knowing that the rent is affordable, and their capital investment and their tenancy is secure.

This pilot project may create a replicable model that provides high quality, appropriate, accessible and affordable housing into the future for women to age in place. It will prevent them from becoming homeless or requiring more costly social housing in the future.<sup>xvi</sup>

### **8.3 Innovative projects ending homelessness through housing and support**

#### **Homes for Homes**

In 2014, the Mercy Foundation provided seed funding to the Big Issue to help establish the Homes for Homes project, an innovative funding model aimed at increasing the supply of social and affordable housing in Australia.

This model allows owners to make a voluntary tax-deductible donation, equivalent of 0.1% of the property's sale price, to Homes for Homes when they sell their property. This offer to donate is registered on the property's title through a simple legal mechanism (a permissive caveat) and acts as a reminder for the donation to be made at settlement. Property owners can choose to withdraw their property from Homes for Homes at any time.

Donations from each property sale will remain in that state or territory. When there is sufficient money raised, experienced housing providers will be invited to submit their proposals via an open tender process. Homes for Homes has granted almost \$1 million in funding to organisations across Victoria and ACT. These projects will provide housing for 32 people.<sup>xvii</sup>

#### **Head Start Homes (NSW)**

Head Start Homes provides a pathway into home ownership by acting as guarantor for community housing tenants who can afford a home loan but are locked out due to the need for a large deposit and mortgage insurance. By moving into home ownership, their community housing property is made available for another individual or family in need.<sup>xviii</sup>

### **What does ending homelessness look like?**

When we conceptualise the notion of 'ending homelessness' this is what it will look like:

- No Australian will experience long-term (or chronic) homelessness.
- Individuals or families in a housing crisis will have their homelessness prevented.
- If an instance of homelessness cannot be prevented, individuals and families will receive immediate crisis services and temporary accommodation and be re-housed as quickly as possible (Rapid Re-housing).
- Anyone who experiences homelessness will be assisted into stable, affordable, permanent housing as quickly as possible (Housing First). If they also need support services to help sustain that housing, this will be available (Permanent Supportive Housing).
- Housing First and Rapid Re-Housing will become 'business as usual' responses for homelessness in Australia.
- There will be an adequate supply of 'permanent supportive housing' options for the small number of people with significant disability, health or behavioural problems who require ongoing support to sustain housing.

---

<sup>i</sup> <https://www.sheffield.ac.uk/news/nr/crisis-charity-homelessness-bethan-thomas-homelessness-kills-1.213096>

<sup>ii</sup> Roger Wilkins, Inga Laß, Peter Butterworth and Esperanza Vera-Toscano (2019) *The Household, Income and Labour Dynamics in Australia Survey: Selected Findings from Waves 1 to 17*. Melbourne Institute: Applied Economic & Social Research, University of Melbourne.

<sup>iii</sup> <https://tradingeconomics.com/australia/unemployment-rate>

<sup>iv</sup> *Retiring into Poverty: A national plan for change: Increasing housing security for older women* National Older Women's Housing and Homelessness Working Group 2018

<sup>v</sup> 16<sup>th</sup> Annual Demographia International Housing Affordability Survey 2020

<sup>vi</sup> Anglicare Australia Rental Affordability Snapshot National Report April 2020

<sup>vii</sup> *Estimating need and costs of social and affordable housing delivery* City Futures Research Centre March 2019

<sup>viii</sup> *Housing, hospitalization, and cost outcomes for homeless individuals with psychiatric disabilities participating in continuum of care and housing first programmes*, Journal of Community and Applied Social Psychology, 2003 Leyla Gulcur, Ana Stefancic, Marybeth Shinn, Sam Tsemberis, Sean N. Fischer

<sup>ix</sup> *Brisbane Common Ground Evaluation: Final Report*. Prepared for the Queensland Government, Dept of Housing and public Works by the Institute for Social Science Research, The University of Queensland

<sup>x</sup> VISPDAT: Vulnerability Index Service Prioritisation Decision Assistance Tool

<sup>xi</sup> <https://www.mercyfoundation.com.au/our-focus/ending-homelessness-2/registry-weeks/>

<sup>xii</sup> <https://aaeh.org.au/assets/docs/Publications/200317-Advance-to-Zero-Campaign-Briefing.pdf>

<sup>xiii</sup> For more information about the Adelaide Zero project, see <https://dunstan.org.au/adelaide-zero-project/>

<sup>xiv</sup> <https://dunstan.org.au/adelaide-zero-project/dashboard/>

<sup>xv</sup> <https://aaeh.org.au/assets/docs/Publications/200317-Advance-to-Zero-Campaign-Briefing.pdf>

<sup>xvi</sup> <http://wpi.org.au/older-womens-housing-project-moving-forward>

<sup>xvii</sup> <https://homesforhomes.org.au>

<sup>xviii</sup> <https://www.headstarthomes.org.au>