



Midlas

Building Resilient Communities

2019

Pre-budget

Submission

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Midlas

Our Vision is:

Building Resilient Communities

Our Mission is:

We partner with individuals and organisations to promote independence, strength and wellbeing in our community through support, advocacy and education.

Our Values are:

Caring for People

Developing Partnerships

Supporting our Community

Midlas is a Community Legal Centre based in Midland providing services to people throughout the north east region of Perth. Supporting people in our community for over three decades, Midlas has a long-standing strong commitment to improving lives. Midlas currently offers services in six key areas: financial counselling; emergency relief; family and domestic violence legal services; tenancy advocacy; disability advocacy; and community education. These services are funded by State and Commonwealth Government; Lotterywest; and Public Purposes Trust. All Midlas services operate through raising awareness in the community, outreach, and preventative strategies, in addition to one-to-one and family support.

Midlas aims to provide services to support those within our community who are at risk of social exclusion. Midlas provides a central location to disseminate and coordinate information and referrals to other professional services. The work undertaken by Midlas is fundamental in educating, supporting and building resilient communities, moreover, Midlas brings the community together, building social capital and strengthening the social fabric of the region. Midlas fosters a positive environment of building resilience for those in need. Midlas seeks to sustainably improve the quality of life for all individuals within the community through support, advocacy and education.

Midlas services provide a long-term, sustainable improvement in the quality of life of the individual and the community at large. We provide real services, to real people, in real need.

Recommendations

1 \$250,000 per year of community legal centre funding for Midland under the National Partnerships Agreement

2 Offer 5 year funding contracts and preferred service provider status to enable not for profit organisations to plan effectively, and retain staff

3 Increase the rate of Newstart to offer all Australians a fair go

4 Implement a vacancy tax for empty residential properties

1

Legal funding for Midland

The need for legal services that address domestic and family violence, family law and criminal injuries compensation claims in the North East Metropolitan area are evidenced by statistics collected through the Midlas client database. From 1 July 2016 to 30 June 2018, Midlas received 299 legal enquiries and assisted 159 individuals with matters associated with domestic violence, minor family law advice and criminal injuries compensation claims. These figures will increase over the next year due to the added capacity in our team, our continued work with Volunteers, and our collaboration with other Community legal Centres, Private Law Firms (through Pro Bono work), and student support. The increase in capacity and dealing with growth in community need has been largely due to Midlas attitude to innovation and the introduction of supports to the legal service through a structured and supervised volunteer model. These figures indicate that this area of need continues to be relevant to our community and that as population growth continues in this area that the need will also grow.

Through a proactive approach to collaboration, Midlas acts as an integral part of a network of local community and government organisations and representatives, having strong working and referral relationships which maximise our reach and impact in addressing the needs of the community. As such, Midlas has received a vast amount of support as each agency acknowledges the vital services that Midlas provides to those individuals and families requiring legal assistance.

The Commonwealth Government have also acknowledged that there are significant issues with domestic violence as they have delivered a National Plan to Reduce Violence against Women and their Children 2010-2022 and their plan includes a drive for a whole of community action to prevent violence. Midlas is fundamental in working towards meeting the outcomes of the National Plan as its core services responds to, advocates and supports women and their children who are experiencing violence. Through our holistic programs, Midlas supported 1243 people in the 2017-18 financial year, a large number of whom were experiencing Family Violence, to address the violence, access legal support and build their resilience.

Unfortunately, Midlas is unable to meet the growing legal needs presenting in the Midland community and the wider North East Metropolitan area. The Department of Justice has acknowledged the growing need and insufficient legal support and committed \$150,000 to Midlas to deliver additional legal support (on top of our PPT funded services) for 2018-2019, but after this time, the funding is insecure and Midlas will again be left as the only legal service, and unable to meet the needs of the community. We acknowledge that early intervention and timely access to justice is critical in addressing Family Violence and building the resilience of victims of Family Violence, so it is critical that we have capacity to meet demand in our area.

The lack of scope and resources available to the constituents of the North East Metropolitan area is further highlighted in the 137 outgoing referrals made by Midlas from 1 July 2017 to 30 June 2018, these were made as an enquiry in regards or request for legal services. This has been exacerbated by Legal Aid withdrawing from Midland, leaving Midlas as the only access to justice in the region. To date, Midlas has not been funded through either the Commonwealth or State community legal centre funding programs.

As previously evidenced the need to continue and maintain the Legal Service at Midlas is imperative. This service currently operates in the North East Metropolitan region of Perth and this has been identified as one of the highest need regions. Recommendations made by the 2003 and the updated 2009 Joint Review of CLCs outlined this need by advocating that priority should be given to the North East Metropolitan region for the establishment of new services. In particular, the review recommended that priority should be given to family and domestic violence legal services. The review showcased concern surrounding the quality of services that women were receiving from grants of aid to private solicitors and suggested that funding should be directed to CLC providers.

The WA CLC Profile Survey 2007 reinforced the outcomes and recommendations of the 2003 Report. The Survey named the North East Metropolitan as an area of “unmet legal need” in which the areas of domestic violence and family law services were in high demand. This demand has increased significantly since the time of the Survey, due largely to the rising cost of living, lack of increase to Newstart payments (increasing the pressure on families relying on this income), and lack of available legal support in the region..

According to the National Census of Community Legal Centres 2014 Report, family law and family and domestic violence services were two of the three main specialist programs offered by the CLCs that completed the survey. This further demonstrates a need for the Midlas Legal Service. When one considers that it is estimated that at least one-in-three families are affected by family and domestic violence and that “Child abuse is 15 times more likely to occur in families where domestic violence is present,” it is essential that this region of Perth has access to a solicitor with a high level of expertise in matters associated with family and domestic violence.

The most recent census conducted by the Australian Bureau of Statistics (ABS) demonstrates the heightened need for domestic violence and family law assistance in the Midland area. The rate of divorced or separated individuals in the Midland area is an alarming 14.4% compared to the average WA rate of 10.6%; and single parent families in the Midland area are currently at 19.1% compared to the WA average of 8.1%. The significantly higher statistics present in the Midland area compared to that of WA clearly indicates an urgent need to provide family law services to assist divorced, separated and single parent families.

While family and domestic violence is not isolated by socio-economic criteria, there is an abundance of evidence to suggest that women faced with poverty and welfare dependence are in a high risk category. According to the ABS census data the average Midland weekly personal income is \$690; this is compared with an average Perth income of \$949 per week. This demonstrates the significant socio-economic disadvantage in our region and indicates the need for holistic services and supports for vulnerable community members.

In our experience, individuals on low incomes face many social concerns, including domestic violence. Studies have shown that other than the primary injury caused, there are a host of other conditions related to domestic and family violence including “chronic pain syndromes, drug and alcohol abuse, complications of pregnancy, increased risk of unwanted pregnancy and sexually transmitted infections, mental health problems, gynaecological problems and decreased physical functioning.” The area that we service also experiences lower levels of educational attainment and a higher population of Indigenous/Aboriginal Australians than the Greater Perth area as evidenced in the City of Swan community profile id.

It is only with a comprehensive legal service that exists to support people who have fallen victim to family violence, that we can change these statistics and improve the outcomes for our community. Midlas is located in a SA4 region with high levels of disadvantage, and yet receives only \$150,000 per annum, of legal funding (the equivalent of around 1.0FTE) and only has funding secured for another 6 months – this is a devastating situation for our community and our organisation.

It is therefore proposed that the government offer a further \$250,000 annum of funding to Midlas under the National Partnerships Agreement to deliver community legal Family Law services to the vulnerable community in Perth's north eastern corridor.

2

Extended funding contracts

As a small not for profit organisation, Midlas has become adept at being nimble, resourceful, and above all efficient with our scarce resources. The trouble that we have is the consistent uncertainty around funding that has effects not only on morale, planning and strategy, but also causes us to be unavoidably inefficient.

Midlas has funding across five separate funding contracts from various sources across Federal government, State government, and small grants. Each of these is currently on one or two year contracts, and many are due to expire, or have only been given six month funding extensions. The result of this is:

- High attrition as staff leave for more secure positions
- Consistently training and orientating new staff
- High amounts of manager's time going towards advocating, or applying for funding
- Less focus on the internal mechanics of the organisation and our community
- Lost opportunities due to lack of capacity

A four or five year funding contract for our services will give organisations a chance to plan effectively, articulate a solid strategic vision and know that we may have a chance of achieving it, and retain quality staff in our organisations. Assured funding allows organisations to facilitate partnerships, mergers and social enterprise ventures that are not practical with the imminent risk of de-funding looming.

The ultimate result for the government will be more efficient and effective not for profit organisations who are able to deliver on their contracts and create better outcomes for the community.

3

Increase Newstart

The rate of Newstart Allowance has not been increased in any real terms in the past 24 years, despite the cost of daily living increasing (ACOSS, 2018). The Organisation for Economic Co-operation and Development (OECD) has expressed concern that Australia's Newstart Allowance is one of the lowest unemployment benefits, as a percentage of the average wage, in the developed world. Not only are these benefits among the lowest in the world but they are well below what Australians believe they should be (Denniss & Baker, 2012). With these facts in mind it is no surprise that people on Newstart are struggling to meet all of their essential needs including food, rent, clothing and bills.

The 2017 University of New South Wales Budget Standards Report New Minimum Income for Healthy Living Budget Standards for Low-Paid and Unemployed Australians (as cited in ACOSS, 2018) has found that the cost of buying the basics including housing, food, clothing, health, transport and energy costs a single person a minimum of \$433.68 per week. This is \$158.58 more than the \$275.10 a week a single person with no children on Newstart receives.

According to the Melbourne Institute (2018), the poverty line for an unemployed single person for the June quarter of 2018 is \$419.20 per week, meaning that Newstart Allowance for an unemployed single person is currently \$144.10 per week below the poverty line. With 647,000 people in Australia receiving the single rate of Newstart and Youth Allowance (ACOSS, 2018), it is a major concern.

The WA Council of Social Service (WACOSS) in its Cost of Living Report 2017 states that Newstart Allowance has fallen behind the cost of living "to the point where it is utterly inadequate to provide a basic standard of living" (WACOSS, 2018a). After covering their basic living expenses, unemployed single households in Western Australia whose primary income is Newstart Allowance, are in deficit every week and are forced to go without living essentials (WACOSS, 2018b).

According to WACOSS (2018b) "all types of lower-income households can quickly find themselves in financial hardship as a result of any unexpected cost increases, a health crisis, or a loss of income" and further reports that people in financial hardship face average debt levels of around \$275 a fortnight. In the 2017/2018 financial year, of the 373 emergency relief services provided by Midlas, 134 were for people on Newstart Allowance and the majority of these payments were because people had no money for food and rent.

Then there is the matter of rental affordability for people on Newstart and Youth Allowance. According to the Rental Affordability Index, a single person on these benefits in greater Perth would be facing rents amounting to over 100% of their total income (SGSEP, 2018). According to Anglicare Australia (as cited in ACOSS, 2018), in 2017 there were only 28 private rentals Australia-wide affordable for a single unemployed person on Newstart and Youth Allowance and the Rental Affordability Snapshot 2017 shows that none of these were located in the Perth metropolitan area. “There were no properties in the entire Perth Metropolitan area that were affordable for people on a Youth Allowance or Newstart Allowance, even when including boarding houses and share houses where rooms are rented out individually” (Anglicare Australia, 2017).

In the 2017/2018 financial year 157 of the clients that came to the Midlas Tenancy Team required assistance because they were behind in rent. In these cases a large number of people were on Newstart Allowance payments. It is quite often in these cases that the client is also behind in other bills and it becomes a matter of which bill is the most important to pay immediately. It is not possible for many of our clients to meet their basic needs. Raising the Newstart and Youth Allowance payments would assist people to meet the costs of living and sustain tenancies and homes which in turn would allow jobseekers the stability and support needed to search for and gain employment.

As various commentators have expressed, the current low level of Newstart Allowance payments are actually a barrier to those seeking employment as displaced workers are at risk of falling into poverty. As KPMG Chief Economist Brendan Rynne comments “The low level of Newstart is actually forming a barrier to employment, as it is insufficient to allow unemployed people to actively conduct job search” (ACOSS, 2018). ACOSS (2018) further states that “it is nearly impossible to look for paid work if you are homeless and hungry”. Raising the Newstart and Youth Allowance payments should also be considered in light of the challenges jobseekers face in regards to the current Australian labour market trends which includes the considerable easing of job growth, the lack of full-time jobs created and near record-low wage growth (Pickering, 2018). According to the Australian Bureau of Statistics (as cited in ACOSS, 2018), there is only 1 job available for every 8 people looking for paid work or more hours. This explains why 70% of people receiving Newstart have been unemployed for 12 months or more.

Raising the rate of Newstart Allowance will lift thousands of people on income support out of poverty. In addition to this it will reduce the huge gap between allowance payments and pensions (40% of the social security expenditure is spent on the Age Pension compared to just 7% on Newstart Allowance and related payments), it will improve the prospects of jobseekers finding decent paid work, improve social and economic participation and strengthen local communities.

4

Implement a vacancy tax

Vacant residential land tax was introduced in Victoria in January 1st this year to alleviate the Government's concerns about the number of properties being left vacant across Melbourne and Inner city suburbs. The tax is intended to encourage land owners to make residential properties available for purchase or rent so that Melbourne's current housing stock is used as efficiently as possible. Withholding prime locations from the market in an unused state generates artificial scarcity, raising prices and accelerating mortgage debt. It underpins our cultural obsession of betting on the burgeoning land-prices gains and using leverage to climb the mythological property ladder.

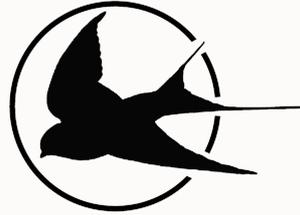
Western Australia has high rental prices even in a period of down turn. With a lot of properties having no one living in the property, and over 21,000 having not been lived in at all. Property owners that keep their property vacant effectively withdraw supply of occupiable properties from the market, thereby increasing pressure on prices and rents. If such a tax was put in place the money gained from the tax can be put towards building affordable homes for people who would otherwise not been able to afford such housing or making rental properties accessible to the 9005 people currently living on the streets.

The Vacant Residential Property Tax could be a 1% tax on the capital improved value of the taxable property. For example, if the taxable property has a capital improved value of \$500,000, the applicable tax will be \$5,000. The Victorian government tax collected in the next 4 years is expected to reach over \$85 million dollars, and more importantly the vacancy rate has reduced from over 2% of properties to only 1.7% in less than a year.

Other counties have, or are considering putting in place a similar tax such as Canada, China, USA, India, UK and Ireland. Some of these countries have introduced co-living complexes funded by the tax gained from residential vacancy tax. Co-living spaces would be a great idea for Western Australia to make housing affordable, support young people, students and older women (who are fast becoming the transient population).

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