



**St Vincent de Paul Society**  
NATIONAL COUNCIL *good works*

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**Submitted via email to [economics.sen@aph.gov.au](mailto:economics.sen@aph.gov.au)**

# Submission to the Inquiry into Affordable Housing

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The St Vincent de Paul Society (the Society) is a respected lay Catholic charitable organisation operating in 149 countries around the world. In Australia, we operate in every state and territory, with more than 60,000 members, volunteers, and employees. Our people are deeply committed to our work of social assistance and social justice, and we run a wide variety of programs around Australia. Our work seeks to provide help for those who are marginalised by structures of exclusion and injustice, and our programs target (among other groups) people who are homeless and insecurely housed, migrants and refugees, people living with mental illness, and people experiencing poverty.

On 12 December 2013 a reference was moved to the Senate Economics Committee for an Inquiry into Affordable Housing. The Society has consulted nationally, and welcomes the opportunity to make this contribution.

## **1. Executive summary**

Unless we address housing affordability in Australia we will never succeed in eliminating poverty and homelessness. The Society is heavily involved in providing housing to thousands of Australians, as well as a range of other services that help people avoid homelessness (for example paying for food or bills, providing mental health support, and distributing white goods, clothes, and furnishings).

Housing is a human right, and one we believe that all levels of government have a duty to try to fulfil for those living in Australia. Many of the programs already in existence are doing great work, helping significant numbers of people as well as save huge amounts of money in the mid-to-long term. However, these programs need their funding extended, and in many cases increased. To increase efficiency, reporting and accountability are important, but are only truly effective when implemented after consultation. The relationship between housing and other vulnerabilities – such as mental health, gender, race, and criminal justice engagement – is highly complex, and needs to be carefully explored.

## 2. The extent of the problem

As many members of the Society would attest, the issue of housing affordability and availability has a significant impact on the financial and emotional stress of those we serve in the community.

According to data from December 2013, obtained by the Society from RP,<sup>1</sup> median rents for houses in Australia are between \$332 per week (in Hobart) and \$625 per week (in Darwin). Most states have a median house rental cost of between \$400 and \$500 per week. For an adult living on the minimum wage (just over \$600 a week), or from a combination of paid work and disability benefit, old age pension, carer's payment, study allowance, or Newstart (benefits which range between \$200 and \$400 per week), these rents are clearly prohibitive. Recent research from the National Welfare Rights Network shows that over 502,000 Australians who receive Rent Assistance are in 'housing stress': paying over 30% of their income on rent.<sup>2</sup> That's 40% of those who receive this payment. For example, in the ACT, the disparity between low payments and high rents means that a single parent on average would spend 74% of their weekly income on renting a two-bedroom unit.<sup>3</sup> In fact, these prices are not only high, but they are rising at an alarming rate. Since March 1990, rents in Australia have increased 110%, which is 26% above the Consumer Price Index.<sup>4</sup>

High rental costs are coupled with vacancy rates being at record lows – the national vacancy rate is only 2.2%.<sup>5</sup> This varies from a 1.4% vacancy rate in Adelaide, to 1.7% in Sydney, 2.1% in Perth, and 3% in Melbourne.

With rental prices so high, and vacancy rates so low, it is no surprise that so many people who receive less than the average income are struggling to find housing, and are then paying a very large proportion of their income on this housing. In fact, ABS data shows that housing costs are a far larger portion of a low income household's expenditure than for higher income households.<sup>6</sup> Similarly, rates of homelessness are very high: the most commonly used statistic is from the 2006 census, which suggested that over 100,000 Australians experience homelessness every night.

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<sup>1</sup><http://www.rpdata.com/>

<sup>2</sup> National Welfare Rights Network, *The Impact of Rent Assistance on Housing Affordability for Low-Income Renters: Australia* (2014) at <https://www.welfarerights.org.au/>, page 14.

<sup>3</sup> St Vincent de Paul, *Housing Stress in Canberra Goulburn Report* (2010) at [http://www.vinnies.org.au/icms\\_docs/182502\\_Housing\\_Stress\\_in\\_Canberra\\_Goulburn.pdf](http://www.vinnies.org.au/icms_docs/182502_Housing_Stress_in_Canberra_Goulburn.pdf), page 8.

<sup>4</sup> St Vincent de Paul, *The Relative Price Index* (December 2013), at [http://www.vinnies.org.au/icms\\_docs/180040\\_The\\_Relative\\_Price\\_Index\\_December\\_quarter\\_2013\\_Second\\_Release.pdf](http://www.vinnies.org.au/icms_docs/180040_The_Relative_Price_Index_December_quarter_2013_Second_Release.pdf), page 19.

<sup>5</sup> SQM Research, 19 December 2013, at <http://www.propertyobserver.com.au/forward-planning/investment-strategy/property-news-and-insights/28072-vacancies-increase-across-the-country-sqm-research.html>.

<sup>6</sup> Australian Bureau of Statistics, at <http://www.abs.gov.au/ausstats/abs@.nsf/Latestproducts/4130.0Main%20Features22011-12?opendocument&tabname=Summary&prodno=4130.0&issue=2011-12&num=&view=>.

### **Case study: South Australia**

After a change in the funding formula of the Commonwealth State Housing Agreement, which moved from being based on the amount of public housing stock to a per capita basis, stock in South Australia has declined by 22% over the past 15 years.

There have been many initiatives to remedy this loss, including State Government legislating for mixed housing, the National Rental Affordability Scheme, The Nation Building Economic Stimulus Plan (NBESP) and the State Government Affordable Housing Innovations Fund (AHIF). However, none of these have offset the overall losses of stock.

Demand has stayed high in South Australia, with over 5,000 new housing applications annually. No new increase in supply means demand is outstripping supply, forcing thousands of high needs category 1 tenants to wait years to be housed.<sup>7</sup>

### **3. Term of reference (b): the impacts, including social implications, of public and social housing policies on housing affordability and the role of all levels of government in providing public and social housing**

The Society believes that all levels of government have a role in facilitating access to housing. Safe, stable, and affordable housing is a key component of an individual's wellbeing, providing a secure base from which people can participate in society. It is hard to look for work, to engage with the community, or to study, when someone is in overcrowded, insecure housing, or if they have no housing at all.

Therefore, the Society believes that every Australian has the right to "a place to live". This right is enshrined in Article 25 of the *Universal Declaration of Human Rights*, and Article 11(1) of the *International Covenant on Economic, Social and Cultural Rights*. The latter recognises "the right of everyone to an adequate standard of living for themselves and their family, including adequate food, clothing and housing, and to the continuous improvement of living conditions". As a signatory to this Convention, the Australian government has a duty to its citizens to both increase the accessibility to, and decrease the cost of, adequate housing especially for people on low-incomes.

Many countries provide a basic standard of housing or shelter for their residents, including China, Singapore, Austria, Finland, France, Germany, the Netherlands, Russia, Sweden, the United Kingdom and Canada. The right of a citizen to housing was written into the German Constitution in 1919. In the UK, the *Housing Act 1996* enshrines the obligation of local government to house people. The effort in the UK has been successful. Homelessness was

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<sup>7</sup> Case study supplied by St Vincent de Paul, South Australia.

reduced by two thirds by 2002, although it now appears to be rising again as government investment declines.<sup>8</sup>

In Australia, by contrast, there is no domestic right to housing, nor is there a basic standard of housing that is recognised as owed to all citizens. This is coupled with unacceptably high levels of rough sleeping and other forms of homelessness and housing deprivation.

### **Recommendations:**

**The National Partnership on Homelessness be continued for another four years.**

**In line with our previous recommendations, and those of other peaks including ACOSS,<sup>9</sup> housing taxation and capital gains tax be reformed so that these measures are better targeted to increase housing stock.**

**Commonwealth Rent Assistance be increased by at least \$25 per week, and index this payment to a more appropriate measure than the Consumer Price Index.<sup>10</sup>**

#### **4. Term of reference (c): the impact of Commonwealth, state and territory government policies and programs on homelessness**

The Society has witnessed many of the benefits that government policies have had on housing deprivation and homelessness. For example, the National Partnership Agreement on Homelessness has been strongly supported by The Society for some time, due to the tangible benefits that it has brought. The Society strongly believes that this Agreement should be continued.

Moreover, in addition to the social impact of housing programs, there is the financial impact: the evidence is clear that investing in housing solutions for people who need them is a sound economic outlay that will save significant amounts of money into the future.<sup>11</sup> People

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<sup>8</sup> See UK Government, *Statutory Homelessness: October to December quarter 2011* (2012), at <https://www.gov.uk/government/publications/statutory-homelessness-in-england-october-to-december-2011>.

<sup>9</sup> See, for example, ACOSS Budget Priorities Statement 2014 – 2015, at [http://acoss.org.au/images/uploads/2014\\_15\\_Budget\\_Priorities\\_Statement\\_ACOSS.pdf](http://acoss.org.au/images/uploads/2014_15_Budget_Priorities_Statement_ACOSS.pdf)

<sup>10</sup> See, for example, Australians for Affordable Housing, [http://housingstressed.org.au/wp-content/uploads/2013/08/DOC\\_130814\\_-AAH-election-statement.pdf](http://housingstressed.org.au/wp-content/uploads/2013/08/DOC_130814_-AAH-election-statement.pdf) page 3.

<sup>11</sup> See, for example, Kaylene Zaretzky, *The Cost Of Homelessness And The Net Cost Of Homelessness Programs: A National Study* (2012) at <http://www.ahuri.edu.au/publications/projects/p82014>.

in houses are far more likely to find work, to stay healthy, to engage in education and training and to participate productively and meaningfully in society.

**Recommendation:**

**That more be invested in The National Rental Affordability Scheme and other programs increasing the supply of social and affordable housing.**

**5. Term of reference (e): the implications for other related changes to Commonwealth government policies and programs**

Of particular interest to the Society is the link between housing and mental illness. Many of the people who we assist with housing issues are also experiencing psychological illness, and the interconnectedness of these complex issues is central to how we serve people. Those with mental illness are at far increased risk of experiencing housing deprivation in some form. Like so many markers of exclusion, the relationship is mutually reinforcing: mental health problems can lead to evictions and inability to obtain housing, and a lack of housing can also exacerbate mental illness.

The Society has seen huge success in mental health programs that provide accommodation. For example, in the ACT, Samaritan House and Oaks Estate are two services which very successfully combine housing services with mental health services. At Oaks Estate, people we assist and staff have all noted better compliance with mental health plans, less violence, and better social relationships developing as people's housing needs are met.

Housing also ties in strongly with the criminal justice system. Providing safe and secure housing is one of the fundamental elements needed to help reduce the risk and costs of criminal activity. As such, justice reinvestment ultimately saves the government and taxpayer significant money, as police resources are freed up (as at Oaks Estate), and fewer criminal court and prison resources are required. This is not to mention the secondary economic benefits of an increased workforce, and, for programs like Oaks Estate, decreased homelessness, decreased unemployment, decreased domestic violence, and decreased reliance on emergency mental health services and other health services. The value of the investment has been calculated at a huge 1:14 ratio of investment to long-term return,<sup>12</sup> or

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<sup>12</sup> See, for example, Federation of Community Legal Centres, *Smart Justice: Investing in Communities Not Prisons* (at [smartjustice.org.au/cb\\_pages/files/SMART\\_Reinvestment.pdf](http://smartjustice.org.au/cb_pages/files/SMART_Reinvestment.pdf) on 13 March 2013) 2; The New Economics Foundation, *Unlocking Value: How we all Benefit from Investing in Alternatives to Prison for Women Offenders* (25 November 2008) (at [neweconomics.org/publications/unlocking-value](http://neweconomics.org/publications/unlocking-value) on 13 March 2013).

around a \$200,000 saving per offender diverted away from prison.<sup>13</sup> This saved money can then be spent on further community programs, or in other forms of social infrastructure.

It is clear that housing policy is strongly intertwined with several other policy areas, including, but not limited to, mental health and the criminal justice system. However, at present the housing system is not suitably responsive to people with complex needs: in the ACT, for example, the average waiting time for housing for people with high needs (that is, a range of needs in addition to housing) stands at 497 days – well over a year.<sup>14</sup> The Society would welcome a holistic and intersectional approach to any housing policy discussion, which takes into account the complex needs of these groups.

### Case Study

Mr D was experiencing a range of severe health problems, including cancer, diabetes, and mental illness including severe depression. These illnesses prevented him from working, and Ms D was his full-time carer. Ms and Mr D were evicted from their private rental property when it was put on the market. On their income support payments, they were not able to find affordable replacement housing in their area.

Ms and Mr D came to the Society, which advocated for them to receive the Private Rental Subsidy and secure private rental.<sup>15</sup>

**Recommendation: Government commit to intersectional solutions to the overlapping issues of mental health, housing, income support, and criminal justice. Especially, following the advice of the Senate Committee on Legal and Constitutional Affairs,<sup>16</sup> the government commit to a Justice Reinvestment approach to housing.**

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<sup>13</sup> In Australia, see for example Deloitte Access Economics, *An Economic Analysis for Aboriginal and Torres Strait Islander offenders: Prison vs Residential Treatment* (at [deloitteaccessconomics.com.au/uploads/File/NIDAC\\_Deloitte%20Access%20Economics%20Report%281%29.pdf](http://deloitteaccessconomics.com.au/uploads/File/NIDAC_Deloitte%20Access%20Economics%20Report%281%29.pdf) on 13 March 2013) xi.

<sup>14</sup> St Vincent de Paul, *Housing Stress in Canberra Goulburn Report* (2010) at [www.vinnies.org.au/icms\\_docs/182502\\_Housing\\_Stress\\_in\\_Canberra\\_Goulburn.pdf](http://www.vinnies.org.au/icms_docs/182502_Housing_Stress_in_Canberra_Goulburn.pdf), page 10

<sup>15</sup> This case study is from St Vincent de Paul NSW, *Submission to the NSW Inquiry Into Social, Public and Affordable Housing*, available at [http://www.parliament.nsw.gov.au/Prod/Parliament/committee.nsf/0/e1db57865ccc9efbca257c98007fed8b/\\$FILE/75708155.pdf/0144%20St%20Vincent%20de%20Paul%20Society%20NSW.pdf](http://www.parliament.nsw.gov.au/Prod/Parliament/committee.nsf/0/e1db57865ccc9efbca257c98007fed8b/$FILE/75708155.pdf/0144%20St%20Vincent%20de%20Paul%20Society%20NSW.pdf).

<sup>16</sup> See Senate Legal And Constitutional Affairs Committee Report, 2013, *Justice Reinvestment* [www.aph.gov.au/Parliamentary\\_Business/Committees/Senate/Legal\\_and\\_Constitutional\\_Affairs/Completed\\_inquiries/2010-13/justicereinvestment/report/~/\\_media/wopapub/senate/committee/legcon\\_ctte/completed\\_inquiries/2010-13/justice\\_reinvestment/report/report.ashx](http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Legal_and_Constitutional_Affairs/Completed_inquiries/2010-13/justicereinvestment/report/~/_media/wopapub/senate/committee/legcon_ctte/completed_inquiries/2010-13/justice_reinvestment/report/report.ashx)

**6. Term of reference (f): the need to develop improved overview and accountability mechanisms in relation to Commonwealth grants and funding to the states and territories in order to ensure that public funding delivers outcomes consistent with Commonwealth objectives**

The Society agrees that overview and accountability mechanisms are of vital importance in keeping service deliverers accountable. For these reasons, we have consistently supported the creation and role of the Australian Charities and Not-for-profits Commission. We join with many in the community sector in our disappointment at the recent announcement that the Commission is to be dismantled. We support accountability, but believe that any moves to increase reporting must be undertaken only after consultation with all stakeholders.

**Recommendation: Government commit to more intensive stakeholder engagement when developing overview and accountability mechanisms.**

**7. Term of reference (g): planning and policies that will ensure that women, particularly vulnerable women, have access to secure, appropriate, affordable and adaptable accommodation;**

Women, and particularly vulnerable women, have unique risks of housing stress. In a recent survey of women receiving income support (Newstart, Parenting Payment, Disability Payment), 63% had experiencing housing stress in the past 12 months, and 30% had at some point returned to an unsafe relationship due to lack of housing affordability.<sup>17</sup> There is also evidence of increasing homelessness among older women without a partner, or who have left their partner, and who face discrimination at work.<sup>18</sup>

The Society helps many women who have housing needs, through services specific to women such as St Anthony's in Goulburn (for single women without children), and Our Lady of the Way in NSW (for women over 50), as well as a wide range of services open to people of any gender.

However, the situation for women does appear to be getting worse in some areas. For example, in Adelaide, St Vincent de Paul volunteers have been providing short term motel accommodation for domestic violence victims. This indicates that there is a shortage of housing for this very vulnerable group.

The end of the National Partnership Agreement on Homelessness this year will stop funding to a wide range of services that currently provide access to housing for women, and particularly vulnerable women leaving family violence. Mission Australia has estimated

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<sup>17</sup> Rise Queensland, *Housing Affordability on Welfare Data* (2014).

<sup>18</sup> Ludo McFerran, 'It Could Be You: Female, Single, Older and Homeless' (2010) (at <http://www.adfvc.unsw.edu.au/PDF%20files/It%20could%20be%20you%20Final.pdf>).

that the funding has assisted 80,000 Australians, and has helped to fund 39 family violence services. For example, Domestic Violence Victoria have pointed out that some highly successful programs under the Agreement have enabled women to stay in the family home with their children, instead of being forced to exit into homelessness.<sup>19</sup>

### **Case study 1**

L was living with her partner and two young children, when her partner's violence against her forced her and her children to leave the family home. L and her children moved in with L's mother, and were sleeping in the living room when the Society met them and started providing support and assistance.

L managed to find private rental accommodation, in the form of someone's metal garage, with shower installed. L was paying \$175 per week for this. L lived here for some time, before the ACT housing authority stepped in and found her short-term housing.<sup>20</sup>

### **Case study 2**

A single mother, F, came to the Society in the Blue Mountains to help her with her food and utility costs.

F was tertiary educated, with an 8-year-old child. She had been working in Sydney on a casual basis, which enabled her to look after her son out of school hours as she had no family support. After being moved from the Parenting Payment to the lower Newstart Allowance, F found it increasingly hard to pay the bills. Her landlord then indicated that her rented home was to be renovated, and the rent increased by 60%.

F had no choice but to leave this accommodation, and relocate to an area where she could find affordable accommodation: the Blue Mountains. However, paying the rent still took around 70% of F's income, and the move to the Blue Mountains made finding casual work much harder.<sup>21</sup>

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<sup>19</sup> Fiona McCormack, Domestic Violence Victoria, [www.abc.net.au/radionational/programs/breakfast/funding-crisis-for-domestic-violence-support-groups/5302472](http://www.abc.net.au/radionational/programs/breakfast/funding-crisis-for-domestic-violence-support-groups/5302472).

<sup>20</sup> This case study is from St Vincent de Paul, *Housing Stress in Canberra Goulburn Report* (2010) at [www.vinnies.org.au/icms\\_docs/182502\\_Housing\\_Stress\\_in\\_Canberra\\_Goulburn.pdf](http://www.vinnies.org.au/icms_docs/182502_Housing_Stress_in_Canberra_Goulburn.pdf), page 19.

<sup>21</sup> This case study is from the NSW Society's submission to the NSW Inquiry Into Social, Public and Affordable Housing, available at [www.parliament.nsw.gov.au/Prod/Parlment/committee.nsf/0/e1db57865ccc9efbca257c98007fed8b/\\$FILE/75708155.pdf/0144%20St%20Vincent%20de%20Paul%20Society%20NSW.pdf](http://www.parliament.nsw.gov.au/Prod/Parlment/committee.nsf/0/e1db57865ccc9efbca257c98007fed8b/$FILE/75708155.pdf/0144%20St%20Vincent%20de%20Paul%20Society%20NSW.pdf).

**Recommendation: Along with peak bodies such as National Shelter,<sup>22</sup> we believe that The National Partnership on Homelessness must be continued for another four years, to help women at risk of homelessness to stay in their homes.**

**8. Term of reference (p): any other matter the committee thinks relevant**

The right to housing is not limited to a roof over someone’s head. Housing must be adequate to support positive mental and physical health, work participation, education, and community involvement.

We believe that detention centres are the antithesis of a rights-based approach to housing. Numerous experts and reports agree that conditions in Australia’s detention centres are not human rights compliant, and are the direct cause of very high levels of mental illness.

**Recommendation:**

**The right to housing be strengthened by ending mandatory detention, particularly offshore detention and processing.**

Housing is a human right, and is essential in order for an individual to learn, work, care for others, and otherwise participate in society.

But high property prices and limited housing stock continue to push up levels of housing stress. Our members across prosperous Australia see people desperate to make ends meet, people who have had massive barriers built around them, locking them out of both the labour market and the housing market, often without a place they can call home.

We see a housing market that is notoriously bad at providing affordable housing for low income families and individuals.

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<sup>22</sup> See, for example, National Shelter, *Step Forward with Continued Commitment to End Homelessness*, Press Release 28 March 2013, at [www.shelter.org.au/index.php?option=com\\_content&view=article&id=159:step-forward-with-continued-commitment-to-ending-homelessness&catid=14&Itemid=103](http://www.shelter.org.au/index.php?option=com_content&view=article&id=159:step-forward-with-continued-commitment-to-ending-homelessness&catid=14&Itemid=103).

We see people struggling, trying to make the best out of what they have, even when it's an overcrowded flat with a partially collapsed ceiling, as some of our members witnessed recently on a visit to a family. The sad reality for many struggling individuals and families is that when income is severely constrained and choices are non-existent, it's often a matter of accepting grossly inappropriate and insecure housing or sleeping in a car.

If we are serious as a society about ensuring that housing is enjoyed as a human right by all and not a matter of luck for some then we actually need to invest more in NRAS and in other means of increasing the supply of social and affordable housing. We also need to increase Rent Assistance, indexing it to changes in the average private rental costs, and we need to look seriously at the current structure of negative gearing so that rather than increasing speculative investment we actually increase the supply of affordable housing.

This government has the opportunity to demonstrate a strong commitment to halving homelessness by 2020. This means consolidating and improving on gains rather than creating uncertainty even over the funding status quo. It is homelessness itself that we must cut, not the spending on homelessness or social and affordable housing.

Everyone has the right to a place to call home. The housing market fails to deliver on this basic human right. Governments must therefore do what markets cannot.