



29 October 2019

## RE: Australian Infrastructure Audit 2019

The St Vincent de Paul Society has long recognised that improving access to affordable and appropriate housing is a matter of social responsibility, the provision and availability of which are central to human dignity and autonomy.<sup>i</sup> Housing is a core human right and the foundation every Australian needs for full economic and community participation.

The human reality of homelessness is told through the personal stories of the many people the St Vincent de Paul Society assists every day and is outlined in the publication, [\*The Ache for Home\*](#).<sup>ii</sup>

Various parliamentary inquiries, peak bodies, service providers and academics have repeatedly called for increased funding for emergency relief and public and community housing, as well as improvements to Commonwealth Rent Assistance and the National Rental Affordability Scheme.<sup>iii</sup>

In 2004, the Senate Community Affairs References Committee made 95 recommendations to fight poverty. These included:

- increased base funding for public housing, maintenance of current housing stock and new public housing stock;
- development of strategies to increase investment from the private sector into public housing;
- development of a national housing strategy in consultation with key stakeholders including State Governments, community housing providers, the construction industry and the finance sector;
- a review of the effectiveness of Commonwealth Rent Assistance in providing affordability and access to the private rental market; and
- a review of the relative funding priorities in relation to social housing and Commonwealth Rent Assistance.<sup>iv</sup>

In 2008, the Henry Tax Review recommended that Commonwealth Rent Assistance should also be increased to assist renters to afford an adequate standard of dwelling.<sup>v</sup>

Most recently, in 2019, the House of Representatives Select Committee on Intergenerational Welfare recommended immediate increases in funding for emergency relief housing and ongoing low cost- housing.<sup>vi</sup>

### ***Australia's social housing stock is not meeting current or projected tenant needs in terms of dwelling sizes and configurations, accessibility and supporting services.***

A review of recent research and statistics indicates that, as a society, Australia has gone backwards with respect to meeting existing housing demand, let alone being able to respond adequately to projected growth.

We know that in the private rental market:

- More than one million low-income households (2.65 million people) rented in the private market in 2018 and this figure has more than doubled over the past two decades.
- Two-thirds of vulnerable private renters are in rental stress. 170,000 households have less than \$250 available each week after paying rent.
- Half of households experiencing rental stress are still experiencing rental stress four years later.
- Maximum payment rates under the Commonwealth Rent Assistance scheme have fallen behind average rents over the past two decades.<sup>vii</sup>

We also know:

- At least 115,000 people are homeless on any given night and this has increased 13.7 per cent in 5 years.<sup>viii</sup>
- There is a national shortage of just over 400,000 homes that are affordable for people who are homeless or living on the lowest incomes (the lowest 20% by household income).<sup>ix</sup>
- The share of all homes that are public or community housing fell from 7.1% in 1991 to 4.2% in 2016.<sup>x</sup>
- 190,000 households are on waiting lists for social housing.<sup>xi</sup>
- Four per cent of all rental properties were affordable and appropriate for households on government income support payments. For households on minimum wage, it was 26 per cent. Finding an affordable and suitable home to rent in the private market is extraordinarily challenging.<sup>xii</sup>

With respect to specialist homelessness service agencies:

- 288,800 people, or 1 in 85 Australians, required assistance in 2017–18.
- 4 in 10 people were homeless on presentation to a specialist homelessness service agency.
- Most people assisted were female (61%), and close to 3 in 10 (29%) were aged under 18<sup>xiii</sup>

And for social housing tenants:

- Multiple benefits are gained from living in social housing, including feeling more settled and managing rent better.
- Most tenants are satisfied with services provided by their housing organisation (75 per cent).
- Reports of satisfaction are closely related to the condition of tenants' homes: as structural problems rise, satisfaction falls.<sup>xiv</sup>

The economic and social benefits to increased investment in social housing are far-reaching. From an economic perspective, public investment boosts growth in jobs and incomes. Every dollar invested is estimated to boost GDP by \$1.30.<sup>xv</sup> Access to housing is also recognised as a vital determinant of wellbeing that is associated with better outcomes in health, education and employment, as well as economic and social participation.<sup>xvi</sup>

The current lack of affordable housing is a key driver of poverty and homelessness and, for the Society, increases the number of people seeking support from frontline services. Research commissioned by St Vincent de Paul Society Queensland shows for each change in address, requests for assistance increase by 26 per cent.<sup>xvii</sup>

***There are limited pathways for people to move through the housing continuum, particularly from social housing into the private market.***

We are advised by states and territories that the most significant issue with respect to transitioning people from homelessness to housing is the substantial lack of social housing. The homelessness service system tends to be fragmented, under-funded and lacks co-ordination and integration. Consequently, many people fall through the cracks.

***Australia's social housing asset base is deteriorating and there is an increasing maintenance task, affecting the quality of dwellings.***

The Society's accommodation profile across Australia is variable and reflects the fact that services have developed over the years in response to local needs and when funds are available. The type of accommodation varies from short-term crisis arrangements, through to long-term permanent residencies. Dwellings include stand-alone homes, townhouses and units in multi-storey buildings, some of which are new, but most are old and require significant and ongoing maintenance and upgrades.

Amelie Housing presently operates in New South Wales, the ACT and South Australia. It offers 1010 dwellings with a further 178 dwellings coming online before the end of 2019.

Over a year, Victoria assisted 1,023 people with stable housing and 349 people were relocated to permanent housing through 100 managed government and non-government dwellings. The new Ozanam House was opened and offers crisis accommodation and a homelessness recovery centre, with an emphasis on privacy, security and 'wrap-around' support and referral services.

Queensland established Vinnies Housing and implemented its Vinnies Housing Strategic Plan 2018-2023, along with an agreement to commit a further \$6.5 million into housing stock.

In South Australia, 499 people were housed through 305 dwellings and up to 20 new dwellings are planned for 2019-20.

The extent to which governments have contributed towards the cost of these works varies significantly by jurisdiction. In many instances, the Society has made significant contributions, either through use of its own funds or its land or both.

Federal funding tends to be used to maintain existing social/public housing stock but would be better used towards building more efficient and easily maintained accommodation. The Society currently holds land that could be used to improve housing options but does not have the significant up-front funds available to invest in and progress this important work.

***Transparent and affordable electricity prices are essential to reducing pressure on household budgets, particularly for lower income households***

A recent report on household electricity disconnections for the period from 2015 to 2018 made 10 recommendations at the Commonwealth, state, local government and energy industry levels on how to reduce disconnection rates and improve access to energy assistance for low-income households.<sup>xviii</sup>

The report's first recommendation is for the COAG Energy Council to initiate a review of energy concession arrangements in the National Electricity Market to assess whether energy consumers in need of concessions have access to adequate concession arrangements. (Recommendation 1.1)

The report found that energy policy and regulatory measures alone cannot prevent households from being disconnected. A large proportion of the postcodes with high disconnection numbers are in areas with high unemployment, low weekly incomes and a high proportion of sole parents. An increase in social security payments (such as Newstart) is required to help these households out of poverty. (Recommendation 1.2)

Remote communities also have a high proportion of households that are struggling with their energy bills. This is because the cost of electricity (price per kWh and daily supply charges) can be higher in remote areas (e.g. NSW's Essential Network), energy consumption can be greater due to a warmer climate, income levels are often lower, and cost of other essentials (e.g. petrol) can be high by comparison, making remote inland communities particularly at risk of energy poverty. A Distributed Energy Resources scheme that targets remote communities facing high levels of energy affordability issues should be implemented. (Recommendation 1.3)

With respect to South Australia, Victoria, NSW and Queensland, emergency assistance and energy efficiency programs should be reviewed to ensure they are targeted and support those households in acute need of assistance. Minimum energy efficiency standards should be developed for all public and private rental properties. Education programs should adequately inform households about concession arrangements, access to energy retailer hardship programs, relief schemes and other relevant support measures. Schemes that increase the uptake of solar, batteries and other energy management technologies reduce the electricity bills of participants (and often require a cross-subsidy from other consumers) but should also be regarded as an opportunity to assist consumers in the states more disadvantaged areas. (Recommendations 2.1 to 2.5)

Finally, industry should review the Energy Charter to ensure that options are available to assist households with payment difficulties and reduce the level of disconnections for non-payment. Local governments, in collaboration with key stakeholders, should initiate outreach programs that effectively reach and assist households in their constituencies to ensure that they are aware of available support, and able to access additional assistance measures based on local needs and issues. (Recommendations 3.1 and 3.2)

## Conclusion

The Society was a signatory to the 2016 *Towards a National Housing Strategy*,<sup>xix</sup> and supports ACOSS' Housing and Homelessness priorities.<sup>xx</sup>

As little progress has been made towards improving access to safe and secure social housing arrangements, the Society continues to call for:

- formal recognition, by all governments, of the human right to housing as a basis for housing policy and acceptance of the obligations this places on governments and the community;
- a new national, multi-sector working group to develop a national housing affordability and homelessness strategy that complements state and territory plans and supports a comprehensive and coordinated cross-jurisdictional approach to housing affordability and homelessness prevention. The national strategy should be guided by respect for human rights and community diversity by balancing the needs for employment, housing, health, education and transport services with the emerging opportunities for improved and ecologically efficient building;
- the establishment of an independent agency to provide specialised policy advice to inform decision-making across all levels of government, and to monitor, analyse and report on housing and homelessness indicators across jurisdictions;
- the maximum rate of Commonwealth Rent Assistance to be increased by at least 30 per cent to boost retirement incomes for Australians living in poverty, and an examination of the disparity between public housing tenants and private tenants;
- improvements to the financial incentives to housing providers under National Rental Affordability Scheme to increase the number of eligible tenants and improve the rental rate; and
- \$10 billion of Commonwealth funds to be allocated across states and territories based on need and the cost of new housing in each location.

Yours sincerely



Toby O'Connor  
**Chief Executive Officer**

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<sup>i</sup> Catholic Social Welfare. 1995. *Housing in Australia: More than bricks and mortar*. Vol.4, No.2., Australian Catholic Social Welfare Commission. Accessed at:

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<sup>ii</sup> St Vincent de Paul Society National Council. 2016. *The Ache for Home*. Accessed at

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<sup>iii</sup> Parliament of Australia. 2004. *A hand up not a hand out: Renewing the fight against poverty - Report on poverty and financial hardship*; 2008 Henry Tax review, Parliament of Australia. 2019. *Living on the Edge: Inquiry into Intergenerational Welfare Dependency*. ACOSS. 2019 *Social Housing as Infrastructure*. 2019. Media Release. 2019. *Community Housing Industry Association congratulates the re-elected Coalition Government*.

<sup>iv</sup> Recommendations 17,18 and 20 respectively. Parliament of Australia. 2004. *A hand up not a hand out: Renewing the fight against poverty*. Senate Community Affairs References Committee. Accessed at:

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