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Introduction

There are now nearly 250 'rough sleepers' in Melbourne's central business district (up from 142 in 2014), with an increasing number of people forced to sleep on the streets across Melbourne's suburbs and in regional cities.

Much of the media attention and community concern generated by that dramatic rise has been focused on community safety.

But the rising numbers and often devastating personal stories behind these statistics urge an effective response from government that will not only allay public safety concerns but turn around the lives of some of the most vulnerable community members.

The rising numbers of people sleeping rough are also just the tip of the iceberg. They point to acute shortages in affordable housing and crucial gaps in support that are driving up homelessness, both in its visible and less visible forms.

In 2016, the Victorian Government has made some welcome investments into homelessness services, including better responses to women and children fleeing family violence. Positive and important reforms are also currently underway to improve the effectiveness and coordination of homelessness services.

But major gaps remain; from the overwhelmed 'first point of contact' services where effective early intervention can stop a spiral into homelessness, through to a serious shortage of affordable housing options for single people.

Also many highly successful programs are either limited in scope or scale, constrained by gaps elsewhere in the system, or do not have ongoing funding. These include Street to Home type programs, that have successfully housed people sleeping rough, but have had neither the access to housing, nor the scale of support necessary to meet the needs of the growing numbers of people on the streets.

These gaps and failings not only affect individual health and wellbeing but also impose additional and avoidable costs on our health and justice systems and the broader economy.

This submission calls for investment in the 2017-18 State Budget in five critical areas that will each make a direct and positive impact on the number of people experiencing homelessness in Victoria.

We urge the Victorian Government to:

1. Expand Housing First Programs to provide permanent supportive housing.
2. Fill the shortfall in housing for single people.
3. Guarantee housing for young people leaving out of home care.
4. Respond to the demand crisis at 'first point of contact' access points
5. Prevent tenancy breakdown.

Permanent supportive housing

Expand Housing First Programs to permanently house people sleeping rough

Most people experience homelessness as a consequence of a life event, like the loss of a job or family violence that drives them from the family home. A small number of people experience chronic, repeated homelessness that is a continuum of a lifetime of trauma and social exclusion, and which is often accompanied by combinations of mental illness, intellectual disability, acquired brain injury, drug or alcohol addiction, and chronic health conditions.

This group is overrepresented among people sleeping rough. An estimated 150 of the 247 people counted as sleeping rough in the Melbourne central business district (CBD) can be considered to be chronically homeless.

People who are chronically homeless are also frequent users of other services, including inpatient mental health, ambulances, hospital emergency wards, and the justice system.

These responses at the crisis end of support are typically episodic, time limited, and restricted to addressing a particular issue, such as a mental health crisis or drug overdose. They are costly and ineffective over the long-term.

Housing First Programs are a service model that has been demonstrated in Victoria and beyond, to successfully house people who experience chronic, repeated homelessness.

They work by using assertive outreach to build relationships with people while they are sleeping rough, provide a pathway to secure, permanent, affordable and appropriate housing; while putting in place titrated support for as long as needed so people can maintain their housing.

Victoria has some small Housing First Programs that work with people sleeping rough and which have successfully sustained people in housing. After two years, 70 per cent of people in the Street to Home program were in independent secure accommodation.

These are constrained by broader gaps in Victoria's housing and homelessness responses. There is a wait of at least two weeks to get into crisis accommodation, and of nine months or more to access suitable permanent housing.

The focus of the program and the inherent complexity and long-term nature of its work, means it is not currently possible to provide a Housing First Program response for more than a small proportion of the estimated 150 chronically homeless people in the CBD, let alone to chronically homeless people in other locations.

CHP recommends the Government develop a staged approach to grow Housing First Programs to scale.

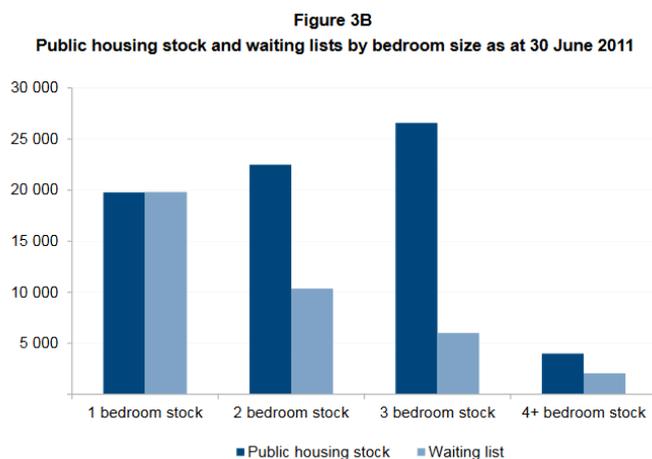
- Year 1: Expand Street to Home type programs to permanently house an additional 90 people experiencing chronic homelessness in central Melbourne (over a year).
- Year 2: Expand the Year 1 team to create new support places for an additional 60 people, and fund two new Housing First Programs to focus on other 'hot spots' in Victoria to provide support for an additional 120 people.
- Year 3: Expand non-central Melbourne teams to create new support places for an additional 60 people.

	2017-18	2018-19	2019-20	2020-21
Central Melbourne: Clients assisted each year	90	150	180	210
Hot spots outside Central Melbourne: Clients assisted each year		120	180	240
Cost	\$1.6 million	\$4.8 million	\$6.4 million	\$8.0 million

Housing for singles

Victoria currently has a crisis of housing that is available and affordable to people on low incomes. This shortage is particularly severe for single people on the lowest incomes, and is exacerbated by a lack of one-bedroom housing in the public housing portfolio.

In 2012, the Victorian Auditor General's Office [revealed in its Access to Public Housing reportⁱ](#) that almost 20,000 single people were on the wait list for public housing to access 20,000 already tenanted one-bedroom properties, many of which are reserved for people over 55. With slow rates of turn over for under-55s, this means younger people wait many years to be housed, even if on priority lists.



The shortage of affordable one-bedroom housing places many single people on low incomes in severe housing crisis. Data from June 2015 reveals that in Victoria 14,521 single men, and 18,382 single women were paying over 50 per cent of their income in rent even after receiving rent assistance.ⁱⁱ

The shortage also creates broader problems for the effectiveness of government services. People who are homeless and single, who may be in financial crisis after the loss of a job, or fleeing a violent home environment, or trying to re-establish their lives after time in hospital or prison, are often turned away from homeless services or placed in rooming houses.

This commonly unravels improvements in their health achieved from government-funded programs, like acute mental health care, prison, or residential drug rehabilitation.

This is also why Victoria continues to have a flourishing illegal rooming house sector, despite strong regulatory efforts from the State Government.

The lack of affordable singles housing is also a handbrake on Victoria’s economy. Many singles are forced to find housing far from job opportunities. As a result, many are either unable to get work or face a heavy toll in travel cost and time, adding to pressure for spending on roads.

In October 2016 Infrastructure Victoria identified an immediate shortfall of 30,000 properties that are affordable and available to low income households. Council to Homeless Persons estimates that at least one third of these need to be targeted at singles.

CHP has welcomed the positive work from the Victorian Government in 2015-16 to improve housing outcomes for vulnerable households, including the:

- creation of the Victorian Housing Register, which will make allocation of public housing more efficient and improve access for people experiencing homelessness to the social housing that is available
- \$152 million family violence housing blitz resources providing access to housing for women and children exiting violence, and improvements to crisis accommodation
- \$120 million commitment for public housing estate redevelopments and rapid re-housing opportunities

We also look forward to the Government’s affordable housing strategy expected before the end of the year.

Within this strategy, CHP proposes that the Government include a plan to deliver 10,000 dedicated units to low-income singles over five years, and an ongoing pipeline of 1,000 additional properties annually beyond this period.

While supply in the first two years would have to be purchased from already built housing, longer-term growth could be developed as new-build in partnership with community housing, increasing jobs in the Victorian economy.

The costs of achieving this growth could be significantly reduced by using the breadth of tools available to government in relation to housing, such as inclusionary zoning, use of surplus government land, and imposition of a tax on unoccupied housing.

	2017-18	2018-19	2019-20	2020-21
New singles stock	1,000	1,000	2,000	3,000
Cost	\$300 million	\$300 million	\$560 million	\$810 million

Respond to the demand crisis

Over the past five years, homelessness has increased significantly, increasing demand at the first points of contact in the homelessness service system.

At these access points people are assessed and prioritised for support and crisis housing. Those triaged to receive support will be followed up by a worker to help them resolve issues contributing to homelessness, and to assist with immediate crises, like access to food, or medical care, or safety planning for those fleeing family violence.

The support worker also links clients to specialist supports, like mental health care, or drug treatment and provides emotional support at a time when people often experience high levels of distress and anxiety.

However, demand is now so high compared to available resources that most people do not receive support. Even those identified as in need of immediate support are triaged into wait lists. They will almost certainly wait days for support, but many people wait weeks or even longer. This prolongs and deepens the crisis that people experience.

- Each month over 300 new households present to access points in Melbourne’s north and west, that have around 70 transitional housing vacancies and 100 case managed support vacancies.
- In Melbourne’s north in September 2015, 2,811 households were on wait lists for support, including 1,434 children and 666 young people (16-24 years)
 - over half of these households had been waiting over nine months
 - 477 of these households (17 per cent) were identified as highly vulnerable.

While there is positive work underway to improve coordination and service delivery in the homelessness sector, this is not able to resolve the crisis of overwhelming demand.

Demand for homelessness support is also increasing in Melbourne’s growth suburbs, and with public transport scarce, many people struggle to get to an access point.

CHP recommends urgent additional investment is provided to more immediately respond to the support needs of people in homelessness crisis. New assessment and planning teams are needed in growth areas as satellites from existing services, and additional support workers are needed in existing access points (four in metropolitan teams, and one in regional teams).

	2017-18	2018-19	2019-20	2020-21
IAP teams in growth areas	\$0.8 million	\$0.9 million	\$0.9 million	\$0.9 million
16 new support staff state wide	\$2.1 million	\$2.1 million	\$2.2 million	\$2.3 million
TOTAL	\$2.9 million	\$3.0 million	\$3.1 million	\$3.2 million

Prevent tenancy breakdown

In 2014-15, over 38,000 people became homeless because their tenancies broke down due to eviction from their property by a landlord or housemate. This causes considerable hardship, and adds to demand for already scarce homelessness services.

- Research by the Australian Housing and Urban Research Institute calculated that people experiencing homelessness cost government an [additional \\$29,450 per year in health, welfare and justice](#) needs compared to the rest of the population.ⁱⁱⁱ
- Department of Human Services research in 2006 identified a potential cost of over \$34,000 per year to support a tenant evicted from public housing through homelessness services. This costs compares to the estimated cost of providing early intervention support of \$1,958 per client.^{iv}

With the right support, many of these tenancies could be sustained. Victoria currently has some limited programs that focus on early intervention support to prevent tenancies breaking down. These have demonstrated positive outcomes:

- 78 per cent of public housing tenants supported by the [Social Housing Advocacy and Support Program \(SHASP\)](#) avoided eviction and 73 per cent engaged in repaying rent debts.^v
- 83 per cent of finalised matters pursued by the Justice Connect Homeless Law’s Women’s Homelessness Prevention Project (WHPP) were successfully resolved, preventing 62 women-headed households being evicted into homelessness.

However, despite these programs effectiveness and reduction of costs to government, they are limited in scope and capacity.

Currently, early intervention support to prevent tenancy breakdown is only available to public housing tenants. Extending this program to community housing tenants would significantly support the shift to house more complex tenants through the Victorian Housing Register.

A number of successful programs providing legal support to prevent evictions into homelessness do not have ongoing funding, including those supporting women fleeing violence and prisoners.

	2017-18	2018-19	2019-20	2020-21
Expand early intervention support to community housing	\$4.0 million	\$4.1 million	\$4.2 million	\$4.4 million
Provide legal support to prevent tenancy breakdown	\$3.8 million	\$4.0 million	\$4.0 million	\$4.2 million

Young people leaving care

Young people exiting state care continue to be overrepresented among those experiencing homelessness, with this group of young people particularly at risk of chronic homelessness, rough sleeping and involvement with the justice system. Among all care leavers, young Aboriginal people are most at risk.

Providing a housing guarantee for young people leaving care, and ongoing support particularly for the most vulnerable care leavers, will significantly improve their life opportunities.

CHP proposes a suite of diverse housing options depending on young people's differing needs. While many young people leaving care are well placed to live in shared housing, or take up options such as Youth Foyers, some will require independent living options, or housing that includes more support.

Around 800 young people aged 15 to 18 years exit state care in Victoria every year. Around half of this group exit state care to independent living, approximately 100 of whom have complex needs requiring some intensity of support.

	2017-18	2018-19	2019-20
Number of young people assisted	400	800	1200
Housing subsidy	\$2.6 million	\$4.9 million	\$6.9 million
Support costs	\$2.6 million	\$5.1 million	\$7.3 million
TOTAL	\$5.2 million	\$10.0 million	\$14.2 million

ⁱ Figure 3B, page 23 <http://www.audit.vic.gov.au/publications/2011-12/20120328-Public-Housing/20120328-Public-Housing.pdf>

ⁱⁱ Table 7: Number and percentage of CRA recipients paying more than 50 per cent of income in rent before and after Rent Assistance by Indigenous status, gender and State and Territory, June 2015 (Senate Community Affairs Committee, Answers to Questions on Notice, Social Services Portfolio, 2015-16 Supplementary Estimates Hearings, SQ15-000884, Attachment A)

ⁱⁱⁱ Kaylene Zaretzky and Paul Flatau, *The cost of homelessness and the net benefit of homelessness programs: a national study*, (Final Report No 205, AHURI, December 2013,) 4. See also DHS, *Support for High Risk Tenancies Strategic Project* (October 2006) cited in DHS, *Human Services: The case for change* (December 2011), which identifies a potential cost of over \$34,000 per year to support a tenant evicted from public housing through homelessness services.

^{iv} See SHASP Managers Network (Victoria), *Social Housing Advocacy & Support Program (SHASP): Support that works* (September 2014).

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