

2022 - 2023 PRE-BUDGET SUBMISSION TO NSW GOVERNMENT

The Mercy Foundation

The Mercy Foundation is an organisation committed to social justice and structural change to bring about greater social equity in our country. We are dedicated to combatting poverty and restoring dignity to people's lives. We work to end homelessness and abolish modern slavery, with a special focus on addressing disadvantage for women and girls. We are an independent voice, informed by evidence and current research and work in partnership with other organisations to meet our objectives.

We appreciate the opportunity to provide a brief submission for consideration into the NSW Budget for 2022 – 2023

Why end homelessness?

Homelessness is a form of violence that affects not just those experiencing it, although that is terrible enough, but by extension to whole communities and our global society, particularly when it is ignored, misunderstood, mislabeled, normalized, and unaddressed. Homelessness will end only when we decide to end it together. ⁱ

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.

For most people experiencing homelessness, housing solves their homelessness. Housing that is safe, affordable, appropriate and permanent. 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 safe, secure, affordable homes has never been greater. The pandemic reminds us that safe, secure housing is key to ensuring the health and well-being of all people in NSW.

Moving people into stable, secure, appropriate long-term housing enables them to lay down roots, address any challenges they may have and restart their lives. Once people are housed, they can then look for employment, improve their health and get on with their lives. None of this is possible while a person is experiencing homelessness.

Critical need for more social and affordable housing

The New South Wales Government must urgently address the shortfall of social and affordable housing. Too many people are currently denied the safety and security of their own home, and unaffordable rents mean families are bearing enormous financial pressure. Apart from the personal cost incurred, a lack of social and affordable housing is impeding the economic recovery of NSW.

- ⇒ Homelessness is increasing in NSW: According to the ABS Census, the rate of homelessness per 10,000 increased from 39.7 in 2011 to 50.9 in NSW. This represents an increase of 34% in five years.
- ⇒ Individuals and families can't find a home to live in: The unmet demand for social housing is illustrated by the NSW Housing Register. As at 30 June 2021, there were 44,127 applications on the register and an additional 5,801 applications considered to be priority.ⁱⁱ
- ⇒ Half of all people reaching out for accommodation assistance don't get it: Of concern is the most recent data from the Productivity Commission, which shows that in NSW in 2020-2021, of the 47,121 people who approached a homelessness service in need of accommodation, 22,709 were not provided with that service. This equates to almost half (48.2%) of all people seeking accommodation from a homelessness service.ⁱⁱⁱ
- ⇒ Individuals and families have to choose between paying rent or other living expenses: It is estimated that 530,000 households and 1.4 million people in NSW are living in housing stress and need more affordable housing options.^{iv}
- ⇒ Rental Affordability is extremely low especially for low-income households. Single pensioners living in Sydney will need to spend 66% of their income to afford rent, leaving little for other living expenses. Rental affordability for a single person on Jobseeker is extremely unaffordable, where 110% of their income would be spent on rent in Greater Sydney or 63% in the rest of NSW.^v
- ⇒ A lack of affordable housing options has dire consequences for women, and women with children, living with a violent partner. Equity Economics estimates that 7,690 women have returned to a violent partner because there was nowhere to go, and that 9,120 women and children face homelessness each year after leaving a violent partner.^{vi}
- ⇒ Social housing as a proportion of total housing stock is declining in NSW. As a proportion of total housing, social housing stock represents 4.71%, being the lowest of all states and territories.^{vii}
- ⇒ Expenditure on social housing per capita in NSW is \$172.88, behind WA, SA, Tasmania, ACT and NT and lower than the Australian average of \$174.73 per person.^{viii}

Urgent action needed for older women

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 has increased from 1,480 in 2011 to 2,186 in 2016, an increase of 48%.^{ix} It is highly likely that this is underestimated 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.

The research report 'At Risk' estimates that in NSW there are 110,000 women aged over 45 years at risk of homelessness. The risk of homelessness is compounded by the fact that older women in need of housing are not prioritised for social housing until they are 80 years old.^x

Research shows that many older women experiencing a housing crisis or homelessness have led conventional lives, raised families and have never been homeless. They simply don't have the resources to afford housing. 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. Often their homelessness will be preceded by a life shock such as the death of a partner, an illness or rental eviction.^{xi}

The number of older women renting in the private rental market across Australia 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^{vii}. Older women on low incomes renting in the private rental market are at great risk of homelessness.

The key need for this group of women is affordable, appropriate housing, and a dedicated service to assist them in finding appropriate housing and support.

Invest in a support service for older people at risk of homelessness

As discussed above, many older women find themselves homeless for the first time in their lifetime. They haven't had interaction with homelessness services or other support services. Many women feel shame and do not know where to turn to for support.

Victoria's Home at Last service by HAAG^{xii} is dedicated to supporting older people to plan for their housing future and identify appropriate housing options. The model demonstrates that better housing outcomes can be achieved for older people experiencing financial disadvantages. *Home at Last* provides accessible, equitable and appropriate support and housing information for older people who are homeless or at risk of homelessness. Services range from providing tailored housing information to assistance with housing applications, support during the move, establishing a new home and referrals into aged care and other supports. A key component of the service is its focus on early intervention. This occurs through engagement with communities directly and also through peer educators who are able to reach people at risk of homelessness before they hit a crisis point.

Cost Benefit Analysis

An Ernst & Young Cost Benefit Analysis found that the Service has a benefit cost ratio of 2.3.^{xiii} This means that every dollar spent on the *Home at Last* housing information and support service generates at least \$2.30 in societal value.

Given the success of the service in assisting older people to navigate the complex housing system with a significant saving to the government, the Home at Last model should be adopted in NSW and adapted for the local context and service system.

Reduce the age requisite for Priority Housing

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 current age requirement to be placed on the priority list for social housing in NSW is 80 years. It is unacceptable that a 75 year old woman approaching a housing service for support is told to wait another five years. Housing is recognised as a key determinant of health. Access to safe, appropriate, affordable housing is key to ensuring people are able to age well.

In Victoria, a new category of priority access is available for people who are eligible for social housing who are aged 55 years and over and are not eligible for another priority category.

Chronic homelessness

A small percentage of people experiencing homelessness are chronically homeless. This group of people have complex needs and are likely to require additional support to ensure that they can sustain

a tenancy. People experiencing chronic homelessness demand urgent attention as they are at great risk of dying on the streets. Their life expectancy is up to 30 years shorter than their peers in housing.^{xiv}

Cost benefit

A number of studies show that this small group incur a high cost to society. The evaluation of Common Ground Brisbane by the Institute of Social Science Research (ISSR) found that the saving to government was in excess of \$13,000 per person per year, by providing chronically homeless people with access to secure, long term housing and relevant support services.^{xv}

Another report by AHURI estimated that the provision of long-term social housing in the ACT also offered significant savings to government. The median cost of health, justice and welfare for tenants in community housing was \$28,700 per annum whereas similar costs for people who were homeless was \$44,000. The cost offset was greater for high needs clients.^{xvi}

It is undeniable that housing people who are homeless, including people living on the streets with complex needs is both financially and morally the right thing to do.

The Economic Benefits of Building Social Housing:

A report by Equity Economics 'Rebuilding for women's economic security – investing in social housing in NSW' found that:

- the provision of up to 5,000 social housing units will cost the NSW Government \$2.3 billion, which could be reduced by building the units through community housing providers or other innovative financing solutions
- In addition to providing shelter for 5,000 families, it will also stimulate the NSW economy, delivering \$4.5 billion in economic output and almost 14,000 jobs, particularly in regional areas
- By providing a safer alternative to the 2,402 women currently living with a violent partner, such an investment would generate economic and social benefits of \$38.5 million in a year.
- The benefits from avoiding homelessness for an additional 2,410 women would amount to \$68 million in a year. Homelessness increases the costs of health, justice, welfare, and child protection, and avoiding these costs has been estimated for single women at \$26,800 a year.^{xvii}

RECOMMENDATIONS FOR THE NSW BUDGET 2022 - 2023

- Invest in more social and affordable housing to meet the existing need now and into the future. As part of this plan, commit to building 5,000 social housing dwellings per year for 10 years, including housing appropriate to the needs of older women.
- Invest in a state-wide information and support service 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)
- Continue to invest in Housing First measures to end chronic homelessness

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ⁱ Quinn, J. *The Global Housing Crisis: Too long ignored by too many*, Resolutions to Actions, LCXR Global Concerns Committee 2021 Volume 30, No. 4

ⁱⁱ <https://www.facs.nsw.gov.au/housing/help/applying-assistance/expected-waiting-times>

ⁱⁱⁱ Productivity Commission Homelessness Services Data table 19A.7, NSW 2020 - 2021

^{iv} Equity Economics, *Maximising the Returns: The role of community housing in delivering NSW future housing needs*, CHIA NSW 2021

^v https://www.sgsep.com.au/assets/main/SGS-Economics-and-Planning_Rental-Affordability-Index-2021.pdf

^{vi} Equity Economics, *Nowhere to go: The benefits of providing long term social housing to women that have experienced domestic and family violence* 2021

^{vii} Barnes, E., Writer, T., Hartley, C. *Social Housing in New South Wales: Report 1 Contemporary analysis*, 2021, Sydney: Centre for Social Impact

^{viii} Productivity Commission Housing Data *State and Territory Government expenditure on social housing, 2020-21 table 18A.1*

^{ix} *ABS Census of Population and Housing 2016, Cat. No.2049.0*

^x Faulkner D., Lester, L. *At Risk: understanding the population size and demographics of older women at risk of homelessness in Australia*, 2020, Social Ventures Australia, Housing for the Aged Action Group

^{xi} Petersen, M., Parsell, C., *Older Women's Pathways out of Homelessness in Australia*, 2014, Mercy Foundation

^{xii} Housing for the Aged Action Group https://www.older tenants.org.au/home_at_last

^{xiii} Ernst and Young, Home at Last Economic Appraisal, November 2019, accessible at: https://www.older tenants.org.au/sites/default/files/home_at_last_economic_appraisal_-_final_report_-_november_2021.pdf

^{xiv} <https://www.sheffield.ac.uk/news/nr/crisis-charity-homelessness-bethan-thomas-homelessness-kills-1.213096>

^{xv} Parsell C., Petersen M., Moutou O., Culhane D., Lucio E., Dick A., *Final report Evaluation of the Common Ground Initiative* 2015, ISSR, University of Queensland

^{xvi} Davison, J., Brackertz, N. and Alves, T. (2021) Return on investment for social housing in the ACT, report prepared for ACT Shelter, Australian Housing and Urban Research Institute, Melbourne.

^{xvii} NCOSS, Equity Economics *Rebuilding for Women's Economic Security – Investing in Social Housing in NSW*, 2021