



Council to Homeless Persons pre-budget submission 2016 –2017
November 2015



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Halve homelessness by 2025

Over the last three years Homelessness services have seen a staggering 30 per cent increase in demand and in 2013-14 almost 100,000 Victorians sought their help.

Over the same period funding to housing and homeless service *decreased* by nine per cent. The trend is going in the wrong direction and Victoria needs definitive action to turn it around.

Recently Mission Australia has called for a new national plan to halve homelessness in ten years. This goal is realistic and achievable and we know what it will take to get there. This budget submission calls on the Victorian State Government to commit to the same target, to halve homelessness in Victoria by 2025, and it lays out the investments required to help meet those targets.

These targets must be underpinned by a framework for the homelessness service system in Victoria for preventing and ending homelessness. With family violence being the leading cause of homelessness in Victoria, effective action to reduce family violence and services that prevent homelessness as a result of family violence will be essential to meeting these targets.

This budget submission outlined the additional service elements needed to:

- Prevent homelessness in the first place
- Provide crisis responses that help end the crisis
- End homelessness quickly and
- End homelessness for good.

These service elements are interlinked, and together form a service *system* designed to end homelessness. Investment across all of these areas, using new and existing resources, is required to make the system that will help Victoria to halve homelessness by 2025.

Preventing homelessness

A housing guarantee for young people leaving out of home care

Between one half and one third of all young people exiting state care will experience homelessness in the first two years after leaving care. In later life, people who have been in out of home care are over represented among those who experience homelessness long term. Improving the safety net for young people leaving care, can prevent homelessness both immediately and in the longer term.

Young people who have had multiple and disrupted care placements, and those who leave care early (from 15 years onwards) are more likely to experience homelessness than those with stable and/or longer care placements. Aboriginal young people are more likely to experience negative aspects of leaving care, including homelessness.

CHP proposes that the Victorian Government invest in a 'housing guarantee' to offer all young people leaving care a package of housing and support services. This support should be available up to the age of 25. However, as an initial investment CHP believes the 'housing guarantee' should be funded up to the age of 21 years.

CHP's plan would deliver a maximum annual payment of close to \$5,000 per young person to secure their housing. This will provide a rent top up, combined with support services to help these vulnerable young people navigate the housing market and set up plans for the future. At full enrolment the program will cost approximately \$16.5 million a year. Like the help offered to many young people by their families, this support and financial assistance will reflect their individual needs and taper down as they transition to independence.

As part of their leaving care plan, those funds could be used to guarantee the young person's rent for a period. This will encourage landlords to be more likely to rent to young people, provide a supplement to meet the rent while they're finishing training or study and unable to work, be a payment to call on at times of financial stress; or a combination of all three.

	2016-17	2017-18	2018-19	2019-20
Number of young people	398	797	1195	1434
Housing supplement	\$2,037,331	\$4,074,663	\$5,923,319	\$6,942,746
Support costs	\$2,521,991	\$5,043,982	\$7,224,186	\$8,369,697
TOTAL	\$4,559,322	\$9,392,204	\$13,541,930	\$15,771,817

Safe at home

Family violence is the single biggest cause of homelessness in Victoria for women and children, however family violence should not inevitably lead to homelessness. Safe at Home programs, both in Australia and internationally have shown promise in preventing homelessness by ensuring that people affected by family violence can remain safely in the home by removing the person who uses violence.

These programs provide safety assessments, home modifications and other safety measures, combined with case management. In some cases a short term rent or mortgage subsidy may also be required. In 2013-14, 1521 people who were at risk of homelessness sought help from homelessness services in Victoria due to family violence. CHP recommends an investment in safe at home indicatives to prevent homelessness for these households.

Safe at home programs should also be complemented by measures that ensure that the offender has access to secure housing.

	2016-17	2017-18	2018-19	2019-20
Number of households	1521	1521	1521	1521
Cost of safety assessment and modifications	\$7,605,000	\$7,833,150	\$7,833,150	\$7,833,150

Tenancy sustainment

Housing crisis and financial difficulties are cited as the main reason for seeking help by 29 per cent of people accessing homelessness services, and are a contributing factor in 45 per cent of cases. If programs are available to help intervene earlier, homelessness can be prevented for these households.

Tenancy advice and mediation through services like the Tenants Union of Victoria and tenancy support and sustainment programs such as the Social Housing Advocacy and Support Program (SHASP) effectively prevent homelessness.

Activities to save existing tenancies include: paying the full amount of rent arrears that have put the tenancy at risk, devising 'early warning systems' with landlords to identify tenancies at risk, assistance in negotiating and mediating tenancy issues with the landlord, and legal assistance with representation when tenancy disputes proceed to court.

These kinds of interventions should be expanded across the housing system so that tenants in public community and private rental housing can be supported to keep their homes.

	2016-17	2017-18	2018-19	2019-20
Expansion of tenancy sustainment programs	\$3,000,000	\$3,075,000	\$3,151,875	\$3,230,671

Dealing with demand and crisis

Matching people to services quickly

The Opening Doors Framework has established a system of streamlined access to homelessness services in Victoria. These services respond to immediate needs for accommodation, as well as prioritise people for access to support services. This system has seen demand concentrated at Access Point Services without sufficient resources to respond. Waiting lists for services are long, with over 2000 people waiting for services in some metropolitan areas, and over 150 in some regional areas. This means that Initial Assessment and Planning services spend a lot of time dealing with housing crisis and maintaining waiting lists.

There is a clear need for more support services and to expand the suite of options available to help people when they first come into contact with the homelessness system. As a first step CHP recommends that additional resources be provided to the major access points to manage demand and ensure that vacancies are matched to people in need as soon as they arise.

	2016-17	2017-18	2018-19	2019-20
Additional IAP's	\$ 1,700,000	\$1,768,000	\$1,838,720	\$1,912,268

Emergency accommodation outreach

All homelessness services report a shortage of accommodation options for people in crisis, either through the funded crisis accommodation system, or in purchasing emergency accommodation in motels, caravan parks or rooming houses.

Rooming houses are the most commonly used emergency accommodation option for individuals experiencing homelessness in metropolitan Melbourne. However after emergency accommodation is provided, ongoing assistance relies on people re-presenting or staying in contact to meet longer term housing needs. The rooming house environment places people in a situation likely to exacerbate their crisis, and hinder longer term efforts to secure housing.

CHP proposes that eight rooming house outreach workers be allocated to liaise with the main services that administer funds for emergency accommodation in Melbourne. These workers would provide active outreach follow up to people referred to rooming houses for accommodation. The services would not only provide a point of contact to the community service system, but also play a monitoring role on the quality and safety of rooming houses used as crisis accommodation.

In regional areas the accommodation landscape is somewhat different and it is proposed that one emergency accommodation outreach worker be allocated in the

major population centres of Geelong, Ballarat, Bendigo, Morwell, Wodonga to support the region.

	2016-17	2017-18	2018-19	2019-20
Cost for statewide emergency accommodation outreach teams	\$1,666,600	\$1,716,598	\$1,768,096	\$1,821,139

Ending homelessness quickly

A rapid rehousing program

The longer individuals or households are without a home, the harder it is to end their homelessness. As existing health and financial conditions worsen the connections and supports that help people sustain housing fall away. For this reason, rapid rehousing programs that get people back into housing quickly and build the supports that people need to remain housed, should be a priority in this budget.

These programs are particularly important for women and children escaping family violence. Where women do not wish to stay in the home, these services can help move women quickly into a new home, and re-establish the connections and supports needed. Without rapid rehousing, families can move two or three times before they find a long term home, meaning children face prolonged absences from school or up to three new schools.

CHP proposes that the Victorian Government establish a Rapid Rehousing Program to assist 1,000 individuals and families a year to find and pay for accommodation in the private rental market. This would include: assistance to search for suitable properties, incentives for landlords to participate and medium term rental subsidies (of up to six months) to ensure the rent remains affordable.

These kinds of programs can provide an alternative to long stays in crisis accommodation, freeing up crisis beds. They can also be used to provide an alternative housing option for women and children fleeing family violence.

Program costs	2015-16	2016-17	2017-18	2018-19
Annual number of households assisted	1,000	1,000	1,000	1,000
Annual rental subsidy	\$2,274,406	\$2,365,382	\$2,459,997	\$2,558,397
Annual support costs	\$7,250,000	\$7,431,250	\$7,617,031	\$7,807,457
TOTAL	\$9,524,406	\$9,796,632	\$10,077,029	\$10,365,854
Estimated savings possible from realigning existing support resources	\$1,800,000	\$1,845,000	\$1,891,125	\$1,938,403

Ending homelessness for good

Permanent supportive housing

Over 1,000 people in Victoria were counted sleeping rough in the 2011 Census. With the right kinds of assistance, we can reduce this number, and eventually eliminate rough sleeping altogether.

Targeted services that provide long term, affordable housing combined with flexible, proactive and ongoing support services, have been proven to end homelessness for people who have been sleeping rough, and prevent them from becoming homeless again. This approach is known as Permanent Supportive Housing. Some examples include:

- 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 from people sleeping rough on hospitals, emergency services and the justice system.

CHP recommends that an ongoing Permanent Supportive Housing Program be funded to halve rough sleeping by 2025. This can be achieved by building new properties as well as using some existing Transitional Housing Properties for long term housing.

Program costs for 216 consumers over 4 years	2015-16	2016-17	2017-18	2018-19
Number of new consumers each year	54	54	54	54
Total consumers in program this year	54	108	162	216
Capital establishment (one-off) x 25 properties p/a	\$7,205,186	\$7,385,316	\$7,569,949	\$7,759,198
Transitional conversions x 25 properties p/a	\$178,796	\$183,266	\$187,848	\$192,544
Annual costs minus rental income	\$3,010	-\$611	\$25,252	\$69,433

Support cost	\$822,639	\$1,686,411	\$2,592,856	\$3,543,571
Less savings from converted transitional properties	\$317,347	\$325,280	\$333,412	\$341,748
TOTAL	\$7,892,286	\$8,929,102	\$10,042,493	\$11,222,998

An affordable housing strategy

While ending homelessness takes more than just providing shelter, you can't solve homelessness without a home. Ongoing government investment in low cost housing options is critical, not only to provide housing to people who are currently homeless, but also to prevent new cases of homelessness occurring. Unfortunately Victoria is facing an absolute shortage of 43,200 homes that are affordable to households on the lowest 20 per cent of incomes. This shortage is simply too big to be filled by the social housing system alone, even if it was currently growing rather than in decline. Indeed the private rental market houses almost twice the number of low income households than social housing. Increasing the amount of affordable housing available will need government investment and sound policy development.

In the first year of this Victorian Labor Government some progress has been made.

CHP welcomes the review of the Residential Tenancies Act, and in our submission we have made a number of suggestions to improve the housing situation of low income renters, including greater certainty in rents, clearer eviction procedures and more control over tenancies by tenants. We hope that the final review will make the changes that make rental housing more secure for low income households.

We also welcome the introduction of a statewide housing register. This will provide a clearer way for people to access social housing and a more transparent method of allocation. We hope to see a move to choice based letting across the state to give prospective tenants more control over their housing search and housing choices.

Now, these initiatives should be brought together in an overarching Affordable Housing Strategy, that sets targets for an increase in different housing types at different price points for a range of household needs. This includes targets for building new permanent supportive housing, general social housing, affordable sub-market rental housing and shared equity programs to support low income home ownership. These targets will need to be supported by direct government funding, innovative financing mechanisms and planning provisions such as inclusionary zoning. Ongoing advocacy to the Federal Government to improve funding for social housing, and moderate the negative impact of Federal Government policies such as negative gearing should also be part of any statewide strategy.