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**SUBMISSION: A Housing Strategy for NSW Discussion Paper**

FROM:

Mercy Foundation

Contact: Sue Mowbray, CEO

Email: [office@mercyfoundation.com.au](mailto:office@mercyfoundation.com.au)

TO:  
Housing Strategy Implementation Unit  
Land and Housing Corporation  
NSW Department of Planning, Industry and Environment  
Locked Bag 4009  
Ashfield BC, NSW 1800

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**Introduction**

The Mercy Foundation appreciates the opportunity to provide a submission for consideration in the development of the NSW Housing strategy for the next 20 years.

The Mercy Foundation is a not for profit organisation that focuses on ending homelessness. It is an independent voice, informed by evidence and current research. We work in partnership with other organisations on issues and activities that end homelessness.

Housing is a human right that affords people dignity. Appropriate, affordable, secure housing is the foundation from which we build our lives. It is key to physical and mental health, quality of life and human dignity.

Homelessness is damaging to people’s lives and has severe and lasting impacts. The Minister’s foreword in the discussion paper states that “*I have seen the life changing effects and positive long-term impacts that a secure home can have for individuals, families and communities*”. The importance of having a safe, secure, appropriate, affordable home cannot be overstated.

Housing solves homelessness. Most homelessness will be solved by safe, affordable, appropriate, permanent housing. Some people may need short term support to sustain their housing, with access to other services such as health and employment. A small group of people experiencing homelessness with complex needs will require permanent supportive housing.

With the enormous challenges facing our society at this time, the need for a safe, secure, affordable home has never been greater.

**Proposed vision:**

‘Housing that supports security, comfort and choice for all people at all stages of their lives, achieved through the supply that meets the demand for diverse, affordable and resilient housing and responds to environmental, cultural, social and economic contexts.’

The Mercy Foundation agrees that the proposed vision encompasses key requirements. Additionally, housing must be appropriate to meet the needs of the person who lives there, and secure in terms of security of tenure or permanence.

**Housing Landscape in New South Wales:**

The NSW Government must commit to growing the supply of social and affordable housing:

* More Australians now find themselves *locked out of home ownership* due to the rising costs of housing. This is compounded by barriers to entry such as a hefty 20% deposit, lower loan approval rates, stamp duty and low wages growth. This is increasing the burden on the private rental market to deliver affordable housing to meet the demand.
* The increased demand for rentals is putting upward pressure on rent prices resulting in *rental stress for low income earners*. In 2017 – 18, around 57.8% of lower income households in NSW pay more than 30% of their income in housing costs.[[1]](#endnote-1)
* *As our population ages*, more appropriate housing is required to suit the needs of this group. The AIHW estimates that the number of people in NSW over 55 years will increase from 2.16M in 2017 to 2.96M in 2037, an increase of 36%.
* The Australian Government’s July Economic and Fiscal Update 2020 predicts that the *unemployment rate is expected to peak at 9.25%* in December quarter 2020. By Christmas, almost 1 in 10 Australians in the workforce will be unemployed. Combined with the reduced coronavirus supplement on both Jobseeker and Jobkeeper, many Australians will need support to continue paying their current rent or mortgage, whilst others will need more affordable housing.
* In NSW, the unmet demand for social housing is illustrated by the NSW Housing Register, which currently has 46,530 applications and an additional 4,484 applications are considered priority.

**Focus: Older Women**

***405,000 women over 45 years are currently at risk of homelessness; 240,000 of those women are aged over 55 years.[[2]](#endnote-2)***

The Mercy Foundation has a special concern for older women and for people experiencing chronic homelessness. Both groups require consideration to provide housing that suits their specific needs.

Research shows that the number of older women at risk of or facing homelessness is increasing.

In NSW, the number of older women over 55 years experiencing homelessness in NSW has increased from 1,480 in 2011 to 2,186 in 2016, an increase 48%. It is highly likely that this is an underestimation of the actual number of women experiencing homelessness in NSW due to the hidden nature of their homelessness. They are likely to be staying with friends or family, house-sitting, living in their car or remaining in at-risk situations.

Most older women in housing crisis or homelessness have led conventional lives, raised families and never been homeless. Their level of income is insufficient to afford private rental housing. The solution for this group of women is clear. *Either increase their income or provide more affordable housing. No extra services or supports are needed to end their homelessness.*

Women aged over 55 years 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. Older women on low incomes renting in the private rental market are at great risk of homelessness.

Anglicare Australia’s 2020 Rental Affordability Snapshot illustrates the lack of suitable private rental housing available for single older women. In the Greater Sydney and Illawarra region, of the 23,108 private rentals advertised for rent:

* 5 properties were affordable and appropriate for a single person on the age pension
* 2 properties were affordable and appropriate for a single person on a disability support pension
* 48 properties were available for a single person on a minimum wage.[[3]](#endnote-3)

Many older women do not identify as being homeless. As such, they do not access homelessness services nor consider their situation as a housing crisis. Of the 1,518 homelessness agencies across Australia, only three are funded as specialist services for older people.

*Housing is an older woman’s most basic need. Access to affordable, long-term housing is an important health intervention.[[4]](#endnote-4)*

Many older women do not meet the criteria for priority social housing as their homelessness is usually a result of low incomes rather than complex needs. The limited stock of good quality, safe, secure, long term, affordable housing options, including social housing options, creates enormous stress and insecurity for marginalised older women.

**Covid effects on older women**

The economic and social conditions which have led to our current high levels of homelessness among older women have been acutely exacerbated by the COVID-19 emergency. Between mid March and mid June 2020[[5]](#endnote-5)

* Payroll jobs held by women decreased by 6.5%, compared to 5.8% for men
* An analysis of AMP clients shows the gendered impact of early withdrawal of superannuation savings. Women are withdrawing a higher proportion of their superannuation savings than men and more women are closing their superannuation accounts, widening the superannuation gap
* Data shows an increase in unemployment, underemployment, and underutilisation of the Australian workforce in April 2020 due to the effects of COVID-19. Women experienced a greater reduction in hours worked than men, and women’s labour force participation rate decreased 2.9 percentage points while men’s labour force participation rate decreased by 1.9 percentage points

It is well established in the literature that traditional gender roles re-emerge during crisis or disaster and early indications are that women have taken on the brunt of increased unpaid work such as childcare and home schooling during the COVID-19 emergency. This economic disruption combined with the decision to allow early access to superannuation is likely to have future ramifications for homelessness among older women.

Over time, reduced superannuation balances and additional disruption to employment histories is likely to exacerbate the gender gap in retirement savings, provoking a further increase to older women’s risk of homelessness.[[6]](#endnote-6)

**The development of NSW’s Housing Strategy for the next 20 years must include the supply of social and affordable housing that is appropriate to meet the current and emerging needs of older women at risk of or experiencing homelessness.**

**Focus: People experiencing chronic homelessness**

People experiencing chronic homelessness have complex health needs and as a result a higher mortality rate than their peers in housing. Following Housing First principles, permanent housing with support is an important intervention to improve the health outcomes of this highly vulnerable group.

Research shows that the cost of housing and supporting this cohort returns substantial savings to the community and is a lifesaving intervention for the individual concerned. People who are chronically homeless are high users of emergency medical services and may have interactions with the justice system. An evaluation of Common Ground Brisbane, a model of permanent supportive housing, by Dr Cameron Parsell from the University of Queensland (2016) shows that although the cost of providing the housing and support was about $35,000 per annum per formerly homeless person, this still represented a cost saving to the Queensland government of almost $15,000 per person per year.

In response to the COVID-19 crisis, the NSW Government has invested in supporting rough sleepers in temporary accommodation to enable them to protect themselves and others. The *Together Home* package will help around 400 rough sleepers to be appropriately housed with the wrap around supports needed to address their homelessness.

*The number of people experiencing chronic homelessness is not high. It is recommended that the VISPDAT survey and Functional Zero methodology be rolled out for use in communities across NSW. This real time data will identify who is chronically homeless, the required housing and support services needed, indicate the inflows into homelessness and assist communities to work towards functional zero homelessness.[[7]](#endnote-7)*

**RECOMMENDATIONS FOR THE NSW HOUSING STRATEGY:**

* More social and affordable housing is needed now. Kick-start the economy by creating new jobs in a sustained capital program to build 5,000 social housing properties, including housing appropriate to the needs of older women in the coming year, with additional build projections based on population growth targets.[[8]](#endnote-8)
* Inclusionary Zoning is an important planning tool that will increase the availability of of affordable housing in the long term. The Mercy Foundation supports inclusionary zoning targets for affordable of housing of 15% of any development built on private land and of 30% of developments built on formerly public land.
* Invest in a state-wide information system tailored to the needs of older women (and men) based on the successful *Home at Last* model in Victoria
* Reduce the age limit of priority social housing to 65 years (maximum) to enable older women to access social housing.
* The strategy should include investment in Permanent Supportive Housing options for people experiencing chronic homelessness.
* Ensure our vulnerable families and individuals can sustain their housing via investment in housing tethered to appropriate support services tailored for each individual, such as health, mental health, addiction, family support and children’s services.

**Innovative Housing Projects Ending Homelessness**

Since 2010, the Mercy Foundation’s Grants to End Homelessness program has funded projects that work to end, prevent and better understand homelessness, particularly chronic homelessness and homelessness concerning older women.

Some of these projects are featured below and are worth consideration in the development of the NSW Housing Strategy:

**Women’s Property Initiatives Older Women’s Program (Victoria)**

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.[[9]](#endnote-9)

**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.[[10]](#endnote-10)

**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.[[11]](#endnote-11)

**Kids Under Cover (Victoria)**

Kids Under Cover supports vulnerable and disadvantaged young people between the ages of 12 and 25 years who are either experiencing homelessness or at risk of homelessness.

The Studio Program provides portable studios, built in the backyards of a family or carer’s home. This provides secure and stable accommodation for young people at risk of homelessness. The youth are supported to strengthen their connection to family, community, and education.

**Not for Profit Real Estate Agencies**

The Mercy Foundation has provided funding to HomeGround Real Estate in Melbourne and the YWCA Canberra’s Rentwell project. They are social enterprises that offer landlords the opportunity to rent their properties out with no rent or at a reduced market price. The properties are leased out to people experiencing homelessness. Both organisations have negotiated tax benefits to encourage property investors to take part in the program.

**Foyers**

Foyers enable young people in transition to develop and achieve educational and employment pathways, exiting in a sustainable way from welfare and service dependence. It is a fully integrated service model focused on education and employment outcomes.

The key to the model lies in the provision of stable accommodation for up to two years in a supported, congregate living environment. For young people who are unable to rely on family support in this critical developmental stage, Foyers provide the time, personalised attention, mentoring, coaching and access to opportunities needed to lead fulfilling, independent and productive lives.

1. ABS (unpublished) Survey of Income and Housing, Australia, 2017-18 and previous years, Cat. no. 6553.0. [↑](#endnote-ref-1)
2. *Policy Snapshot At Risk: 405,000 older women risk homelessness without urgent policy reform,* HAAG, Social Ventures Australia 2020 [↑](#endnote-ref-2)
3. *Rental Affordability Snapshot Regional Reports,* Anglicare Australia April 2020 [↑](#endnote-ref-3)
4. *Retiring into Poverty: A national plan for change: Increasing housing security for older women* National Older Women’s Housing and Homelessness Working Group 2018 [↑](#endnote-ref-4)
5. Gendered Impact of COVID-19 <https://www.wgea.gov.au/topics/gendered-impact-of-covid-19#_ftn1> [↑](#endnote-ref-5)
6. *Retiring into Poverty* Submission to the House of Representatives Standing Committee on Social Policy and Legal Affairs Inquiry into Homelessness in Australia, National Older Women’s Housing and Homelessness Working Group, June 2020 [↑](#endnote-ref-6)
7. <https://aaeh.org.au/assets/docs/Publications/200317-Advance-to-Zero-Campaign-Briefing.pdf> [↑](#endnote-ref-7)
8. *Social and Affordable Housing Projections 2016 – 2026* Dr Judy Yates, CHIA NSW [↑](#endnote-ref-8)
9. <http://wpi.org.au/older-womens-housing-project-moving-forward> [↑](#endnote-ref-9)
10. <https://homesforhomes.org.au> [↑](#endnote-ref-10)
11. <https://www.headstarthomes.org.au> [↑](#endnote-ref-11)