

Rebuilding NSW Together

Tackling rising inequality in the wake of COVID-19 and positioning NSW for economic and social recovery

NCOSS 2020/21 Pre Budget Submission (updated)





INTRODUCTION

COVID-19 has sent shock waves through the economy, hundreds of thousands have lost their jobs and levels of disadvantage in our community have risen substantially.

The NSW economy is forecast to shrink by around 10 per cent of GDP this quarter alone.¹ Data from the ABS shows that job losses are concentrated in less affluent areas and impacting particular cohorts more significantly,² meaning the recession will heighten existing inequalities.

From previous economic downturns we know that recessions can lead to long term 'scarring' on individuals and communities. A strong social services system, appropriately targeted and resourced, can mitigate this, along with targeted economic stimulatory measures which support jobs and the most vulnerable.

This updated PBS identifies five immediate actions for the NSW Government to aid our social and economic recovery, preserve jobs and prevent widening inequality across the state.

Initiatives already implemented by the NSW Government to address some of the immediate challenges posed by COVID-19 have been positive and have kept vulnerable people safe. This has been done in partnership with the community services sector, demonstrating its value in providing essential services through a skilled and caring workforce at the frontline.

This PBS builds on the response to date, premised on the belief that solutions to long-standing problems are possible and deliver both social and economic benefits. Collaboration is the key – together we can rebuild NSW.

¹Equity Economics (2020). Supporting Economic Recovery in NSW: investment in social and affordable housing is critical to supporting jobs today and families into the future

²Grattan Institute (2020). Job Losses caused by COVID 19, electorate by electorate

OUR PRIORITIES IN SHORT

To stem rising disadvantage in the wake of COVID-19 and support NSW social and economic recovery, we ask that the NSW Government implement the following five actions to address immediate priorities:

A social and affordable housing boom to protect jobs

1. Build 5,000 additional units of social housing every year for the next ten years and invest \$500 million in an expanded repairs and maintenance program for existing social housing stock to support jobs in the construction industry and vulnerable people into housing.

Targeted supports to protect vulnerable people from further adversity

2. Support women and children to leave violent households and avoid homelessness by increasing funding to specialist homelessness services by 20%.
3. Install health-led multidisciplinary outreach teams on two public housing estates as demonstration projects to improve care, support and coordination for public housing tenants and ease the burden on hospitals, homelessness services and the justice system.
4. Establish a Resilient Communities: Support and Connect fund to enable smaller, locally based NGOs and community groups respond to demand, reach out to those at risk and aid community well-being and recovery following disasters.

Greater funding certainty to support essential community services

5. Address immediate service viability risks by: setting indexation at 3%; providing access to funds to cover one-off COVID costs; delivering funding certainty and continuity through five-year contract terms; and implementing the recommendations of the Review into Disability Advocacy in NSW.



1. Fast-track investment in social housing infrastructure to provide jobs and affordable, secure and livable homes across NSW

With COVID-19 changing how many of us live, work, travel and access services, now is the time to rethink infrastructure priorities and support jobs in affected sectors. The NSW Government has an enviable track-record when it comes to delivering significant infrastructure programs – new roads, upgraded hospitals, metro lines, light rail projects and schools have been hallmarks of the last ten years.

The time is right to include housing as a priority in infrastructure spending – supporting jobs in the construction industry and safe and secure homes for our most vulnerable citizens.

Pre-COVID, the chronic shortage of affordable housing across the state meant a wait list for social housing of at least 50,000 and 231,000 low income households paying more than 30% of their income in rent. The pandemic is expected to drive down house prices and rents for some – but affordability will remain beyond the reach of most disadvantaged households.

As well, Australian Bureau of Statistics construction activity data from the June quarter shows residential construction work fell for the eighth consecutive quarter and is down 12.1 per cent over the year³.

The Reserve Bank of Australia (RBA) has called on states to commit to an ambitious two-year spending surge to lift the economy out of recession, on the basis that state budgets are well-placed to take on more debt at this point in time. Housing is included on the RBA list of priority projects for infrastructure spend. This is supported by industry groups and economists.⁴

Social housing is a prime candidate because it is 'quick-to-market', labour-intensive and reaches beyond metropolitan boundaries into regional areas.

As one leading economist puts it "If you're not going to take on debt at this point of the economic cycle, when will you? Spending money now will save us from a more painful recession over the next few years."⁵

Modelling undertaken on behalf of NCOSS and housing and homelessness peak bodies identifies that building 5,000 more units of social housing and investing in an expanded maintenance program for existing stock will:

- Support the most vulnerable, including those experiencing homelessness and domestic violence
- Stem rising homelessness which will otherwise increase by between 22.8 and 46.5 per cent at a cost of between \$218 million and \$445 million each year;

- Bolster employment in the residential construction sector by creating 18,000 jobs across NSW
- Optimize use of poorly maintained existing social housing stock by providing healthy homes and creating 4,200 jobs in the process

Speed of delivery should not compromise design – ensuring housing is environmentally sustainable, accessible and culturally sensitive will be critical. It is also an opportunity to apply a social procurement approach, supporting social enterprise, skills development and jobs creation in disadvantaged communities.

Action 1

Build 5,000 additional units of social housing every year for the next 10 years; and invest \$500 million in an expanded repairs and maintenance program for existing social housing stock.

Premier's Priority:

Reducing homelessness

State Outcome:

Provide a safe and affordable place to live

³ABS, August 26 2020 - <https://www.abs.gov.au/ausstats/abs@.nsf/mf/8755.0>

⁴Sydney Morning Herald, August 21 2020 – States urged to spend another \$40b in reserve bank call on jobs.

⁵Sydney Morning Herald, August 23 2020 – Call for states to act fast on infrastructure splurge.

2. Keep vulnerable groups safe and protected from further adversity

Women and children experiencing domestic violence

In NSW, crisis accommodation remains a critical, first-order response for those in fear for their safety, and needing to flee their home with nowhere to go. For 2018/19 homeless services across NSW saw over 73,000 clients - 27% more than they were funded to support - with the largest group being women and children escaping domestic and family violence. But data from the Australian Institute of Health and Welfare indicates that at the end of their support period, almost 40% of this group were lacking permanent housing.⁶

A recent survey of 15,000 Australian women found nearly one in twenty suffered physical or sexual abuse from their current or former partner between March and May. Nearly one in eight reported experiencing at least one form of emotionally abusive, harassing or controlling behavior. For many women, the pandemic coincided with the onset or escalation of violence and abuse. Potential contributing factors identified were:

- Victims and offenders spending more time together
- Increased social isolation and decreased social movement
- Increased situational stressors e.g.: financial stress and job insecurity
- Increased alcohol consumption by perpetrators.⁷

The survey highlighted that many women were unable to seek help because of safety concerns, with barriers particularly experienced by those subjected to more serious abuse.

Fast tracking a social housing infrastructure program as set out in Action 1 will assist vulnerable women and children across NSW to leave violent relationships, avoid homelessness and regain their lives. But bolstering crisis accommodation provided by Specialist Homelessness Services (SHSs) – already stretched beyond capacity – is also critical to ensure an immediate escape, a safe landing place and essential support.

By itself, this will not prevent sexual, domestic and family violence. More fundamental systems change is required and the NSW Women's Alliance has developed a suite of recommendations over 6 areas of law and policy to achieve this end.⁸ It would however meet an urgent need and address a glaring shortfall that will only worsen as the impacts of the pandemic continue. It is an action the NSW Government can take now.

Additional funding to the specialist homeless sector will also address gaps in the system for other priority groups who can be impacted by domestic and family violence – such as Aboriginal people and young people – and for whom culturally appropriate and tailored responses are required.

Action 2

Increase funding to the SHS program by 20% so that providers can expand provision of essential services and support to women and children leaving violent relationships, and other priority groups at greatest risk of homelessness.

Premier's Priority:

Reducing homelessness

State Outcome:

A safe and affordable place to live

⁶Australian Institute of Health and Welfare (2019). Specialist Homelessness Service annual report 2018-19.

⁷Australian Institute of Criminology Statistical Bulletin 28 (July 2020). The prevalence of domestic violence among women during the COVID-19 pandemic.

⁸NSW Women's Alliance. <https://www.safensw.org.au/>

2. Keep vulnerable groups safe and protected from further adversity cont.

Public housing tenants

As at June 2019, there were 101,217 households in public housing managed by the NSW Government, including 4,434 households in Aboriginal housing.⁹ Public housing estates are vibrant, diverse and culturally rich communities.

But they have been neglected. Housing is often cramped and outdated; buildings are old and poorly maintained. Tenants dealing with serious challenges – such as significant mental health issues – can be left to grapple alone, impacting quality of life for them and those nearby. For others, health problems, social isolation and poverty are their daily reality.

Pre-COVID, social housing tenants experienced the highest rate of poverty of any housing tenure across NSW, at 53.4%.¹⁰ Nationally, people with disability are four times more likely to rent from a state or territory housing authority.¹¹

The NCOSS Cost of Living survey undertaken in 2019 found that over one third of people living in social housing had been unable to heat or cool their home, gone without meals, pawned an item for cash, or not paid electricity, gas, internet or telephone bills on time in the past year.¹² While the Jobseeker supplement has no doubt provided relief for many from these grim circumstances, it is only a temporary reprieve.

These issues have long been hidden in plain sight. COVID-19 is throwing them into sharp relief, and shining a light on the missed opportunities:

- The multiple agencies interacting with households on maintenance and tenancy matters but over-looking, or not responsible for, health and well-being concerns;
- Local NGOs with long established connections doing what they can to provide support, practical assistance and access to a fragmented service system, but not funded to do so;
- The existence of federally funded aged care, NDIS, mental health and chronic health care packages for which many would be eligible but for lack of support to navigate complex, disparate service systems;
- The absence of timely intervention and support for those dealing with escalating mental health and other challenges, resulting in often devastating outcomes for the individual, their family and friends and increased burden on the hospital, homelessness and justice systems;
- Households unable to benefit from recent developments in telehealth and other online services or to stay connected with family and friends because of insufficient access to technology and related skills.

The success of the Sustaining Tenancies in Social Housing program – enabling homeless services to provide support to people with complex needs at risk of homelessness – is acknowledged and the recent announcement of its expansion to further locations is welcomed.

Our proposal builds on this to promote the health and wellbeing of public housing tenants by working holistically to facilitate timely access to care, support and community activities. The establishment of health-led multidisciplinary outreach teams for public housing estates involving allied health and community workers will facilitate: proactive engagement with households and individuals experiencing a range of vulnerabilities; joined-up approaches across government agencies, local NGOs and community groups; holistic assessment, provision of care and follow-up support; and the delivery of initiatives to promote social inclusion, connection and mental well-being.

⁹DCJ Quarterly Statistical Report social housing delivery Apr-Jun 2019. <https://public.tableau.com>

¹⁰Vidyattama, Y., Tanton, R., and NCOSS (2020). Op cit

¹¹Ibid.

¹²NCOSS (2020). Cost of Living in NSW – Austerity hits home

2. Keep vulnerable groups safe and protected from further adversity cont.

A flexible funding pool will be key to enable the engagement of 'system navigators' to facilitate access to appropriate care packages; collaboration with local NGOs to develop support initiatives to meet needs and build social inclusion; and provision of technology and skills building for identified households.

Testing this approach through demonstration projects at two sites - co-designed via collaboration between NSW Health, other agencies, local communities and NGOs - will allow it to be refined and adapted for scale-up and roll-out across public housing estates throughout NSW.

Action 3

Establish demonstration projects on two public housing estates, comprising health-led multidisciplinary outreach teams of allied health and community workers to provide:

- Improved care coordination, social support and connection for public housing tenants
- A coordinated approach to the provision of essential health services and other supports
- A single holistic initial assessment process and identified referral pathways across agencies
- A flexible funding pool to engage 'system navigators' for those with more complex needs to ensure an appropriate care package
- The same flexible funding pool enabling provision of technology and skills building to improve digital connection for tenants; and the development of other social support programs in response to identified need.

Premier's Priority:

Improving outpatient and community care

State Outcome:

Building inclusive communities

2. Keep vulnerable groups safe and protected from further adversity cont.

Communities impacted by multiple disasters

Many communities in NSW are still recovering from the 2019-20 bushfire season. At least 5.3 million hectares (6.7% of the state) were burnt as of 28 January 2020.¹³ The bushfires also affected areas in NSW that were already experiencing high levels of economic disadvantage.¹⁴ As the recently released report of the NSW independent bushfire inquiry has found, extreme fires and fire seasons are likely to become more frequent.¹⁵

These same communities are now dealing with the COVID-19 crisis; some have also had recent flooding. Not only do these crises exacerbate pre-existing disadvantage and vulnerabilities, they have also led to a newly-emerging and growing population of people experiencing hardship and disadvantage.

During recent consultations undertaken by NCOSS across NSW, we heard of communities still impacted by trauma from recent natural disasters and experiencing further duress from COVID-19; and of a highly strained service system frequently in crisis mode and struggling to cope with rising demand.

Smaller organisations and voluntary groups with long established connections to their communities spoke of being there for the long haul; and continuing to provide support long after disaster recovery specialists have vacated the scene.

They highlighted their inability to raise funds through traditional sources (such as fund-raising, donations and sponsorship) because of the pandemic; juxtaposed against rising community disadvantage and the ongoing need for support.

A study conducted on the impacts of the 2009 Black Saturday and related bushfires found varied and coexisting approaches to recovery in individuals and communities.¹⁶ It highlighted the importance of family, friends, community groups and local connections in aiding recovery and wellbeing, and that these 'informal' mechanisms can be more influential than formal psychiatric or psychological services.¹⁷

Local community organisations and voluntary groups can provide accessible, non-stigmatising support, they can help build social connections and a sense of agency in community recovery, and they can act as a soft entry point to the broader service system. At a time of heightened uncertainty giving rise to increased anxiety and distress, this role needs to be acknowledged and strengthened.

However organisations also report that many months of multiple crises are impacting on staff and their ability to 'stay the course'. They have highlighted the need for and benefit of increased professional support and other initiatives to improve workforce resilience and wellbeing.

Action 4

Establish a Resilient Communities - Support and Connect Fund to enable smaller NGOs and local groups embedded in their communities and dealing with the aftermath of disaster to:

- Expand existing offerings to meet spikes in demand
- Undertake targeted outreach to connect with people who are most vulnerable and at risk of slipping through the cracks
- Develop new, tailored offerings in partnership with the community that build connections, facilitate recovery and promote resilience
- Provide training, resources and professional support to staff to support their well-being

Premier's Priority:

Towards zero suicides

State Outcome:

Building inclusive communities

¹³NSW Department of Planning, Industry and Environment 2020. Understanding the impact of the 2019-20 bushfires.

¹⁴NCOSS and NATSEM (2020). Economic disadvantage in bushfire areas.

¹⁵Owens D and O'Kane M. (2020). Final report of the NSW Bushfire Inquiry.

¹⁶Bada Math S et al (2015). Disaster management: mental health perspective, Indian Journal of Psychological Medicine vol.37

¹⁷Gibbs L et al (2016). Beyond Bushfires: Community Resilience and Recovery Final Report. University of Melbourne.

3. Support the ongoing provision of essential services by ensuring a viable social and community services sector

During the pandemic, the value of the community services sector in providing essential frontline support has been proven. Services have responded quickly to find new ways to operate, keep clients and staff safe and plug emerging gaps.

As well as providing essential care, the industry is a significant economic contributor and employer in NSW. Its paid workforce matches the size of the Australian retail sector and makes up 12.5% of the NSW workforce. Employment in the sector has grown by over 24% in the last five years.

But the sector faces heightened challenges from COVID-19. A financial health check of 16,000 non-government organisations across Australia has found that many were already struggling before the pandemic. If income were to drop by a further 20%, 88% of NGOs would make a loss, 17% would risk becoming financially unviable in the short term and 200,000 jobs would be placed at risk.

At the same time, rising unemployment and disadvantage are contributing to increased demand, with most service providers already being 'over-subscribed' with no spare capacity. Many are struggling to cover the costs of cleaning, hand sanitizer, additional computers and other requirements necessitated by COVID-19.

For some, there is the added uncertainty of short term contract extensions and lack of clarity as to future arrangements for critical programs, including Transitional Advocacy Funding Supplement (TAFS – funding for disability advocacy services), Family Preservation, Specialist Homelessness Services and the Statewide Peaks Program. During these difficult times, people with disability in particular deserve the assurance of a secure and adequately resourced statewide advocacy program. The NSW Government's review of TAFS, undertaken by the Ageing and Disability Commissioner in 2019, provides a clear roadmap for the future.

Investment in, and support and certainty for, the female dominated community services industry will keep women in jobs, bolster regional economies and strengthen the social safety net.

Action 5

Address immediate risks and support the ongoing viability of essential community services:

- Set adequate indexation of at least 3% to meet minimum wage increases and other cost of service increases and to make up for past inadequate indexation;
- Ensure at a district level, that there is access to flexible funding on an 'as needs basis' to enable NGOs to meet the extraordinary costs associated with COVID-19, including additional technology, PPE, increased cleaning, and contingent workforce needs.
- Provide funding certainty and continuity for essential services that meet performance requirements and standards via five year contract terms
- In consultation with the disability community, implement the recommendations of the Review into Disability Advocacy in NSW undertaken by the Ageing and Disability Commissioner to provide people with disabilities across the state access to a secure, adequately resourced and co-designed advocacy program.

¹⁸ABS (2017). Healthcare and social assistance our largest industry. Media Release 23 October.

¹⁹Australian Government (2019). Labour Market Information Portal: Health Care and Social Assistance.

²⁰SVA and CSI (2020). Will Australian charities be COVID-19 casualties or partners in recovery? A financial health check.

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