



Far North Coast

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Inquiry into the extent and nature of poverty in Australia
Committee Secretary
Senate Standing Committees on Community Affairs
PO Box 6100
Parliament House
Canberra ACT 2600

community.affairs.sen@aph.gov.au

26th January 2023

Dear Secretary

Thank you for the opportunity to make a submission to the Inquiry into the extent and nature of poverty in Australia.

I write on behalf of the Consortium of Neighbourhood Centres Far North Coast ("CONC"). We are a consortium of neighbourhood centres in the region, which formed in 2004 and has since been contracted to deliver a range of regional projects and services, currently delivering Brighter Futures Far North Coast (Intensive Family Preservation program), Emergency Relief program, Northern Rivers Food Recovery program, Staying Home Leaving Violence (Tweed, Byron, Ballina), and the Child and Family Support Service – Tweed Valley.

Summary – Recommendations

We make the following recommendations to you for the reasons set out in more detail in our submission below:

1. That all levels of government commit to significant increases in the investment in social and public housing;

2. That future affordable housing schemes and/or investment be targeted to areas of greatest need and tailored to enable capacity increases in regional areas and not only metropolitan areas;
3. That policies which contribute to unaffordable housing such as negative gearing and other tax benefits, be wound back as a matter of urgency;
4. That more diverse housing options be provided and the barriers to achieving greater diversity (e.g. planning laws) be addressed;
5. That caps be placed on maximum rent increases per year as well as on the amount of rent that can be charged per m² of floorspace;
6. That the number of times a tenant can be offered a short-term lease on the same property be limited (unless the tenant specifically agrees to it);
7. That a living wage be considered as a policy option;
8. That income support payments be increased to bring people up from below the poverty line;
9. That rent relief eligibility and payment amounts be increased;
10. That an industry-based rental subsidy scheme be introduced;

and

11. That the cost benefits to local economies and communities be properly factored into considerations around income support and social housing investment costs.

Submission

Background Information

In addition to the CONC programs described above, each CONC member delivers a wide range of universal and other services in our own right. As a Consortium as well as individual providers we collectively provide at least 200,000 occasions of service to around 40,000 clients per year. The majority of these people are experiencing one or more vulnerabilities including homelessness or housing insecurity, family /domestic violence, substance mis-use issues, mental health issues and living with disability.

The overwhelming commonality experienced by the majority of people accessing our collective services is poverty and financial difficulties (at least 75%). The primary driver of this poverty is unaffordable housing costs. Increasing numbers of people, including working families, are experiencing severe housing stress, such that the majority of their income is being used to cover the costs of their rent or mortgages and they are unable to afford their electricity bills or to put food on the table.

We have been reporting housing stress for over twenty years and yet the situation only grows more dire each year that passes. Twenty years ago we rarely saw working families with mortgages – the spike in numbers of these people coming to us for support and to help keep their heads above water

is an indication of the depth of financial pressures being faced. We are also experiencing a growth in numbers of people living rough or sleeping in their cars, including working people and whole families.

We see the impacts of poverty in our services on a daily basis. Poverty leads to terrible outcomes in terms of employment, health, education and community resilience. Extended periods of poverty lead to loss of confidence and self-worth, deteriorating mental health, greater tendency to uptake substance misuse, loneliness and disconnection, and dislocation from their own communities.

The impacts of poverty amongst different demographics and communities

We are witnessing the trend of women aged over fifty becoming the fastest growing cohort of homeless people. The reasons for this include a lack of superannuation funds due to the impact of many years spent as the primary carer of children or family members, low home ownership due to relationship breakdowns including escaping family/domestic violence and also due to lack of funds, and the inability to compete in the overpriced rental market.

First Nations people are increasingly unable to afford to live on their own Country throughout our region, especially at the Coast. This heartbreaking reality only further entrenches the inequality and despair experienced by First Nations people. It is shameful that First Nations people are being forced off their own Country due to housing inaccessibility.

The lack of affordable housing also means our region is becoming drained of talent and people to work and volunteer in the sector.

The fracturing of communities because of poverty and housing crises means that long term relationships and connections are disintegrating, which is a major contributor to loneliness and despair.

How to address/reduce poverty?

Address the lack of affordable housing

As stated above, housing costs are one of the primary drivers of poverty. The unaffordability of housing must be addressed as a matter of urgency. For too long housing has been treated primarily as a trading commodity at the expense of providing a basic human need i.e. shelter. It is disgraceful that this is allowed to continue. Significant policy changes are needed to reduce the opportunities for property owners to benefit at the expense of people having a roof over their head.

There needs to be investment in public housing, not just social housing. When even couples with two incomes are struggling to find a home, we are in very dire straits indeed.

Policies which promote housing as an investment opportunity, such as negative gearing, must be wound back, or limited – e.g. limits placed on the number of properties in relation to which a property owner can access such tax benefits.

These policies are socially regressive and essentially operate as a back-door mechanism for taxing the poorest people in our society. Instead the tax system should be overhauled and more people who can afford it pay higher taxes.

Previous schemes such as the NRAS (National Rental Affordability Scheme) have done little to improve housing capacity in our region, as they are skewed in favour of huge greenfield developments with at least 1000 homes involved, which is not a feasible option in regional areas. There has been little investment into affordable housing capacity in the region despite the Northern Rivers region being identified as the area of highest need outside of Sydney for many years now. It would seem that the problem has worsened and now most regional areas are experiencing similar pressures.

Any housing affordability schemes or future investment needs to be targeted at areas of high need and also need to take into account regional issues and include measures that specifically support affordable housing capacity development in the regions.

The lack of diverse housing options is also a major problem, with few options for single person households or couples, and a lack of housing at entry level prices as a result. Housing developments favour large 3-4 bedroom and multiple bathroom homes which sell for more and also rent for more.

These homes are often poorly built in terms of sustainability and liveability, most taking up the entire block with almost no surrounding greenspace, black or dark grey rooves and high costs to heat and cool. People are going to cook in these homes, especially as temperatures continue to increase because of climate change. The death toll from heatwaves in Australia has exceeded that for any other environmental disaster, including floods, bushfires and cyclones. Yet we continue to allow the construction of homes which require significant cooling, something which people struggling financially are unable to afford.

Landlords have the unfettered ability to raise rents every time a lease is renewed. This encourages the practice of short-term leases and creates housing insecurity and high levels of stress and trauma for tenants. Rental increases should be capped at a maximum percentage per year, or the amount that can be charged per m² capped, and the number of times a tenant can be offered a short-term lease (e.g. 6 months or less) for the same property should be limited.

A well-functioning society allows for people from diverse backgrounds and abilities to live and work in every community. To push lower income people out of communities from which they are socially and culturally connected and may have lived for all of their lives or many years, risks creating communities that are bereft of diversity and the colour and connections that diversity enables.

What is happening in fact is that people on lower incomes are being forced further and further away from where their social and cultural connections are located.

Industry-based rent allowance/subsidy scheme

The lack of affordable accommodation in our region is contributing to significant labour shortages. This is reducing the capacity of service providers to deliver frontline services which address poverty and its causes.

Income support – a universal base income

The introduction of a universal base wage/income payment could go a long way to supporting people to maintain certainty and security if they are unable to work for whatever reason for any length of

time. Basic Income Australia (BIA) is a grass roots organisation of volunteers dedicated to working towards the goal of making a basic income a reality in Australia. The aim of the proposal is to have a UBI paid to all adult Australian residents, at or above the Henderson Poverty Line by 2030. The policy is designed to eliminate systemic poverty, provide an effective wage rise for low-paid workers (without creating cost-push inflation), and provide a new tool to dynamically balance the labour market.

BIA suggests that a UBI could be implemented without changing our tax/welfare systems, increasing tax rates or debt, taking from other programs, negatively impacting welfare recipients, or causing excessive inflation.

Income support increases

Rent assistance needs to be increased if people are to maintain their tenancies.

Income support also needs to be increased. It is impossible for people to lift themselves out of poverty if they are barely able to survive.

Increases to eligibility for health care cards and family support allowances would also assist to relieve some of the pressure.

We note that income support of this nature goes straight back into local economies. People receiving these supports spend almost every cent in local communities on food and rent etc thereby contributing to local economies. This cost-benefit needs to be factored into considerations around the costs of income support in a more meaningful way.

Please do not hesitate to contact me with any queries you may have.

Yours sincerely

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On Behalf of the Consortium of Neighbourhood Centres Far North Coast

(Kyogle Together, Mid Richmond Neighbourhood Centre, Mullumbimby and District Neighbourhood Centre, Nimbin Neighbourhood and Information Centre, Pottsville Beach Neighbourhood Centre, South Grafton New School of Arts Neighbourhood House).