

## Submission to Everybody's Home People's Commission into the Housing Crisis

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## 1. INTRODUCTION

### 1.1 About the Mercy Foundation

The Mercy Foundation is an organisation committed to social justice and structural change to create greater social equity and inclusion in the Australian community.

The Mercy Foundation's key focus area is ending homelessness. We have 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 also works to address modern slavery in Australia.

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 and ending modern slavery.

### 1.2 It is the responsibility of all levels of Government to protect, respect and fulfil the right to housing.

Homelessness is a gross violation of human rights. **All levels of government in Australia are obliged to use all possible resources to end homelessness.** Everyone has the right to a safe, secure, affordable home, a place to live in peace, dignity and security. Poor housing and homelessness impacts on all aspects of a person's life; the ability to access or maintain employment, education, it has serious impacts on health, destabilizes relationships and causes much stress and hardship. People experiencing chronic homelessness die prematurely.

Homelessness is a violation of the International Covenant on Economic, Social and Cultural Rights, the Convention on the Rights of the Child and Convention on the Elimination of All Forms of Discrimination against Women.<sup>i</sup>

Housing is essential to protect against increasing challenges posed by climate change, natural disasters, environmental degradation and more recently disease such as COVID-19. These challenges exacerbate vulnerabilities and inequalities for people experiencing homelessness.<sup>ii</sup>

The current housing crisis highlights **the enormous unmet need for housing, particularly social housing across the country.**

Vacancy rates are at an all time low and housing is more unaffordable than ever. The result is insecure, unstable, unaffordable housing and homelessness, and the lowest income groups are bearing the costs of the failure of our housing system to meet the needs of the population.

### **1.3 Pervasive impacts of homelessness**

The high cost of housing can further entrench some people in poverty, and poor quality housing can make poverty outcomes worse, impacting on physical and mental health and wellbeing.

Homelessness is interconnected with poverty and rising inequalities, lack of access to adequate housing, insufficient social security income, gender-based and domestic violence, substance misuse, discrimination, lack of decent employment, superannuation settings, high cost of energy, lack of health care, property speculation, deficiencies in mental health care and social protection systems.

Addressing and preventing homelessness requires attention to all its intersection with other issues, requiring holistic policies covering housing, health care and services, and social and legal protection.<sup>iii</sup>

### **1.4 Tax settings and the financialisation of housing**

Housing is first and foremost a human right, providing a place to live in security, dignity and peace.

Negative gearing and Capital Gains Tax (CGT) exemptions undermine the role of housing as a human right, by promoting it as a means of wealth creation. Investors compete with people in need of housing and the increasing demand drives up property prices and exacerbates housing unaffordability.

Recent research by Everybody's Home reports that Australian Government expenditure on negative gearing deductions and CGT exemptions was \$8.5 Billion in 2021 – 2022, while housing and homelessness spending was \$1.6 Billion. The Australian Government is spending record amounts on tax breaks for investors, yet housing has never been more unaffordable or scarce, and homelessness services are reporting record demand. The current system is failing.

**The human right to housing must be at the centre of all policies and plans. Taxation settings must be reviewed to ensure that they do not prioritise investors over the rights of tenants or people in need of housing.**

## **2. HOMELESSNESS IMPACTS ON THE MOST VULNERABLE: OBSERVATIONS FROM THE MERCY FOUNDATION'S GRANTS TO END HOMELESSNESS PROGRAM**

The Mercy Foundation's Grants to End Homelessness attracts Expressions of Interest from organisations across the country who are addressing the issue of homelessness in their communities. This grants program prioritises women. In the most recent round of EOIs, 60 organisations submitted EOIs. The submissions show that homelessness affects some of the most vulnerable groups in our country, including:

- Homeless pregnant women

- Older women
- Survivors of modern slavery
- Young women leaving forced marriage
- Women leaving detox
- Women and children leaving DV
- Women and children seeking asylum
- CALD women and women on temporary visas
- Women with a criminal record or leaving prison
- First Nations women leaving care who are pregnant or young mothers
- Female veterans

‘The homeless’ is not a homogenous group. They are people with individual needs and they require a tailored response. The common requirement for all is housing. Permanent, affordable, accessible, secure, appropriate housing.

The impacts of grants funded under this program illustrate that Housing First works. Housing First is the evidence-based approach to ending homelessness, providing access to secure housing and whatever supports are needed to sustain housing. **Housing First cannot be achieved without housing.**

### **3. SOLVING THE ‘RIGHT TO HOUSING’ CRISIS**

#### **3.1 Tackle poverty**

People on the lowest incomes are most impacted by the increasing cost of living. Currently, one in eight people, or 3.3 million people including one in six or 761,000 children, live below the poverty line.<sup>iv</sup>

Poverty is a leading cause of homelessness.

ACOSS estimate that 94% of people receiving Jobseeker who rent privately are spending more than 30% of their income on rent, with more than half spending 50% or more of their income on rent. More than 90% report poor physical and mental health due to their inability to cover basic costs.

The negative and detrimental impacts of poverty on children, families and individuals cannot be overstated.

**The recommendation is to increase the rate of Jobseeker, Youth Allowance, Parenting Payment, Austudy, Abstudy and Special Benefit to at least \$78 per day.<sup>v</sup>**

#### **3.2 Increase housing supply**

The Mercy Foundation commends the Commonwealth Government for its efforts to address housing and homelessness particularly with the Housing Australia measures. However, it is evident that the need far outweighs the planned response. The Community Housing Industry Association estimates that currently there are 640,000 Australian households have housing needs that are not met.<sup>vi</sup>

Social housing as a percentage of housing supply has greatly diminished. In 1991 it is estimated that 7.1% of all dwellings were social housing<sup>vii</sup>, compared to 3.8% as reported in the 2021 Census. Note that this is much lower than OECD countries such as United Kingdom (17%), France (14%), Ireland (13%) and all OECD (7%).<sup>viii</sup>

### **AHURI has projected that Australia will need 1.1 million social dwellings by 2037.**

All Federal and State based efforts fall short of meeting this projected need. The Australian Government has the opportunity and responsibility to work with state governments to ensure this need is met.

### **3.3 Urgent need for housing for older women**

The number of older women experiencing homeless continues to increase. This is a shameful fact that must be resolved urgently.

- The 2021 Census showed that 7,325 women aged over 55 experience homelessness.
- According to a report by SVA in 2020, 165,000 women between 45 and 55 years and another 240,000 women over 55 years are at great risk of homelessness<sup>ix</sup>.
- The drivers of homelessness for older women include poverty, unaffordable rent, lack of superannuation, ageism, elder abuse, domestic violence and gender inequality. A life stress such as a divorce or death of a partner can push a woman into homelessness, especially if she is living in private rental on a low fixed income.

The private rental market fails to meet the needs of older women. Additional social and affordable housing options must take into account the needs of older women.

Recognising that older women have difficulty finding assistance to prevent or resolve a housing crisis, additional specialist housing support services for older women to expand and complement existing services such as Carefinder and state-based specialist homelessness services is recommended.

As noted above, housing supply **must be ringfenced for older people, especially older women**, who are at great risk of homelessness. We support HAAG's recommendation<sup>x</sup> that public and community housing units be built across the country to house at least 260,000 older renters on low incomes, living in marginal housing or experiencing homelessness.

### **3.4 Fund a 'Home at Last' service in NSW**

The Mercy Foundation recommends the establishment of a *Specialist Housing Information and Support Service for People over 55 years* in NSW, based on the Home at Last service in Victoria.

COTA research in NSW shows that 5% of people over 50 years believe they are at risk of homelessness.<sup>xi</sup> The report 'Decades of Decline NSW'<sup>xii</sup> illustrates that the population of NSW is ageing, fewer older people own their own home outright, more older people are paying off mortgages, less people are living in public or community housing which, as a total, leaves more older people stuck in the insecure private rental market.

Research shows that the system of homelessness services is complex and difficult for older people to navigate. The 'Home at Last' model of homelessness service provision is shown to assist in preventing and resolving homelessness among older people.

### **3.5 Adequate housing for survivors of modern slavery**

Since 2016, the Mercy Foundation has supported organisations working to prevent, address and end modern slavery. A key need that is articulated by many organisations working with survivors of modern slavery is the lack of suitable accommodation.

It is estimated that there may be as many as 40,000 people caught in modern slavery in Australia. This includes forced labour and forced marriage.

The provision of housing for survivors of modern slavery is piecemeal. The Support for Trafficked People Program (STPP) provides 90 days of secure accommodation for all trafficked people referred by the AFP; the Forced Marriage Support Stream offers intensive support for up to 200 days; the Justice Support Stream provides support until the investigation and prosecution of a human trafficking matter is finalised; the Temporary Trial Support Scheme offers short term accommodation and support.

In the UK, survivors of modern slavery are provided with government funded accommodation through trafficking specific safe houses. In Australia, the STPP relies on existing services in the state and territory that they are based. Recent research found that survivors of modern slavery experience multiple barriers to accessing both temporary accommodation and long-term housing. The most significant challenges were linked to their lack of reliable income, insecure migration status and the ongoing effects of trauma.<sup>xiii</sup>

The evaluation of the Forced Marriage Stream Trial highlighted the inappropriate housing available to survivors of forced marriage, particularly the lack of emergency and short-term accommodation. Lighthouse Foundation in Melbourne was highlighted as a service that is responsive to the needs of people at risk of or survivors of forced marriage.<sup>xiv</sup>

The Mercy Foundation recently awarded a grant to the Lighthouse Foundation's Young Women's Freedom program in Melbourne, to establish a second house for survivors of modern slavery to enable them to transition to independent living. This program provides safe homes and therapeutic care to girls and young women who have experienced, or at risk of experiencing, early or forced marriage or other forms of modern slavery. There is strong demand for this program.

The Salvation Army runs the Trafficking and Slavery Safe House that offers accommodation and other supports to women who have experienced trafficking and slavery in Australia. In 2020, they partnered with the Sisters of Charity Foundation to offer transitional housing solutions to assist survivors of modern slavery to prepare for independent living.

**Safe and stable housing is fundamental to the recovery, health and wellbeing of survivors of modern slavery.** It provides the stability needed for survivors to build social connections, find employment and further their education. **There must be greater investment to ensure there are housing and support options, both short term and long term, suitable to the needs of survivors of modern slavery.**

### **3.6 Fund housing reforms for people with disability**

The Mercy Foundation recently awarded a grant to the Centre for Disability Studies, an affiliate of the University of Sydney. Research shows that people with intellectual disability have difficulties exiting homelessness and that frontline staff in the homelessness and housing sectors could better respond to their needs. This project will strengthen the workforce capability of staff working in homelessness and housing sectors in supporting people with intellectual disability out of homelessness.

There were a number of housing reforms recommended by the Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability. The report notes that people with a disability have a fundamental right to live in suitable housing and be connected to the community. They should choose where they live, with whom, how they live, who provides support for daily living and community participation. Their home should provide safety and security, free from exposure to violence, abuse, neglect and exploitation.

### **3.7 Adequate housing for refugees and people seeking asylum**

Additionally, to fully realise the right to housing, governments must ensure appropriate housing and support is available for refugees and people seeking asylum.

### **3.8 Make rent affordable - CRA**

In January 2024 Core Logic report notes that the increase in median weekly rent value across Australia averaged 9.1% a year for the past three calendar years. The national median rent value increased to \$601 per week. The median rent in August 2020 was \$437 per week.<sup>xv</sup>

In addition to increasing the supply of social and affordable housing, the Federal Government should consider incentives to encourage state governments to limit rent increases.

**Mercy Foundation recommends a supplement to CRA targeted at older women at retirement age who do not have superannuation due to lower lifetime earnings and caring duties.**

A review of CRA is required to ensure that households on the lowest income can afford to pay rent without sacrificing other essentials is needed. The recommendation is to **index CRA to reflect the actual rents paid in the market.**

### **3.9 Reduce chronic homelessness**

People who are chronically homeless with complex needs are at great risk. People experiencing chronic homelessness die prematurely. In 2020, it was estimated that 424 people died while homeless across Australia. In 2021, at least 70 people experiencing homelessness died in Perth and the median age was 52.1 for men and 45.3 for women. The median age of death for the general Australian population is 81.7 years. This represents a gap of more than 30 years.<sup>xvi</sup>

The solution to chronic homelessness is Housing First, providing permanent, safe, secure and affordable housing with access to the different supports required to address any challenges or needs.

**The Mercy Foundation endorses the Advance to Zero<sup>xvii</sup> campaign by the Australian Alliance to End Homelessness as a means of ending chronic homelessness in communities across Australia.**

Advance to Zero is a data informed, collaborative approach that works at community level to change the systems that can result in homelessness. This methodology both solves and helps prevent homelessness and places the person at the centre of all decision making to end their homelessness.

### 3.10 Introduce Mandatory Inclusionary Zoning

The Mercy Foundation advocates for mandatory inclusionary zoning in all new housing developments as a means of increasing the supply of social and affordable housing across communities. Note that ‘affordable housing’ is where housing costs are capped at 30% of household income. **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.**

## 4. SUMMARY OF RECOMMENDATIONS

- I. Increase the rate of Jobseeker, Youth Allowance, Parenting Payment, Austudy, Abstudy and Special Benefit to at least \$78 per day.<sup>xviii</sup>
- II. Work with and resource all States and Territories to meet the projected need of 1.1 million social dwellings by 2037.
- III. Provide additional specialist housing support services for older women to expand and complement existing services such as Carefinder and state-based specialist homelessness services.
- IV. Ringfence 260,000 homes for older people, especially older women, who are at great risk of homelessness.
- V. Include a supplement to CRA targeted at older women at retirement age who do not have superannuation due to lower lifetime earnings and caring duties.
- VI. Work with services supporting survivors of modern slavery to ensure there are short and long term housing options available to suit the needs of survivors of modern slavery.
- VII. Fund the housing reforms for people with disability as recommended in the Royal Commission.
- VIII. Ensure there is appropriate housing and support available for refugees and people seeking asylum.
- IX. Review CRA to ensure that households on the lowest income can afford to pay rent without sacrificing other essentials. Index CRA to reflect the actual rents paid in the market.
- X. Fund the Advance to Zero<sup>xix</sup> campaign by the Australian Alliance to End Homelessness as a means of ending chronic homelessness in communities across Australia.
- XI. Mandate inclusionary zoning targets for social and affordable housing of 15% on any development built on private land and of 30% of developments built on formerly public land.
- XII. Review existing taxation policies and ensure future tax settings and housing policies place the human rights of tenants and people seeking housing at their core.

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<sup>i</sup> Many international legal instruments protect the right to adequate housing, including:

- the Universal Declaration of Human Rights (Article 25);
- the International Covenant on Economic, Social and Cultural Rights (Article 11);
- the Convention on the Rights of the Child (Article 27);

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- the Convention on the Elimination of All Forms of Racial Discrimination ( Article 5); and
  - the Convention on the Elimination of All Forms of Discrimination Against Women (Article 14).
- <sup>ii</sup> Resolution adopted by the General Assembly on 16 December 2021 76/133
- <sup>iii</sup> Report of the Secretary General Inclusive policies and programmes to address homelessness 24 July 2023 A78/236
- <sup>iv</sup> <https://povertyandinequality.acoss.org.au/poverty/>
- <sup>v</sup> <https://www.acoss.org.au/wp-content/uploads/2024/01/240110-Five-ways-to-help-people-with-the-least-with-cost-of-living.pdf>
- <sup>vi</sup> <https://apo.org.au/node/320820>
- <sup>vii</sup> [Have social housing levels fallen to historic lows? - ABC News](#)
- <sup>viii</sup> [CEDA - Australia's housing affordability conundrum](#)
- <sup>ix</sup> Policy Snapshot At Risk: 405,000 older women risk homelessness without urgent policy reform, Housing for the Aged Action Group and Social Ventures Australia, August 2020.
- <sup>x</sup> Ageing in a Housing Crisis: Older people's housing insecurity & homelessness in Australia, August 2023 Housing for the Aged Action Group by Wendy Stone, Margaret Reynolds, Piret Veeroja, Emma R Powers, Francesca Perugia, Amity James
- <sup>xi</sup> 1COTA Federation 2023, 'State of the Older Nation 2023'. SEC Newgate. Retrieved from: [www.stateoftheoldernation.org.au](http://www.stateoftheoldernation.org.au)
- <sup>xii</sup> [https://www.older tenants.org.au/sites/default/files/decades\\_of\\_decline\\_-\\_nsw\\_census\\_data\\_insights.pdf](https://www.older tenants.org.au/sites/default/files/decades_of_decline_-_nsw_census_data_insights.pdf)
- <sup>xiii</sup> "K Raby, N Chazal, L Garcia-Daza, and G Mebalds, "No Income, Temporary Visa, and Too Many Triggers": Barriers in accommodating survivors of human trafficking and slavery in Australia', Anti-Trafficking Review, issue 20, 2023, pp. 92-110, <https://doi.org/10.14197/atr.201223206>
- <sup>xiv</sup> Australian Red Cross Forced Marriage Stream Trial Evaluation: Final Evaluation Report, 2019, Kathleen Stacey and Associates.
- <sup>xv</sup> [https://www.corelogic.com.au/news-research/news/2024/australias-median-rent-hits-new-record,-surpasses-\\$600-per-week#:~:text=In%20this%20article%2C%20Head%20of,rent%20of%20%2431%2C252%20a%20year.pdf](https://www.corelogic.com.au/news-research/news/2024/australias-median-rent-hits-new-record,-surpasses-$600-per-week#:~:text=In%20this%20article%2C%20Head%20of,rent%20of%20%2431%2C252%20a%20year.pdf)
- <sup>xvi</sup> <https://www.home2health.org/news-blog/prematuredeaths>
- <sup>xvii</sup> <https://aaeh.org.au/atoz>
- <sup>xviii</sup> <https://www.acoss.org.au/wp-content/uploads/2024/01/240110-Five-ways-to-help-people-with-the-least-with-cost-of-living.pdf>
- <sup>xix</sup> <https://aaeh.org.au/atoz>