

Investing to end homelessness: State Election Platform 2014

There are over 22,000 people in Victoria experiencing homelessness on any given night, and between 2006 and 2011, the rate of homelessness in Victoria increased by 20 per cent (ABS, 2011). This number is headed in the wrong direction but international evidence shows that it is possible to turn this trend around.

In the lead-up to the State election, CHP is calling on all parties to make the investments in housing and support services that will help end homelessness in Victoria for good.

Key investments include:

- Leaving care housing guarantee – to prevent homelessness for young people leaving out of home care
- Rapid rehousing program - to help 5,287 people a year in crisis accommodation, staying temporarily with other households and other temporary accommodation to get back in to housing fast and build the supports they need to remain housed
- Permanent supportive housing program to secure long term affordable housing for 100 rough sleepers a year who have experienced long term homelessness. This proposal would build 50 new dwellings and convert 50 dwellings from the current Transitional Housing Management (THM) program each year for four years
- An affordable housing strategy to increase the supply of low cost rental homes.

These elements make up the key planks of a system to end homelessness in Victoria. Over four years an investment of \$216m is required to make sure we have the systems and support services people needed to both prevent and end homelessness.

Affordable housing is an essential ingredient, however, currently less than one per cent of rental properties in Melbourne are affordable to a single person on Newstart, and less than two per cent to a single parent with one child.

The demand for social housing far outstrips the supply, with 35,000 households on the waiting list for public housing. Many of those waiting are currently without a roof over their head. Victoria is experiencing an affordable housing crisis. The longer that people are without a permanent home the further they spiral into the homelessness system, and the more serious and lasting the impacts on their lives.

CHP has joined with a number of other peak bodies with an interest in housing to develop a joint plan: *Making Social Housing Work*. This plan proposes an Affordable Housing Strategy that includes:

- the creation of 800 new social housing properties every year through an annual investment of \$200 million;
- the transfer of some public housing stock to community housing; and
- reforms to public housing management and a new waiting list system.

This plan will make sure our housing system meets the needs of our growing population and provides affordable homes to those in need.

Leaving care housing guarantee

As renting gets more expensive, many young people are staying in the family home for longer, returning home more often, and relying on the support of family (financial and otherwise) long after they leave home. Young people leaving out-of-home care don't have that luxury. When their accommodation ends at the age of 18, they often don't have family that can help supplement the rent.

Almost half the young people exiting out of home care will go on to experience homelessness (Bromfield et al 2005 p44-45). CHP's housing guarantee would help to prevent homelessness by working with existing supports to provide the financial housing safety net that young people leaving care don't have.

The fund would be combined with current supports for leaving care; and should be available to assist all young people leaving state care who wish to secure housing in the private rental market up to the age of 25.

CHP's plan would deliver a maximum annual payment of \$4,160 per young person to secure their housing. Used as part of their leaving care plan, the funds could be used to guarantee the rent for a period so that landlords are more likely to rent to young people, provide a supplement to meet the rent while they're finishing studies and unable to work, be a payment to call on at times of financial stress; or be a combination of all three.

While it might sound expensive, the lifetime cost of youth homelessness is estimated to be over \$700,000 per young person. CHP's housing guarantee is a sensible investment in prevention.

The private rental market is still incredibly tight – Youth Allowance is \$100 less than the median weekly rent in Melbourne. Even for a young person sharing a house in the outer suburbs, the gap between the median rent and what's affordable is about \$40 per week. If that young person had to live alone, the rent gap is closer to \$130 a week. Most people leaving home can call on the bank of mum and dad to bridge that gap. Young people leaving care can't. This housing guarantee provides the funds to help get them stay on their feet while they make the transition from out of home care.

Cost: \$16.6m over 4 years

Rapid rehousing

The longer individuals or households experience homelessness, the more existing health and financial conditions worsen and the connections and supports that help people sustain housing fall away. Rapid rehousing ends people's homelessness as quickly as is possible, not just because the experience of homelessness is a destructive one for families and individuals, but because the longer it persists, the harder it is to end.

Rapid rehousing programs get people back into housing fast and build the supports they need to remain housed. These programs help households to find and secure housing, either in the social or private rental market. They, provide time limited rental subsidies to make sure that property is affordable, and assist with addressing any issues that may put tenancies at risk.

On Census night in 2011, almost 3,000 individuals and families were staying temporarily with family and friends, with no alternative housing options. If rapid rehousing can assist these households to secure homes quickly, we can avoid the breakdown in these temporary situations that can lead to longer term homelessness. Similarly, if we can quickly rehouse the 2,500 people in crisis accommodation facilities each year, it will provide a pathway out of crisis and into more stable homes.

CHP's plan would assist over 5,000 individuals and families who move into crisis accommodation or stay temporarily with family or friends each year, to find and pay for accommodation in the private rental market.

As well as help to find housing, the proposed rapid rehousing program would provide time-limited rental subsidies over three to six months, that could be tapered over a longer period to help ensure the rent remains affordable.

This housing support would be accompanied by other assistance to help make sure they can sustain that tenancy in the long term.

Cost: \$118m over 4 years

Permanent supportive housing

Long term homelessness can both be caused by, and be the cause of, other problems such as trauma, mental health issues or substance misuse. However, complex health issues and long-term homelessness aren't necessarily barriers to having a stable home.

Traditional approaches to solving homelessness have rested on the notion that people first need to be 'housing ready' - having addressed and resolved all the issues that caused their homelessness - before they can secure and maintain housing.

Permanent supportive housing provides long term, affordable housing complemented by support services to people who have experienced long term homelessness and as a result have complex health needs. Both the housing and support are provided for as long as is needed. This stops people from cycling through costly emergency services, hospitals and prisons, as well as reducing the mental, physical and social harms that accompany chronic homelessness.

International and local evidence has shown that Permanent Supportive Housing works to end an individual's experience of homelessness and prevent them from becoming homeless again. For example:

- New York : 80 per cent of people who participated in a Permanent Supportive Housing program spent an average of two years stably housed, compared to 30 per cent receiving a standard response.
- Canada: After 12 months, participants had spent an average of 73 per cent of their time in stable housing compared to 30 per cent in the control group.
- Melbourne: After 12 months, 77 per cent of people in the Street to Home program were in independent secure accommodation.

All of these studies show that Permanent Supportive Housing creates savings for Governments as it reduces the demand on hospitals, emergency services and the justice system from people sleeping rough.

The costs of providing crisis and criminal justice responses to an individual who experiences homelessness and mental illness or cognitive disability can spiral into millions of dollars. Helping people off the street and into homes is sensible economic management, as well as good social policy.

CHP's proposal would provide housing and support to 400 people over four years, including the construction of 200 new social housing properties, matched by the conversion of 200 transitional housing properties to long term housing stock. The Permanent Supportive Housing program would also provide ongoing, multidisciplinary support tailored to the needs of each participant.

Cost: \$54m over 4 years

Other measures

New programs can help to transform the way in which we deliver assistance to people experiencing homelessness. However services are currently struggling under ever increasing demand for assistance. Additional investments over four years are required to

- help save existing tenancies, \$12.4 million
- make sure people can access the help they need, when they need it, \$7.2 million
- help connect them to other services in the community \$7.2 million.

These investments are outlined in more detail in CHP's 2014-15 Pre Budget Submission.

Total funding commitment

Program	2014-15	2015-16	2016-17	2017-18
Improving streamlined access	\$1,700,000	\$1,768,000	\$1,838,720	\$1,912,268
Saving tenancies	\$3,000,000	\$3,307,000	\$3,151,875	\$3,230,671
Leaving care housing guarantee	\$1,664,000	\$3,328,000	\$4,992,000	\$6,656,000
Rapid Rehousing	\$28,310,132	\$29,163,838	\$30,044,724	\$30,953,705
Permanent Supportive Housing	\$12,602,488	\$13,261,283	\$13,933,081	\$14,617,376
Access to mainstream services	\$ 1,700,000	\$1,768,000	\$1,838,720	\$1,912,268
Total new funding	\$48,976,621	\$52,364,121	\$55,799,121	\$59,282,291
Over 4 years				\$216,422,153

Cost Offsets

Within the costing above, CHP has included offsets from within existing homelessness programs, and identified savings in the reduced use of emergency and justice services. However, establishing these new programs will require additional funding.

Every year, the Department of Human Services (DHS) is required to make a payment to Treasury of \$50.5 million under the *Deed of Assumption*. We are calling on parties to commit to abolishing this agreement, so that DHS can use its scarce resources to fund the programs that would prevent and end homelessness in Victoria.

A more efficient homelessness system will reduce the growing pressures not only in the demand for homelessness services, but also in other program areas including child protection and disability services.

An affordable housing strategy

Every part of the housing system, from the way we collect property tax to the regulation of residential tenancies and the management of public housing affects the ability of low income households to get and keep a roof over their head. However, Victoria does not have an overarching affordable housing plan, despite increasing housing pressures. CHP has worked with six other Victorian peaks to produce “Making Social Housing Work – Better homes for low-income Victorians” (2014) that outlines an affordable housing plan that includes:

- **A 20-year strategy to grow and redevelop social housing, including** capital investment of \$200 million per year (indexed) over 20 years to build a minimum growth of 800 homes each year, a more transparent **National Affordable Housing Agreement (NAHA)** with the Commonwealth Government and new **Financing Options** with the private sector
- **Improved access to social housing for highly disadvantaged groups:** An operating payment for public and community housing would ensure that it is financially sustainable to accommodate individuals with very low incomes and very high needs. The level of the payment for each social housing provider would vary to account for tax advantages, rent assistance payments, and the incomes and attributes of the tenants housed.
- **A central access point for all social housing** and the introduction of choice-based letting
- **Making both public and community housing meet the same standards** for financial and property management, by separating the Office of Housing from the Department of Human Services.
- **Making the Minister for Housing responsible for the Affordable housing strategy** including: private rental regulation, State tax concessions, affordable home ownership, as well as public and community housing.
- **Strategies to reduce demand on the social housing sector:** through changes to the planning system to incorporate inclusionary zoning, density bonuses and development offsets, tenancy law reform, taxation reform, including land tax and stamp duty and implementing shared equity programs and land trust models.