



Catholic Social Services  
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The Reform of the Federation White Paper Taskforce  
C/- Department of the Prime Minister and Cabinet  
PO Box 6500  
CANBERRA ACT 2600  
Australia

3 March 2015

Attention: Mr David de Carvalho

Dear David,

**Re: Response to Roles and Responsibilities in Housing and Homelessness – Issues Paper 2**

I am pleased to present Catholic Social Services Australia's response to the Housing and Homelessness Issues Paper which is a component of the Reform of the Federation White Paper. We understand a Green Paper will be published in the second half of 2015 ahead of a White Paper in 2016, but given the current uncertainty for funding of housing and homelessness we are taking this opportunity now to outline our position.

CSSA has 59 member agencies around the country delivering the full range of social services especially to poor and vulnerable families and people. About 60% of our 59 members provide housing services including long term rental, supported accommodation, crisis and short term accommodation, housing and homelessness support services, and housing for the elderly.

In addition the Australian Catholic Housing Alliance, a group of Catholic social service and housing service agencies jointly auspiced by CSSA and Catholic Health Australia, promotes and facilitates the development of social housing on church owned land. Recently a member of the Alliance, Marist Youth Care, signed a national agreement with Defence Housing Australia to facilitate housing development.

The provision of safe and affordable housing is a basic human right. Catholic Social Teaching asserts that every person possesses inherent dignity, and is of great value, and worthy of respect and protection. Every person is therefore, in justice, entitled to their rights which include a right to the basic needs of life – such as food and shelter.<sup>1</sup>

Having a safe, permanent and affordable home provides the stability for an individual or family to meaningfully participate in their community. This is often the first need that has to be addressed when people access our services. Without a place to call home, other issues cannot be addressed.

There is currently an undersupply of social housing in Australia and a growing demand from vulnerable people including the elderly and young people who may be affected by recent changes to income support payments. In 2011 it was estimated there was a shortfall of 186,000 dwellings across Australia to meet demand.<sup>ii</sup> The private rental market in certain areas is also currently unaffordable for people on low incomes such as government payments and the minimum wage.<sup>iii</sup>

The evidence points to many low income and disadvantaged people suffering from housing stress. Of households in the lowest 40% of the income distribution, two thirds are spending over 30% of their income on housing, which is the established benchmark for housing stress.<sup>iv</sup>

In the 2011 Census there were 105,237 people who were classified as being homeless (up from 89,728 in 2006). Most of the increase in homelessness between 2006 and 2011 was due to people living in severely crowded dwellings and about three quarters of this increase was accounted for by people who were born overseas.

Lack of social and economic engagement by homeless people is a cost to national and local economies. The cost savings obtained by reducing services is offset by the losses resulting in non-engagement and non-productivity of the homeless. Research<sup>v</sup> has consistently shown that the longer an individual is homeless, the more likely they are to suffer mental illnesses (homelessness often being significant factor in the development of mental illness), legal problems, physical ill health and family breakdown. The younger a person is when they are homeless, the more likely that they will return to homelessness in later life with the consequent problems listed previously. All of these issues represent significant cost burdens on the health, legal and disability systems. Cuts to housing and homelessness services cannot therefore be regarded as savings given they most often result in greater costs arising in other areas of federal expenditure.<sup>vi</sup>

Furthermore, as a basic human right, affordable housing and homelessness services must be equally available to all Australians, regardless of where they live, and thus be oversighted by the Federal Government—this view is supported by the fact that 85% of Australians surveyed<sup>vii</sup> believed that it was the Federal Government's responsibility to 'solve homelessness'. We suggest that in future Federal budgets the government look toward increasing revenue as a way to fix the budget crisis as opposed to reducing funding to these essential services.

We support the need for better coordination between the Commonwealth and the State/Territory Governments including for funding and through mainstreaming the COAG process. However we believe the greatest issue that needs to be addressed is the amount of expenditure directed to housing affordability and homelessness services to address the shortfall of affordable housing. The evidence points to a continued shortage of affordable housing in all forms – crisis accommodation, homelessness, rental housing and housing for those with a disability as examples.

In the last Federal Budget, cuts were made to a range of significant housing services including homelessness programs, monitoring of housing demand and supply, peak bodies and the national rental affordable scheme. It is not clear as to who is now funding the services that have been cut and where the safety net exists for vulnerable people. State and Territory governments have not received additional funding to cover these ceased programs and funding for public housing stock has diminished.<sup>viii</sup> In addition the private rental market does not provide enough housing stock for lower income families and often there are barriers to entry for low income families in private rental accommodation such as expensive bonds and referee checks.

CSSA believes housing is a national issue just like education and health. The Federal Government's role in housing must continue. Issues of housing affordability extend across state/territory borders, it impacts on the productivity of the national economy and many housing levers (such as the taxation system and income payments) are overseen by the Federal Government. In addition there are economies of scale for delivery of social housing across State/Territory borders. The Federal Government therefore has the greatest capacity to increase the provision of affordable housing and homelessness services, while concurrently realising the most effective and efficient outcomes.

*The lack of adequate exit housing has over the past decade become more than an issue that has caused bottlenecks in refuges and other crisis accommodation services and is now such that the lack of adequate housing is, in itself, a primary contributor to homelessness. This housing crisis has made home purchases and rental costs increasingly expensive and with serious impacts on those subsisting on a survival budget. (CSSA Member: NSW)*

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The Issues Paper is silent on the Federal Government's role as a major land holder, as well as its role as one of the major land developers in the country through the work of Defence Housing Australia. It is also silent (in Figure 2.4) of the role of Local Government.

In summary we see the Federal Government's roles and responsibilities in housing as:

- Developing, funding and endorsing a **national affordable housing policy** based on sound evidence, which includes priorities, targets and policy settings for the States/Territories;
- **Supporting, funding and disseminating information** and research including proposals toward innovative housing models such as partnerships with the community housing sector;
- **Funding** housing programs that have a national focus such as the former National Rental Affordability Scheme;

- **Allocating and overseeing** sufficient funding to the States/Territories to maintain equity in affordable housing and homelessness services, in line with national priorities and targets through National Agreements and **holding them to account** (in some form) in the expenditure of funds and utilisation of resources directed to increasing the supply of affordable housing and delivery of housing support services; and
- Using Federal Government resources and regulatory environments to **support more affordable housing outcomes** such as land supply, rent assistance, tax incentives, major infrastructure projects, immigration and employment policies.

CSSA through its members would be pleased to elaborate further on these comments or provide site visits to member organisations to see first-hand the range of innovative housing services provided and the impact on the poor and vulnerable in our community.

Please contact me on the number below or alternatively contact the CSSA Senior Policy Officer, Liz de Chastel on 02 6285 1366.

Yours sincerely,



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<sup>i</sup> Catholic Social Teaching (UK) <http://www.catholicsocialteaching.org.uk/principles/glossary/#Human>

<sup>ii</sup> *Housing shortage threatens living standards, economic growth: report* - The Australian, December 21<sup>st</sup>, 2011  
<http://www.theaustralian.com.au/national-affairs/housing-shortage-threatens-living-standards-economic-prosperity-report/story-fn59niix-1226227537771>

<sup>iii</sup> Anglicare Rental Affordability Snapshot (2014) *Op.Cit.*

<sup>iv</sup> Senate of Australia – *Housing Affordability Inquiry* 2008

[http://www.aph.gov.au/Parliamentary\\_Business/Committees/Senate/Former\\_Committees/hsaf/report/index](http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Former_Committees/hsaf/report/index)  
<sup>v</sup> [Mental Health Council of Australia - Home Truths](#) – March 2009

<sup>vi</sup> Sector briefing on National Homelessness Conference talk by Australian Institute of Health and Welfare's (AIHW)'s Geoff Neideck on *Housing outcomes for groups vulnerable to homelessness*, 1 July 2011-31 December 2013 <http://www.homelessnessaustralia.org.au/> accessed on 20<sup>th</sup> February 2015

<sup>vii</sup> Hanover survey cited at: <http://www.theage.com.au/news/opinion/the-forgotten-people/2006/12/15/1166162316984.html?page=fullpage> accessed 27<sup>th</sup> February 2015

<sup>viii</sup> National Rental Affordability Scheme Australia – Social Impact Investment  
<http://www.nrasaustralia.com.au/nras-news> accessed on 6th November 2014