



Council to Homeless Persons pre-budget Submission 2018–2019
November 2017



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Introduction

In 2017, Victoria is Australia's economic success story. Thousands of new jobs have been created, more than in all other states combined, and as a consequence Victoria has unprecedented labour market participation¹ and a growing population.

These successes mean many Victorians are doing well. However, the success has a dark flipside, manifesting in fierce and growing competition for rental properties, with those able to benefit from economic growth crowding out those left behind – with growing homelessness as a consequence.

Happily, Victoria's finances have also benefitted from economic success, providing the necessary resources to deliver solutions to growing inequality.

Since 2011-12 Victorian Government taxation revenue from land transfer duty has grown from \$3.8 billion to \$6.2 billion.² Over the past year, some of these resources have been invested in important and welcome strategies to provide housing and address homelessness, and yet more needs to be achieved. It is the responsibility of the Victorian Government to ensure that windfall gains to the budget from house price inflation are used to mitigate the pain the housing crisis has caused.

This budget submission speaks to the critical investments needed to address gaps in Victoria's response to homelessness. First and foremost, is the need to ensure there is housing available that people on low incomes can afford – no homelessness solution can succeed unless people have a home in which to live.

But Victoria also faces other challenges. Our skyrocketing rate of imprisonment means more people are exiting prison, many into homelessness. We propose targeted investment to stem the current pointless churn of people from prison to homelessness and back to prison. The same cycle must be addressed in acute mental health services.

We propose a more effective response to people who are chronically homeless and sleeping rough that involves delivering both housing and the support needed to sustain it. We highlight the importance of being able to prevent homelessness, a capacity being lost as our services are overwhelmed with demand.

Lastly, we call for Victoria to do more to protect homeless children from a lifetime of disadvantage caused by disruptions to their education.

We urge the Victorian Government to:

1. Build 14,500 new social housing dwellings over the next five years
2. Respond effectively to chronic homelessness with Permanent Supportive Housing
3. Prevent exits from prison and acute mental health services to homelessness
4. Intervene to halt evictions
5. Strengthen educational outcomes for homeless children.

¹ Australian Bureau of Statistics (ABS), *6202.0 Labour Force Australia*, October 2017

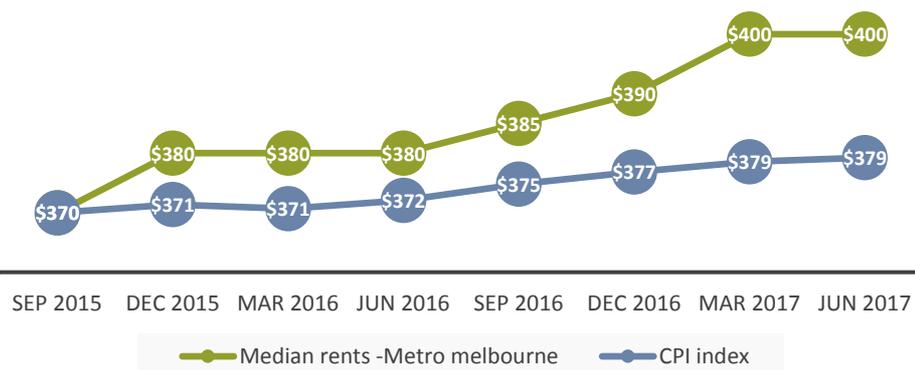
² State of Victoria, Department of Treasury and Finance, *Budget Paper 2: Strategy and Outlook*, 2011 and 2017

Housing

The problem of affordability of rental housing for people on low incomes in Victoria continues to worsen. This is driving more and more people into homelessness, and makes the task of re-housing people who are homeless extraordinarily difficult.

The chart below shows that over the last two years, median rents have grown three times as fast as inflation. This makes it harder for people on low incomes to afford rentals. While in June 2015, one in ten rentals in Melbourne were affordable to someone on Centrelink benefits, by June 2017 they could afford only one in 15 properties. Almost no properties in Melbourne are affordable to single people on Newstart.³

Melbourne rents vs Centrelink incomes



Source: Council to Homeless Persons analysis, drawn from: Department of Health and Human Services, *Rental Report*, June 2017, and Australian Bureau of Statistics, *6401.0 Consumer Price Index*, June 2017

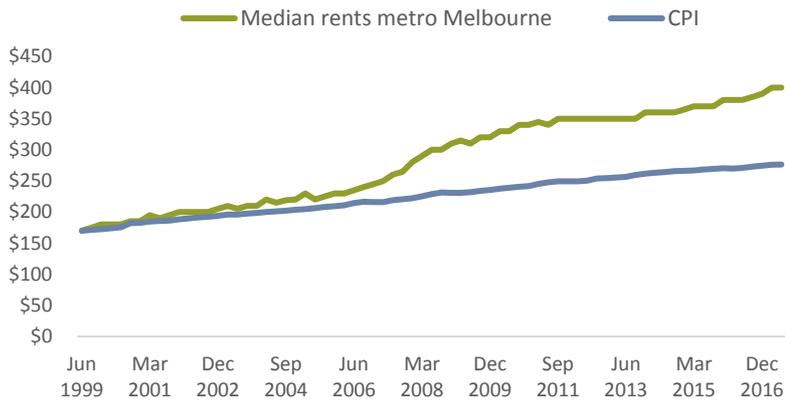
The Victorian Government has made very welcome commitments in the *Homes for Victorians* plan to increasing social housing supply. However, years of inaction in a context of rapid population growth in Victoria, mean that more needs to be achieved.

Reducing the pipeline of people into homelessness, relies on Government decreasing the current intense competition at the low cost end of the rental market. Delivering new social housing properties would mean those households are no longer competing for low cost private rentals. It would create jobs and grow the Victorian economy.

Building new social housing is also the most effective way to achieve a *net* reduction in homelessness. Current approaches that deliver rental subsidies to help homeless people compete for available rentals work well at a small scale, but writ large risk simply changing *who* is homeless, rather than reducing the overall number of homeless households.

³ State of Victoria, Department of Health and Human Services, *Rental Report*, June 2017

CHP proposes an urgent additional commitment of social housing to increase the social housing portfolio to 3.8 per cent of total housing stock over five years. This is the level of social housing stock Victoria had in 2006, the year rental prices began to grow much faster than inflation.



This would require an additional 14,500 properties over five years. Given that the current commitments to grow social housing opportunities in the *Homes for Victorians* plan will expand access to social housing by more than 5,000 properties over the next five years, an additional 9,500 properties is needed.

	2018-19	2019-20	2020-21	2021-22	2022-23
New social housing stock	1,000	2,000	2,000	2,250	2,250
Cost / year	\$400 million	\$800 million	\$800 million	\$900 million	\$900 million

Permanent supportive housing

Addressing chronic homelessness with a Housing First approach

Over the last two years, the numbers of people sleeping rough in Victoria has increased significantly. In June 2016, 247 people were counted sleeping rough in central Melbourne – a 74 per cent increase from the count in 2014.⁴ Many more are sleeping rough in other parts of Melbourne and regional Victoria.

While many people sleeping rough simply need a home they can afford, those who have been homeless for a long time generally have more complex issues. Their needs include histories of trauma, disability, alcohol or drug addiction, and chronic physical and mental illness, so they need support as well as housing.

Without this housing and support to sustain it, chronically homeless rough sleepers typically have high frequency interactions with costly services including hospitals, police, and acute mental health care.

These interactions with services often run to hundreds of thousands of dollars per person per year, but fail to achieve positive outcomes because they provide only episodic and time limited support, without a housing solution.

Council to Homeless Persons recommends the adoption of an evidence-based response to people who are chronically homeless that is structured to both complement and leverage existing Victorian services.

This would involve the creation of mobile multi-disciplinary support teams to respond to people who are chronically homeless around Victoria. These teams should be embedded in specialist homelessness services and include capacity to provide:

- outreach to engage with people sleeping rough
- flexible support that can move with people across different locations, and vary in intensity over time as their needs change
- assistance to improve people's physical and mental health and support access to health services
- assistance to support people to test their eligibility for the NDIS and to manage the challenges of getting their support needs met through that service system⁵, and
- housing-focused case management to support people to access and sustain that housing over time.

A diversity of dedicated housing options for this group is also needed to enable rapid access to appropriate permanent housing. Many people who are chronically homeless

⁴ City of Melbourne, *StreetCount 2016 Final Report*, September 2016

⁵ Council to Homeless Persons, [Homelessness and the National Disability Insurance Scheme: challenges and solutions report](#), May 2017

will be best accommodated in ordinary apartments throughout the community, with ongoing support also provided. For a small group, housing and support may be most effectively delivered in specialist forms of supported housing, such as specialist aged care for people who have experienced homelessness, Commonground, or other supported congregate options.

	2018-19	2019-20	2020-21	2021-22
Creation of six mobile teams	\$8.9 million	\$9.2 million	\$9.5 million	\$9.8 million
Creation of 150 dedicated housing units annually	\$60.0 million	\$63.0 million	\$66.2 million	\$69.4 million
Cost	\$68.9 million	\$72.2 million	\$75.7 million	\$79.2 million

Turning off the tap

No exits from prison or acute mental health care to homelessness

Intense competition for low cost properties in the private rental market means those who are most vulnerable to discrimination, commonly miss out and are pushed into homelessness. This is a particular challenge for people leaving prisons or acute mental health care.

Exits out of these state services into homelessness, also undermine the policy outcomes these services aim to achieve, often at great cost. We know:

- Prisoners who exit prison to homelessness are more likely to reoffend and return to prison.⁶ This means more crime and higher costs in the justice system.
- Health gains achieved in acute mental health care quickly unravel when patients are exited into homelessness, often resulting in re-admission. This increases the demand on an already over-stretched health system.

And yet, data from the Australian Institute of Health and Welfare (AIHW) reveals that:

- The number of people presenting to homeless services on exit from prisons has increased by 54 per cent over the past three years.
- The numbers of people presenting to homeless services on exit from psychiatric hospitals increased 13 per cent in a year to 600 people in 2015-16.⁷

The provision of a pool of dedicated housing for people exiting prison or acute mental health services would prevent this homelessness and support people's transitions back to community life. While a diversity of appropriate housing options should be available to *all* who are leaving these services, we have highlighted issues for Aboriginal Victorians and women, who are particularly vulnerable.

Closing the gap on Aboriginal incarceration

Discrimination and disadvantage experienced by Aboriginal Victorians, and their vulnerability in the justice system, is well recognised. Countless recommendations have been made to close this gap, including access to appropriate housing. Despite this overrepresentation of Aboriginal Victorians in Victorian prisons is only worsening.

- Aboriginal people are 12.6 times more likely to be imprisoned in Victoria than the general population, up from 11.9 times in 2014.⁸
- Aboriginal prisoners are more likely to return to prison, with 68.2 per cent of Aboriginal prisoners in Victorian prisons having previously been in prison, compared to 48.2 of non-Indigenous prisoners.⁹

⁶M Willis, *Supported Housing for Prisoners Returning to the Community: a review of the literature*, Australian Institute of Criminology, 2015

⁷ Australian Institute of Health and Welfare (AIHW), *Specialist Homelessness Services Collection*, 2015-16

⁸ ABS, [Corrective Services, Australia, June Quarter 2017](#), September 2017

⁹ ABS, [Prisoners in Australia 2016](#), Table 29, 2016

- Over half the male Koori prisoners imprisoned after being sentenced (as opposed to being remanded) in 2013-14 came into prison because their parole was cancelled.¹⁰
- Aboriginal Australians are also hospitalised for mental health and behavioural disorders at almost twice the rate of non-Aboriginal people,¹¹ and represent almost 1 in 10 clients of Victorian homelessness services.¹²

Council to Homeless Persons proposes a direct response to provide culturally safe accommodation and support to single Aboriginal men, to reduce re-incarceration, and support men making other transitions, including from hospital services.

	2018-19	2019-20	2020-21	2021-22
Creation of 30 dedicated housing units annually	\$12.0 million	\$12.6 million	\$13.2 million	\$13.9 million
Support	\$0.1 million	\$0.2 million	\$0.3 million	\$0.4 million

Women exiting prison and acute mental health care

Women prisoners are more likely than their male counterparts to have been diagnosed with a mental illness, to have care responsibilities, and to have experienced childhood sexual abuse, as well as violence in relationships as adults. This poses particular challenges for women on release from prison, with many returning to homes in which they are subject to family violence.¹³

In order to build new lives after prison safe from violence, many women leaving prison need both housing and support. Currently many women exit prison without any support, and without access to affordable housing opportunities.

Women exiting acute mental health care facilities are similarly vulnerable, often moving into unsafe rooming houses or supported residential units.

Council to Homeless Persons proposes the provision of new medium and long-term supported housing opportunities for vulnerable women leaving prison or acute mental health services. As women are likely to remain in this housing long-term, it is critical to deliver a rolling supply of new stock each year to provide ongoing access.

	2018-19	2019-20	2020-21	2021-22
Capital cost of 15 supported housing units annually – mix of single and family units	\$9.0 million	\$9.5 million	\$9.9 million	\$10.4 million
Support costs	\$0.3 million	\$0.7 million	\$1.0 million	\$1.4 million

¹⁰ Corrections Victoria Information Management and Evaluation Branch, *Review of the Koori Education, Training and Employment Strategy*, January 2015, page 10

¹¹ AIHW (2014), *Aboriginal and Torres Strait Islander Health Organisations, Online Services Report 2012-2013*, IHW 139. Canberra, AIHW

¹² AIHW, *Specialist Homelessness Services Collection*, 2015-16

¹³ One in four women who come to homelessness services on release from prison also need family violence supports (AIHW, *Specialist Homelessness Services Collection*, 2015-16)

Preventing homelessness

Every day more people come to Victoria’s specialist homelessness services seeking help than can be assisted – with more than 100 people turned away each day.¹⁴ Services are prioritised to those whose housing crisis is most immediate and dangerous.

This means that many opportunities to prevent homelessness are missed. People who have experienced primary homelessness often describe points in time when short interventions would have helped them to avoid homelessness, but instead they were turned away.

In 2015-16, 40,466 Victorians became homeless as the result of a tenancy breakdown – an increase of 125 per cent over four years (from 17,930 in 2011-12).¹⁵

Evaluations show that programs preventing evictions for at risk individuals in social housing (like the TenancyPlus program) have extremely high success rates and are more cost effective than responding to a homelessness crisis.¹⁶¹⁷

Essential components of programs to sustain private rental market tenancies include:

- relationship-building with real estate agents
- pathways for real estate agents to refer tenancies at risk for support
- access to brokerage to meet or partially meet rent arrears
- access to financial counselling, tenancy skills programs, and social work support for those experiencing personal difficulties.

To date these programs have been funded in a piecemeal fashion, leaving many Victorians without access to critical support.

Council to Homeless Persons proposes embedding prevention capacity within each homelessness access point¹⁸ to provide a swift, timely and systematised homelessness prevention response.

	2018-19	2019-20	2020-21	2021-22
Number of households assisted	7,800	7,800	7,800	7,800
Support costs	\$4.1 million	\$4.3 million	\$4.5 million	\$4.5 million

¹⁴ AIHW, *Specialist Homelessness Services Collection, Supplementary data tables: Vic.*, 2015-16

¹⁵ Ibid

¹⁶ Zaretsky, K., and Flatau, P., *The cost effectiveness of Australian tenancy support programs for formerly homeless people*, 2015, p. 33

¹⁷ 96% reported in: BeyondHousing, *STAR Housing Evaluation*, 2013

¹⁸ Entry to homelessness services is managed at ‘access points’ or ‘intake’ services, where people needing homelessness help have their needs assessed and are referred to accommodation and support services. There are access points in each Department of Health and Human Services (DHHS) region

Strengthen educational outcomes for children without a home

Nearly half of all households experiencing homelessness in Victoria include children and young people – with many young people presenting to services alone. In 2015-16 homelessness was experienced by over 22,000 Victorian children.¹⁹

The transience and chaos of homelessness means that many of these children have had their education severely disrupted. Too many of these children never successfully re-engage, setting them on a path towards lifelong economic exclusion and poor health.

While families with children are prioritised for re-housing by Victoria’s homelessness services, often it is months before a stable home can be found. In the interim, families may experience multiple moves between different short-term accommodation options across suburbs and towns.

“I had to go 90 minutes to get to school. No one knew, the teachers didn’t know”

- Joal Presincula, Consumer advocate who experienced homelessness as an adolescent

The instability created by these moves, and the stress of often living alongside other people with complex challenges, means homeless children can become highly traumatised. Many have already experienced trauma as a consequence of family violence or other issues that precipitated their experience of homelessness.

In order to enable children who are homeless to fulfil their potential, it is necessary to remove the barriers they face. The Department of Education and Training (DET) LOOKOUT initiative is improving the educational outcomes of children in out of home care. It is usefully configured to also assist children who are homeless.

Similarly to children in out of home care, children experiencing homelessness require systematic and individually focused interventions, which might include:

- advocacy to support navigation through school processes, including enrolment decisions
- advice to schools about how to support individual students
- school readiness support pertaining to education
- support with anger management, and meeting other behavioural expectations
- support to meet participation costs including travel costs, books and equipment, and uniforms.

¹⁹ 45.7% as cited in Australian Institute of Health and Welfare, *Supplementary data tables: Vic. 2015-16*

Achieving this breadth of response necessarily involves education and welfare professionals collaborating to solve problems. While children in out of home care receive a range of necessary individually focused supports, this need remains unmet for accompanied children experiencing homelessness.

Council to Homeless Persons proposes the Victorian Government extend the eligibility and resources of the existing DET LOOKOUT program to meet the needs of children experiencing homelessness within the education system. This additional resource would mean that LOOKOUT could provide professional development to schools about how to support children experiencing homelessness, and advocate within schools in the best interests of homeless children.

Council to Homeless Persons further proposes specialist children’s homelessness workers be based at regional access points (and the Aboriginal and Torres Strait Islander access point).²⁰ This would improve the capacity of the sector to provide individual support to children experiencing homelessness, whose educational participation is at risk, providing support for educational and behavioural engagement.

	2018-19	2019-20	2020-21	2021-22
Number of young people assisted	3,000	3,000	3,000	3,000
Expansion of LOOKOUT eligibility	\$2.5 million	\$2.6 million	\$2.6 million	\$2.7 million
Children’s support workers based at access points	\$1.7 million	\$1.8 million	\$1.8 million	\$1.9 million
Total cost	\$4.2 million	\$4.4 million	\$4.4 million	\$4.6 million

LGBTIQ youth homelessness

LGBTIQ young people are particularly vulnerable to homelessness; as they experience much higher rates of childhood sexual assault, violence and threats of violence, family rejection and expulsion from the home.²¹ They are more than twice as likely to experience homelessness as other Victorians,²² and once homeless they continue to be at risk of violence, sexual abuse, and discrimination, and difficulty in continuing their schooling.

Despite the extremely high prevalence of LGBTIQ youth homelessness, there are very few specific specialist homelessness services for this population. A recent study

²⁰ See footnote 17 for an explanation of ‘access points’

²¹ Bevitt A., Chigavazira A., Scutella R., Tseng Yi-ping T., and Watson N., *Journeys Home Dataset* cited in McNair, R., Andrews, C., Parkinson, S., and Dempsey, D.

²² Australian Bureau of Statistics, *General Social Survey*, 2014 cited in McNair, R., Andrews, C., Parkinson, S., and Dempsey, D.

indicates that LGBTIQ people often experience challenges when accessing homelessness services, that point to the need for practice development.²³

Council to Homeless Persons proposes that special housing and support options are developed for young LGBTIQ people, creating safe living environments and robust support for them to continue their education.

In addition to delivering a specialist housing and support response to highly vulnerable young people, a specialist service could also usefully develop practice knowledge for application across the sector, to enhance mainstream homelessness responses to LGBTIQ people experiencing homelessness.

	2018-19	2019-20	2020-21	2021-22
Number of young people assisted	30	30	30	30
Capital cost	\$3 million	\$3.5 million	-	-
Recurrent cost	\$1.5 million	\$1.5 million	\$1.6 million	\$1.6 million
Cost of research and practice framework development	\$1.0 million	\$1.0 million	\$1.1 million	\$1.1 million
TOTAL	\$5.5 million	\$6.0 million	\$2.7 million	\$2.7 million

²³ McNair, R., Andrews, C., Parkinson, S., and Dempsey, D., *LGBTQ Homelessness: Risks, Resilience, and Access to Services in Victoria*, 2017, p.57