

Tracey Hoolachan Submission to the Inquiry on Homelessness

8th June, 2020

Committee Secretary
House of Representatives Standing Committee on Social Policy and Legal Affairs
PO Box 6021
Parliament House
Canberra ACT 2600

Dear Sir/Madam

Re: Submission to the Inquiry into homelessness in Australia

Thank you for the opportunity to make a public submission to this inquiry.

Recently as a carer, then student & now a disabled wheely there have been many times I've faced the real possibility of being close to homeless myself.

My work history includes 4.5yrs at HIA (Qld) Division, a period as Manageress of the Housing Advisory Inspection Service for HIA Qlds preferred arbitrator at that time and many years working for builders and subcontractors.

I have no personal or family financial interest in any of the suggestions made herein.

I look forward to your future advices.

Yours faithfully

Tracey Hoolachan

Overview

Sections 1-3 offer a quick summary of the last 75 years of homelessness. The points have been expanded so many multiple times I typed them from memory. The real Inquiry should be on why the same ground with the same political parties is covered so regularly. As you can see, I'll be pulling no punches. To be blunt, unless APH is not already aware, they are so much on the nose of Australians there just isn't the time for niceties. What's gone on has been a disgrace? I do however, in Section 4 offer a solution to homelessness, that may actually save Govts all levels money in the long term with little outlay. Embraced it offers a real opportunity for economic stimulus & an opportunity to rebuild Australian manufacturing & a practical manual skill base that may benefit other industries.

1. The incidence of homelessness in Australia

1.1 In 1943-1946 The Australian Govt made a deal with its people, in exchange for a 7.5% tax bracket adjustment a National Welfare Fund to cover health and welfare would be established. It's continued to renege on the deal ever since. It included protection for homelessness. Instead of doing its job, more work has been done creating a web of Acts & Legislation to hide the continued collection of that additional tax. The Funds were moved from a Trust A/c to the Consolidated Revenue A/c, but I've yet to see evidence of any period in history where all tax brackets were reversed back ceasing its obligations to citizens.

1.2 This possible "whittling" down of provisions by future politicians was determined by its bi-partisan creators to be a "breach of trust". We've been "whittled", robbed by Robo-debt, & turned into Work for the Dole slaves what would they call the duopolies actions?

This Act is no longer active. Note the Nat Welfare Fund again. Prevention of & care of the Homeless is a pd entitle. The tax \$'s have been collected into the Consolidated Revenue Fund since 1950 when Liberals took our Health & Welfare \$'s out of a Trust A/c.

<https://www.legislation.gov.au/Details/C2004A00204>

HOMELESS PERSONS ASSISTANCE ACT
1974
No. 148 of 1974

1974 *Homeless Persons Assistance* No. 148

(4) A delegation under this section is revocable at will and does not prevent the exercise of a power or the performance of a function by the Minister.

17. Payments under section 5, 6, 7 or 8, and advances on account of payments under that section, shall be made out of moneys appropriated from time to time by the Parliament for the purposes of that section. Appropriation.

18. Payments under section 9 or 10, and advances on account of payments under that section, shall be made out of the Trust Account established under the *National Welfare Fund Act* 1943-1952 and known as the National Welfare Fund. Moneys to be paid out of National Welfare Fund.

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Not Charity.

Benefits under the National Welfare Scheme are not in any sense, therefore, to be looked upon as a charitable dole; all have contributed to the Scheme according to their individual capacity.

The Commonwealth Government's National Welfare Scheme of Social Security is thus as financially sound as, and even fairer than, the best schemes based on the social insurance principle or the flat-rate social security tax. The National Welfare Fund has been duly set up by Parliament and is as sacrosanct as the New Zealand Social Security Fund or the social security fund with which Sir William Beveridge proposes to finance his plan.

Every man and woman who pays direct or indirect taxes and contributes his or her labour to the nation's well-being, as opportunity allows, has an indefeasible right to the social security provisions of the National Welfare Scheme. Deprivation of those rights or whittling down of the terms of those provisions would be a breach of trust with the whole Australian nation.

Source:-

<https://viewer.slv.vic.gov.au/?entity=IE6856427&file=FL17115460&mode=browse>

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1.3 A home should by no-one's definition ever be a temporary charity shelter or the streets. A home should equate to permanence. Others will address the rise in numbers of homelessness. I'm simply going to remind the Commonwealth government that if was doing its job there would be NO inquiry or latest numbers to tally. I'm going to point out, because those underfunded charities will be too fearful of grant repercussions from a totally distrust worthy APH that it is your job to get the no.'s. What has gone on for nearly three-quarters of a Century has been a national disgrace.

2. Factors affecting the incidence of homelessness, including housing-market factors

2.1 Gross underfunding of Newstart, Pensions and insufficient social housing or affordable private housing.

2.2 Local Council & State Governments snobbery that refuse to fairly acknowledge homelessness is a problem for political benefit. It is not acceptable that any level of Government should be empowered to create a financial caste system by enabling developer covenants that lock people out of access to all areas within a State zoned for housing. It is also not acceptable that 3 generations can live in one house, but a block of land the same size as that house sits on can't be used for 3 small dwellings in every area.

2.3 All levels of government need to wise up that we are a country of disasters - cyclones, fires & floods. More often than not we have warning of those disasters. A home on wheels that can relocate to avoid those disasters in the long term saves insurance costs for everyone. Real thought should be given to encouraging a more acceptable, but transient existence in light of our country's environment. Currently some State governments restrict the time in caravan parks, but fail to provide long term alternatives. The old shanty town mentality needs to be driven out when farming mid COVID19 could not get workers.

2.4 Overpriced rentals that have resulted from a reserve bank that's continually regulated the economy by using higher interest rates than other countries.

2.5 The application of 10% GST on building products.

2.6 A badly regulated foreign ownership register & low Australian dollar driving up house prices.

2.7 Insufficient single bedroom self-contained dwellings. The cost of walls on floor space to change a dwelling from a single to a 2-bedroom dwelling is minor, but reaps a disproportionate financial reward in the sale price.

2.8 A high incidence of divorce. A lower priority on social housing waiting lists for single people.

2.9 Older women who were discouraged from working or have suffered inequity in wages retiring poor.

2.10 A country on stumps & an aged population in wheelchairs or mobility affected.

2.11 An increase in the severity of natural disasters eg bushfires.

2.12 Artificially protecting rental investors with things like negative gearing instead of investing in social housing. What I notice whenever I see solar grants is that they are always aimed at home owners. This unfairly disadvantages renters financially as few older properties ever have solar installed. Why isn't that negative gearing subject to rental properties being solar powered hot water or energy?

2.13 The aging population as it relates to housing availability. When the aged population passes on there will be an oversupply of housing which will result in a property value crash.

3. The causes of, and contributing factors to, housing overcrowding

3.1 People now in their 50's that bought their homes suffered the 1990's recession we really didn't have to have and had their mortgages foreclosed by unregulated banks. They've been locked out of home ownership & lending ever since. They're still juggling rental homes and intermittently living in Grandma & Grandpa's home when nothing is available.

3.2 Duopoly governments have failed the care of the aged in their homes and in residential homes (yet another National Welfare Fund non-provision). That failure means residences designed for one family may see 2 generations as full-time care duties are took on by families.

3.3 People have been locked out of home ownership, because wages have been kept too low, too long. The rise of robotics, reduction of manufacturing & contract casualised employment all while paying high rent affords little to no chance of ever amassing a home owner deposit nest egg. The contract casual jobs' existence is encouraged by Government funding. Instead of offering one time only grants to businesses or setting claim limits for grants of once in three (3) years their finite terms of funding of months encourages non-renewal of contracts & hire of a new batch of casuals for more grants. The periods in between those spasmodic employment terms for most is supplemented by a Newstart that is set so low that unless you save every spare cent you get while employed you cannot possibly survive when you are not. So bad is the welfare rate that Government created a ridiculous additional COVID19 supplement to hide how bad it has been to the now larger essential unemployed.

3.4 Mum and dads' offspring add a third generation to the single-family residence. Youth unemployment is paid less than even Newstart. Despite mum and dad doing juggling acts with casual jobs, unrealistic Newstart and high rentals, they are deemed to be in a position to support financially the underpayment of youth unemployment benefits. They are not! Whenever the question of the abominable low rate of Newstart arises, the youth are the punchbag threatened with 6 month waits for any benefits at all. Saying it like it really is, our duopoly Government has collectively destroyed the manufacturing industry and killed the retail industry with free trade into Australia for any country that wants to pay workers an unlivable wage and give a high paid seat at a rort table for ex polities. Those that we have paid to serve us have done nothing but serve their own interests & the pinnacle is the COVID19 for mining and coal seam gas interests that offer us few jobs but got them both their electoral funding. Even now after people have marched across streets the message has not gotten through to government how angry Australians are as they are backtracking on promises of support. Our politicians are doubling over backward to incite a population of rioting citizens, because they want to be able to strip and thief even more off our welfare to divert more to Defence to save their own necks.

3.5 Most people do not have a home owners deposit nest egg, they have a survive homelessness nest egg. Rents are high because our mortgages are high. Considering the amount of available land in Australia, house prices are ridiculously high compared to the rest of the world. That message doesn't seem to have got to DHS as the rent subsidy is set unbelievably low at \$124.60 per fortnight. I think one of the days I was more disgusted than usual with APH was when I realized DHS has been buying up properties using the Social Security budget (our welfare) to house themselves. If on what is deemed full-time wages there is a problem with housing what hope do people have on a grossly below poverty line welfare. Where has been the Government addressing that? Where has been the Opposition we also pay for raising that? More than half of the combination of Newstart and rent allowance goes on rent. At \$124.60 singles would definitely have to share to be able to afford a roof over their heads.

<https://www.servicesaustralia.gov.au/individuals/services/centrelink/rent-assistance/how-much-you-can-get>).

4. Planning a solution & not just another Inquiry Response

4.1 What is the need?

- 4.1(a)** What is needed is not more of the same, but a new tier of housing that does not affect the equity in the one we already have.
- 4.1(b)** Rather than aimed at families, aimed at singles whose removal from the existing housing pool will reduce overcrowding in existing dwellings and increase the availability of rental properties for larger families within the existing rental market.
- 4.1(c)** Long-term flexible housing that can move with the need of residents, but offer permanence.
- 4.1(d)** Low or no cost for Government budgets.

4.2 What other considerations should be given?

- 4.2(a)** The need to retain the solidity of the existing property market values.
- 4.2(b)** Size of existing dwellings so any other homes fill market gaps, but don't compete with the existing market.
- 4.2(c)** The aging population.
- 4.2(d)** Locations to suit needs.
- 4.2(e)** Community acceptance.

4.3 Building that long-term Home

4.3(a) Finance

- **4.3(a)(i)** Government funds charities to address homelessness. Removing that permanent need would reduce dramatically the grants needs of same.
- **4.3(a)(ii)** Government already funds rent allowance for welfare recipients. At the current rate of rent assistance \$124.60 for a single person this equates to \$3,239.60 per year. **\$25,916.80 for 8 years.** Many people on welfare are likely to be on this longterm eg. many disabled and people over 50. In light of COVID19 and the very real possibility we are heading into a depression the likelihood these groups will be longterm unemployed for well over 8years is very real. It is therefore advantageous for the Government to consider longterm options that will remove the need for rent assistance long term.
- **4.3(a)(iii)** Currently interest rates for mortgages is 3.18%. Bank interest Commonwealth Bank \$20,000 – \$49,999 is almost nothing at 0.01% & smaller amounts 0%. With interest rates so low at banks a government securing housing bonds would see very real interest in the current market place. Showing that the \$20,000 has the potential to earn a whole lot more is key. Over 8years \$20,000 fixed term could be offered with 3% interest giving a \$4,800 interest return. When you consider initial administration fees on mortgages are based on valuations/inspections (unnecessary on standard design ranges for mobile dwellings), credit checks (unnecessary if the Government is making repayments direct instead of rent assistance), stamp duties (unnecessary if waived by State Governments as it addresses their homelessness issues), insurance (secured by repayments deducted from benefits) with consideration actual administrations for a Government scheme could be very minimal, but allow \$500.
- <https://www.ratecity.com.au/term-deposits/calculator?minimumDeposit=20000&minimumTerm=96&interestRate=3>

- **4.3(a)(iv) Solution** - A Government funded rent to own. At all times until the dwelling cost has been fully expunged the property remains in the ownership of the Government as an asset securing the housing bonds. After 8years the dwelling, becomes the owned property of the resident. The resident can still receive rent assistance during the term of tenancy, but that rent assistance is applied in full to the bonds. House insurance is deducted from benefits by Government. Should the resident get a job in the interim the same rate of repayment/insurance can be applied from either their wages or their superannuation. At the end of that 8 years Federal Government reaps the benefit of needing to pay no more rent assistance unless the property becomes derelict.

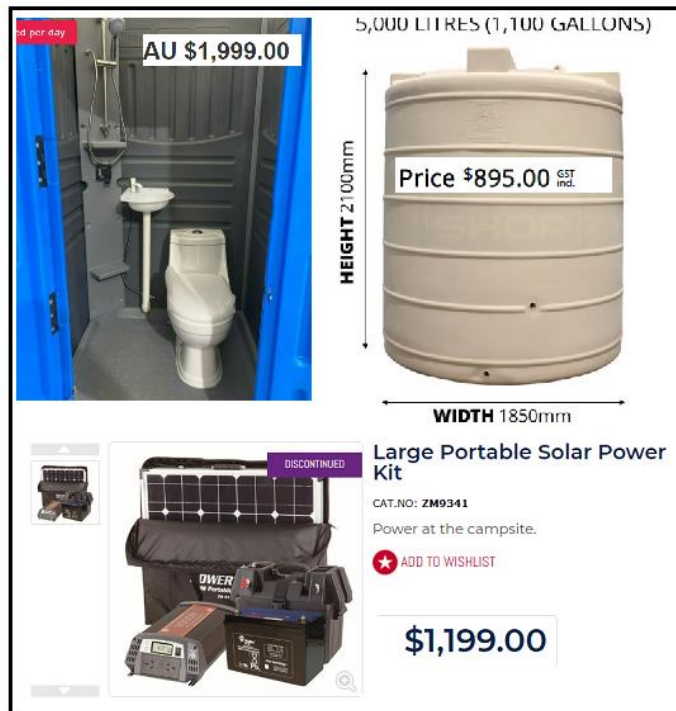
4.4(b) What kind if a Dwelling Can \$20,000 buy?

- **4.4(b)(i)** This is insufficient to fund a brick & tile home.
- **4.4(b)(ii)** A caravan could be purchased second hand for this price however this relies on availability & does not encourage the economic business stimulus that new would encourage.
- **4.4(b)(iii)(I)** A trailer boosts local steel manufacturing and iron ore mining. On the net today in Qld and I'm sure other States would have similar a brand-new premium double axle \$2,299 (Superior Trailers Rocklea). Put with a custom tent style trailer conversion kit also available in Qld for \$4,990 (source Kedron Caravans), portable gas stove & access to electrical power, communal toilets & shower facilities an ideal option for temporary accommodation at less than \$7500.
- **4.4(b)(iii)(II)** Whilst they do not offer good long-term accommodation because of long term climate conditions, consideration should be given for each State having a supply of these for emergency accommodation. They could be purchased & placed on Council caravan parks, where they can be rented as holiday accommodation & deployed quickly in an emergency simply by towing them to wherever.
- **4.4(b)(iii)(III)** They would also afford a good in between place in caravan parks for domestic violence victims & their families. Most Council carparks have facilities for children & the holiday locations makes for an easier transition.



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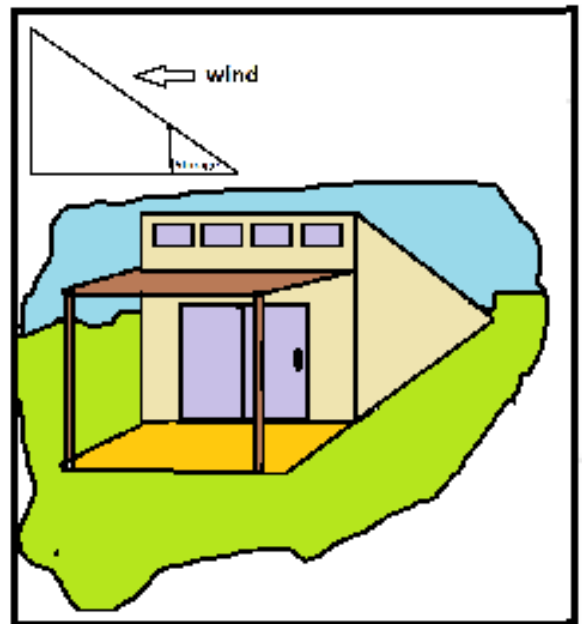
- **4.4(b)(iv)(I)** Tiny Houses - hands down offer a more visually appealing residence for permanent placing in communities wanting to sustain existing property values.
- **4.4(b)(iv)(II)** The construction materials also offer better interior climate control.
- **4.4(b)(iv)(III)** There are a number of Tiny House kits currently on the market within Australia easily located on eBay that offer a presentable accommodation delivered for less than \$10,000 in kit form. Adding portable solar power, septic/portable plumbing & water tanks these could feasibly come in well below the \$20,000. The difference could be placed in a trust account to allow for possible future relocations.



- **4.4(b)(iv)(IV)** Kit assembly, plumbing & electrical could be combined as TAFE pre-apprenticeship courses or a new ticketed subcontractor level for a fourth level of the construction industry. The aim being to create a new trendy housing market that doesn't reduce existing property values around it. Always niche by its size.

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- **4.4(b)(iv)(V)** This link on You Tube suggests parts of construction could be used as therapy for some disability conditions. <https://www.youtube.com/watch?v=bDgCxTv61eY> .
- **4.4(b)(iv)(VI)** Where to put tiny houses? All across Australia, Councils & State Governments are holding vacant blocks. They may be held for future expansion of infrastructure such as roads and rail. When you consider these are dwellings that are designed for single users and not families with young children the proximity to rail lines & major roads is not an issue from a safety point of view. The small size enables them fitting into many locations.
- **4.4(b)(iv)(VII)** Future expansion would require Govts to clear & level the land. If this was done now & tiny house owners had the onus of land maintenance this would save Councils the cost of maintaining the land long term. Sites near infrastructure may also afford Councils/State Govt another layer of security & result in reduced vandalism. Encouraging the redirection of grey water from the properties showers to nearby Council gardens could save water resources & beautify Councils. Councils could apply a fee of e.g. \$50 per fortnight for rates incl of rubbish & access to facilities e.g. libraries. Local businesses of course have the benefit of increased custom. This could be a bonus for rural Councils experiencing COVID19 picker recruitment and tourist custom shortage hell.
- **4.4(b)(iv)(VIII)** Placing tiny houses of care needy in close proximity e.g. aged pensioners makes fulltime care management easier as less relocation time/travel costs between clients.
- **4.4(b)(iv)(IX)** After 8 years the tiny houses become the titled property of welfare residents. This means Commonwealth Govt saves on rent subsidy thereafter.
- **4.4(b)(iv)(X)** I've seen a variety of sheds now constructed with plastics. I believe if the toxicity of long term living within a plastic residence was tested safe thought could be given to Council recycling plastics for residences which could save rubbish removal costs. With appropriate designs Councils could actually become the local manufacturer of materials for the builds. The plastic dwellings would also be an easy clean option for flood prone regions. The advent of minimalism affords the opportunity to embrace designs that could achieve a high cyclone rating. I recall a MythBusters episode where a jet engine was fired up and the co-star was protected by the design of shelter (<https://www.youtube.com/watch?v=veMmuTPiHkI>). Reconsidering the old A frame kit house could be a solution for cyclonic regions.



In Conclusion

I see plenty of big solutions that get bigger & more expensive and never come off or address the needs of a few while ignoring the many. My suggestion is a small one. A tiny one. From little things big futures grow.