

**MISSION**  
**AUSTRALIA** | together  
we stand

## 2018-19 pre-budget submission



### About Mission Australia

Mission Australia is a national non-denominational Christian organisation that delivers evidence-based, client-centred community services. Our goal is to reduce homelessness and strengthen communities across Australia. We work with families and children, young people, older people and people experiencing homelessness and also provide specialist services for mental health, disability and alcohol and drug issues. We stand together with people in need until they can stand for themselves.

### Summary of the year 2016-2017:

# 140,639

## Australians supported last year



This was achieved through:

**2,791** 

dedicated  
staff members

**470** 

programs & services  
across Australia

**3,197** 

volunteers

**44,078** 

supporters

**32** 

government departments

**471** 

partnerships<sup>1</sup>

## Reducing Homelessness

### Key recommendations

- Commit to a national plan to end homelessness by 2030 that addresses the drivers of homelessness including family violence, poverty and the lack of affordable housing and rapidly rehouses people who are homeless and supports them to maintain that housing. This should be developed in consultation with the homelessness sector and with people experiencing homelessness.
- Develop a coherent national strategy to deliver 300,000 new social homes and 200,000 affordable rental properties by 2030. This needs to include a long-term and consistent subsidy from government, so that investors have surety around the future viability of their investments. Renewal of social housing that has been left to languish without vital maintenance and repairs also needs to be a priority.
- Review tax breaks provided to property investors and re-direct savings to social and affordable housing in order to significantly boost supply.
- Provide a 30% increase in the maximum value of Rent Assistance for all recipients of that payment to address rental stress and decrease the risk of homelessness.
- Progress welfare reform to simplify payments and ensure adequacy of supports.
- Increase Newstart and Youth Allowance payments by \$75 per week for single people and index to wage movements as well as price increases.
- Invest in new housing stock in Aboriginal and Torres Strait Islander communities to address overcrowding. This should be delivered through Indigenous Community Housing organisations and designed in close consultation with the local Aboriginal community.

### Issues to be addressed

#### Homelessness rates are unacceptable

- Census data from 2011 shows that 105,000 Australians were homeless, while a further 78,000 Australians were living in marginal housing and at possible risk of homelessness.<sup>1</sup>
- In 2016-17, specialist homelessness services supported over 288,000 Australians. These numbers have steadily increased since the first report in 2011.
- While there was a drop in the turnaway rate, an estimated 95,000 requests for assistance that were unable to be met, an average of 261 requests per day.

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<sup>1</sup> Australian Bureau of Statistics (2012) *2049.0 - Census of Population and Housing: Estimating homelessness, 2011*, Canberra: Australian Bureau of Statistics



### There is a chronic shortage of housing for people on low and moderate incomes

- Some 657,000 low income households live in rental stress (that is, pay more than 30% of their income on housing-related costs) which puts them at risk of becoming homeless.<sup>2</sup>
- Australia has a shortfall of over 500,000 rental dwellings which are both affordable and available to the lowest income households.<sup>3</sup>
- In 2016–17, 56% of Specialist Homelessness Services clients identified a need for accommodation services. Of these 30% were neither provided with assistance nor referred and the ability of services to provide accommodation has fallen since last year.

### Property taxes distort the market and require review

- Current negative gearing settings and capital gains tax exemptions distort the housing market and impact housing affordability.
- Tax breaks provided to property investors come at an annual cost of \$11.7 billion to government revenue.
- The Commonwealth's recent announcement of a bond aggregator model will make a useful contribution by assisting Community Housing Providers (CHPs) to finance new developments. But it is insufficient in itself to generate greater investment in social and affordable housing. There is appetite from individual private and institutional investors including superannuation funds to invest in below-market residential property in Australia.
- In the United States the Low Income Housing Tax Credit provides a mechanism for private institutional investors to purchase tax deductions. The funding generated from this deduction goes directly into the creation of new below market housing. Since 1986 it has stimulated the production or rehabilitation of nearly 2.97 million affordable homes.

### Commonwealth Rent Assistance (CRA) has not kept pace with rent rises

- The National Housing Supply Council calculated that 60% of people who are on low incomes who rent are in housing stress<sup>4</sup> and therefore at risk of homelessness. Even for those receiving CRA, 42% of people are still living in rental stress after the payment is taken into account.<sup>5</sup>
- A marker of housing stress should be included when setting CRA (generally accepted as 30% of gross income for the lowest-income households).

### Current income support payment levels are inadequate

- Income support is one of the most important and effective ways of preventing poverty.

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<sup>2</sup> ABS 4130.0 Housing Occupancy and Costs, 2013–14 – Table 15. Accessed at: [www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/4130.02013-14?OpenDocument](http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/4130.02013-14?OpenDocument)

<sup>3</sup> National Housing Supply Council, *State of Supply Report 2012*. Cited in [http://www.acoss.org.au/images/uploads/Housing\\_paper\\_summary\\_March\\_2015\\_final.pdf](http://www.acoss.org.au/images/uploads/Housing_paper_summary_March_2015_final.pdf)

<sup>4</sup> National Housing Supply Council (2012) *Housing Supply and Affordability Key Indicators*, 2012, NHSC, Canberra.

<sup>5</sup> Australian Institute of Health and Welfare (2013) *Australia's Welfare 2013*, AIHW, Canberra, p 114

- It is widely accepted that the current Newstart Allowance and Youth Allowance payments are too low and can act as a disincentive to securing employment.
- -The Social Policy Research Centre at UNSW's work on budget standards shows that Newstart Allowance (plus Rent Assistance) for a single adult is \$96pw below the minimum budget for an individual who is unemployed.

### Indigenous housing and homelessness requires specific responses

- On Census night in 2011, Aboriginal and Torres Strait Islander people made up 2.5% of the Australian population, but accounted for 25% of all persons who were homeless.
- Of those who were classified as homeless, 75% were in severely overcrowded dwellings. Most of the severely overcrowded dwellings are based in very remote areas.
- The supply of new stock needs to be appropriately and consultatively designed with local Aboriginal people and new housing needs to be followed by a regular program of maintenance to extend the life of the dwellings.
- Aboriginal Housing Organisations should be at the centre of a remote housing strategy. Community housing providers such as MAH can work in partnership to provide backbone support or capacity building and community services organisations such as MA can take a partnership approach to service delivery and strengthening communities.

### Social and affordable housing is a building block for stronger communities

- Secure and affordable housing can foster healthier, stronger and more productive communities, as well as connecting residents to jobs and services, and broadening people's economic opportunities.
- Action is needed to address the social and economic problem of concentrated legacy public housing in locations of persistent and concentrated disadvantage.
- The Commonwealth should work with State/Territory Governments to help break the cycle of entrenched disadvantage through infrastructure renewal linked to community strengthening.

## Strengthening communities

### Key recommendations

- The Commonwealth Government commits to address entrenched and locational disadvantage at the community level, over the long term, in conjunction with State/Territory and local governments and local service providers.
- Aboriginal and Torres Strait Islander people need to be empowered to design and lead solutions to the complex problems facing their communities including poverty, disadvantage and the lack of appropriate housing. Bipartisan and long term commitment is required to provide well-resourced and community controlled services to address disadvantage faced by Aboriginal and Torres Strait Islander people and communities.
- Youth transitions programs for the most disadvantaged job seekers should be expanded incorporating a holistic, strengths-based approach and where necessary have the flexibility to work with young people's families. Such programs should include careers advice, mentoring, skills training, assistance to re-engage with education and work experience as well as working on underlying issues that present as barriers to employment.
- Provide ongoing funding to ensure that adequate community supports are provided outside the NDIS for people living with a moderate and/or episodic mental illness or who are otherwise ineligible for NDIS funding.
- Monitor and review the implementation of the new Childcare Package for the 12 months from July 2018 to ensure that vulnerable children do not fall through the cracks, particularly with the transition to the new Additional Child Care Subsidy, the reduction in hours of subsidised early learning and care for children in the 'safety net' and the transition of Budget Based Funded services to mainstream subsidy support.

### Issues to be addressed

#### Persistent and entrenched disadvantage must be addressed

- DOTE2015<sup>6</sup> identified the 3% of communities across Australia that bear the greatest burden of disadvantage and require immediate and sustained commitment from all levels of government. High levels of unemployment, low levels of income and education, housing stress and a high level of criminal offending are features of these communities. This limits opportunities for individuals living in these communities.
- Locational disadvantage is a complex problem requiring systems change and innovation. Interventions are required at the community level in addition to macro reforms and individual service responses. A coordinated place-based collective impact approach is required.

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<sup>6</sup> Jesuit Social Services and Catholic Social Services Australia (2015) *Dropping Off the Edge2015*, accessed at [www.dote.org.au](http://www.dote.org.au)

- A place-based model that co-ordinates services and targets intergenerational disadvantage requires long term funding. A minimum of ten years' commitment plus upfront funding is required to plan and engage in programs and make adjustments as necessary.
- An assets-based approach to community development uses methods such as capacity building, community building, neighbourhood renewal and asset mapping to fortify social capital.
- Solutions need to be based on strong local participation, be flexible in adapting to changes and lessons learnt, and be community owned and driven. They should be based on an understanding of the multiple and complex needs within these communities and provide an integrated service response through community partnerships.

### Levels of Indigenous disadvantage remain unacceptable and empowerment is essential

- While there has been some progress towards achieving the Closing the Gap goals of reducing infant mortality and narrowing the gap in year 12 attainment, the goals in relation to life expectancy, literacy and numeracy and employment outcomes remain off track.
- Aboriginal and Torres Strait Islander people are more likely to experience poverty, experience higher rates of unemployment and are the most economically disadvantaged and excluded members of our community on almost any measure.
- A serious cause for concern is the 88% increase in the number of Aboriginal and Torres Strait Islander people imprisoned over the past 10 years including the sharp increase in juvenile detention rates. Imprisonment has drastic flow on effects including family dislocation, poor health outcomes and unemployment, adding to the costs for government and to intergenerational disadvantage.
- Aboriginal and Torres Strait Islander people and communities need to be empowered to lead change so that social and economic development can occur alongside retention of identity, language and culture. The history of dispossession and minority status needs to be addressed through improved governance mechanisms to address disadvantage.
- An asset-based community development approach that recognises strengths, resources and assets of Aboriginal and Torres Strait Islander individuals, families and communities should be adopted with funding for long-term approaches that are integrated, holistic and accessible.

### Youth unemployment remains unacceptably high

- Across Australia around three in ten 15-19 year-olds are not fully engaged in work, school or training. Despite the comparative strength of the Australian economy, we still have rates of youth unemployment above 12% for 15-24 year-olds, and above 20% in some particularly disadvantaged areas.
- There remains a significant service gap for the majority of Stream C job seekers who are ineligible for the Transition to Work program. These are the most disadvantaged young people in our community who have tremendous potential with the right supports to join the workforce and make a productive contribution.

- Other programs such as Parents Next and Try, Test and Learn will provide supports to some disadvantaged groups of young job seekers, but a comprehensive program is lacking and many young people continue to fall through the gaps.

### Community based mental health services remain vital

- Some consumers of community mental health programs that are transitioning into the NDIS (such as Personal Helpers and Mentors (PHaMs) and Partners in Recovery (PiR)) who are experiencing episodic and/or moderate mental illness ) will be ineligible for assistance through the NDIS, impacting their prospects of recovery and reducing the services and supports available to them.
- This situation, if not resolved, will see a rise in the number of people with mental illness in the community with no support. This will have likely flow-on impacts for other government-funded service systems including homelessness, health (particularly hospital emergency departments), education and criminal justice.
- While we welcome the \$84m funding package for mental health supports announced in the 2017-18 budget and hope this will be matched by the states, we believe that community mental health support programs will need to continue to be funded.

### Conclusion:

The above recommendations are designed to ensure that the 2018-19 budget measures work to reduce homelessness and strengthen communities across Australia including through the supply of affordable housing, addressing gaps in services delivery, investing in evidence-based programs and supporting community development.