



Council to Homeless Persons – Submission to the Department of Social Services – Review into the Future
Directions of the Financial Wellbeing and Capability Activity



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Introduction

The Council to Homeless Persons

The Council to Homeless Persons (CHP) is the peak Victorian body representing organisations and individuals with a commitment to ending homelessness. CHP works to end homelessness through leadership in policy development, advocacy, capacity building and consumer participation.

CHP welcomes the opportunity to respond to the review into the Future Directions of the Financial Wellbeing and Capability Activity. The Financial Wellbeing and Capability Activity, while not directly a homelessness program, is of critical importance to those experiencing homelessness, and an essential complement to the homelessness sector, both in terms of preventing homelessness, and supporting people to gain and sustain housing.

What we mean by 'ending homelessness'

Homelessness occurs at the intersection of personal vulnerabilities and structural forces, such as poverty, housing affordability and security of tenure. People who become homeless are often financially disadvantaged and some will have spent a lifetime in insecure housing.

Ending homelessness doesn't mean that people will never find themselves without shelter. It means that homelessness will be rare, the experience brief, and it will not recur in a cycle of repeated homelessness.

To achieve this vision, Victoria requires the services to help people manage the vulnerabilities that can lead to homelessness. Pathways into homelessness include eviction, job loss, family violence, mental ill health, relationship breakdown, or indeed a combination of these factors. There is neither a single cause, nor a single solution. Some people may need relatively little assistance for a short period of time, while others may need support over a lifetime.

Ending homelessness also requires action to reduce poverty, increase access to employment and critically, to improve the supply of housing that is affordable to people on low incomes, and the security of people's tenure within that housing.

Homelessness and the Financial Wellbeing and Capability Activity

If homelessness represents a failure of our social safety net, then emergency and food relief may be considered the last opportunity for successful preventative intervention. Where these services fail to support a person in crisis, the result can often be homelessness within a very short time span. Similarly, these services operate as an essential partner for specialist homelessness services, providing critical supports to those seeking to regain housing, as well as those simply seeking to be well enough to engage with the supports homelessness specialists can offer.

The provision of food and financial support is a critical mechanism in avoiding homelessness, supporting those in financial crisis to sustain their housing and meet

immediate material needs. Those experiencing homelessness face high living costs, including for expensive crisis accommodation, meeting their often considerable medical and pharmaceutical needs, and in having access to food in situations where they have little access to cold storage, or in many situations, any form of storage at all. For many people, it is not possible to meet even these expenses with their incomes, let alone other essentials or incidental costs.

'If they're going to cut down on emergency relief they need to do something about the cost of living so that people can live on their Centrelink income'

- John Kenney, Consumer / Advocate

In this response, CHP focuses largely on emergency relief under the Financial Wellbeing and Capability Activity. This, along with Food Relief programs are essential components of the homelessness service system, and the exclusion of Food Relief from our response stems simply from the fact that no proposals for reform are detailed in the DSS discussion paper *'Future Directions of the Financial Wellbeing and Capability Activity'* (the discussion paper). It should be noted however, that other programs under this activity such as No Interest Loans Schemes, and financial counselling are also of critical importance in supporting those experiencing, exiting, or seeking to prevent homelessness.

Strategies to improve the targeting of services

'The hoops that you have to fit through keep getting smaller'

- Jason Russell, Consumer / Advocate

The targeting of emergency relief funding to those at imminent risk of defaulting on their debts threatens the program's ability to meaningfully deliver its core objective; 'immediate financial crisis needs met'¹. The immediate financial crisis needs of those experiencing homelessness are often not due to accrued debts, but impending costs, or an inability to meet the costs of 'inflexible expenses', which are essential to their health and wellbeing; shelter, medical expenses, food, and transport.

'Emergency relief needs to include pharmaceutical and medical costs. You need to look after your body and if you can't you have no prospect of having a happy or productive life'

- Christine Thirkell, Consumer / Advocate

This proposal would create a perverse incentive for those in financial hardship and homelessness to accrue debts on essential goods, and then seek help. It is not financially sound practice to accrue debts rather than pay them in advance, as this often comes with additional liabilities, financial and otherwise. Should those in financial hardship accumulate debts through credit cards, payday loans or other mechanisms in order to meet eligibility requirements, they will incur greater bills. These additional costs will be passed through to the emergency relief program, whilst

¹ Australian Government Department of Social Services, *Families and Communities Program Financial Wellbeing and Capability Guidelines Overview*, December 2016

service users will have worse access to credit and housing in the future. If ‘achieving outcomes’ is a guiding principle of the Financial Wellbeing and Capability Activity redesign, then this option must be rejected.

Nor does CHP agree that financial capability programs should be restricted as described in the discussion paper. Notably absent are unexpected forms of crisis such as loss of employment. Tightening restrictions on financial capability programs hinders peoples’ efforts to proactively avoid homelessness.

CHP has a team comprised of individuals with a lived experience of homelessness, who have provided input to this submission. A major concern raised by this proposal (and that detailed in section 3 under ‘Enhancing Stability and Resilience through Emergency Relief’) is that by making fewer people eligible for emergency relief programs, providers will be forced to rely more heavily on their charitable relationships to support those people most in need. This may mean that future reviews of the Financial Wellbeing and Capability Activity will likely show a reduction in service use due to the utilisation of other funding to support emergency relief outcomes. Any such reduction would be based on false evidence misinterpreted as a reduction in need.

Emergency relief providers have limited access to charitable donations, and such resources will be redirected from elsewhere, including from re-housing outcomes. CHP strongly opposes the proposed restrictions on eligibility, as well as any pursuant cuts to the Financial Wellbeing and Capability Activity.

Strategies to increase service integration

‘Links between organisations should be by referral. All files should be kept confidential’
- Jason Russell, Consumer / Advocate

CHP is supportive of service integration as a concept. Service systems with poor integration require individual workers to invest substantial time and energy in overcoming systemic barriers for consumers. Consumers similarly identify that a lack of integration can result in a complex service system that is difficult to navigate. Greater integration can lead to simpler pathways for consumers, more efficient services, and better outcomes. Critically, service integration must be supported with a dedicated staff loading, recognising that relationship building (even between services) can take ongoing efforts such as dedicated communication, staff training, and information sharing.

However the model and appropriateness of integration are important considerations. Service integration does not always lead to positive outcomes. Important considerations include *which* services are included in an integrated model, and *how* they are integrated.

The model of integration has an effect not only on the capacity of services to make appropriate referrals, but may impact on the ability of services to accept clients who are in need. It is an important principle of service users’ rights, encoded in privacy

legislation, that personal information regarding service usage is not shared with other services without their express consent. This has practical as well as moral implications; in a system where information on individuals' service use was shared, those experiencing severe hardship or homelessness may inadvertently render themselves ineligible for further support from other agencies. As described above, there are those for whom ongoing instances of support are required to meet immediate basic needs. This can be particularly true of those experiencing crises such as homelessness, whose immediate needs may be greater than the support available through a single service interaction.

'Sometimes you're having a real hard time, and you need more than one food voucher to get you through'

- Christine Thirkell, Consumer / Advocate

Emergency and food relief are such important programs within the social services system that eligibility assessments must be based exclusively on legitimate need. Other factors should not compromise this primary objective. An emergency relief system that moves away from the principle of needs-based provision would see individuals facing ongoing and worsening crisis, increased homelessness, and reduced ability to productively engage with supports.

'You've got to be careful because if they share a database, and if you got help from Salvation Army last week, maybe now you can't get help from St Vincent de Paul'

- Jason Russell, Consumer / Advocate

While it may be appropriate to require providers to have formal relationships with other services in their area, CHP opposes the idea that job service providers are one such appropriate provider.

'Job application and getting help should not even be in the same sentence'

- Jason Russell, Consumer / Advocate

The Government's identification of 'increasing employment' as a target across government funded programs, while positive, is not appropriately applied to the emergency relief program via job service agencies. Those experiencing immediate crisis are unlikely to be in a position to positively engage with job services, except under limited circumstances. Instead, emergency relief providers can work with complementary agencies, such as specialist homelessness services, to support clients to resolve their crisis – at which point they may be in a better position to engage with employment opportunities.

Strategies to support client outcomes

Employment

'Bringing in jobs requirements was the worst thing they ever did'

- John Kenney, Consumer / Advocate

CHP has provided detailed comment on the negative likely impacts of conflating job service outcomes with emergency relief outcomes in the previous section. We would further add however, that for many of those who have experienced homelessness, there is already a significant hostility towards jobs services agencies.

'It's like there's predators and prey, and they've just tripled the predators'

- Jason Russell, Consumer / Advocate

Many of those experiencing homelessness have widely varied relationships with different services, ranging from mutually respectful cooperation to hostility. This is highly influenced by the individual's perception of the service, the respect that the service accords them and their situation, and its ability to offer positive solutions, rather than seeking outcomes in which the individual has little interest. The at times coercive approach of jobs services, and their ability to revoke a person's access to Centrelink benefits means many of those experiencing homelessness will not engage with them.

It is therefore unlikely that emergency relief providers will achieve positive outcomes with this highly vulnerable cohort by emphasising employment and referring to jobs agencies. Indeed, such actions are likely to harm the trust being built by emergency relief providers and undermine other outcomes they are seeking to achieve.

'You've got to keep certain organisations out of emergency relief. No job providers should have a link'

- Christine Thirkell, Consumer / Advocate

Building stability and resilience

'I think that they should leave things alone, let agencies make decisions. Leave emergency relief up to the people who are doing it.'

- John Kenney, Consumer / Advocate

CHP has commented above on the fact that for many people it is impossible to meet their essential needs within their incomes. For this reason, CHP strongly opposes the proposal that: *Clients who present on multiple occasions within a certain timeframe would be required to demonstrate that they have taken reasonable steps to reduce their costs, increase their income or improve their financial management.*

There is a significant difference between offering casework to repeat emergency relief providers, as detailed in the discussion paper's 'Salvation Army Doorways' example, which focuses on building on a consumer's strengths, and limiting access to emergency relief to those who can demonstrate a change in household budget.

'Under that system you can only get help five weeks in 24. Once every five weeks is insane''

- Jason Russell, Consumer / Advocate

There is little evidence showing coercive approaches to be effective in building consumer participation. Oftentimes, people requiring repeat emergency relief are in a state of extreme crisis and stress, and lack at that time the capacity to change their broader circumstance. Strategies that reduce their immediate crisis and levels of stress, such as persistent rapport building, practical assistance, and maximising self-determination, are known to be effective², precisely because they create the space needed for broader life changes to progress. Conversely, creating barriers to this assistance, only exacerbates the material crisis and stress, rendering it almost impossible to achieve positive progress. Not only would this proposal limit the ability of many to meet their essential needs, it would fail to meaningfully improve outcomes for those most highly vulnerable.

Prevention and early intervention

'National household debt has gone up dramatically. So educating the general population on how to manage that, and stop yourself from getting too involved in it, that would be good'

- Christine Thirkell, Consumer / Advocate

CHP supports prevention and financial resilience measures, which may prevent financial crisis and even homelessness. It may be that by proactively engaging at-risk target groups, this could be an appropriate arena in which to apply the Government's 'Investment Approach', which could see improved responses to risk of financial crisis.

However, CHP rejects punitive applications of 'investment approaches' whereby cohorts identified for further investment are required to meet new mandatory requirements (such as engaging a jobs provider) to retain their current level of access to social services or social welfare. Research has clearly demonstrated that those experiencing homelessness achieve better outcomes when they can determine their own support requirements and life goals³. Accordingly, an 'investment approach' that provides for self-determination will achieve better results than one that does not.

² Phillips and Parsell, *'The role of assertive outreach in ending rough sleeping'*, 2012

³ Barrow et al, *'Consumer Integration and Self-Determination in Homelessness Research, Policy, Planning, and Service'*, 2007

Strategies to build a strong workforce

'A pat on the back and to keep out of their way'

- Jason Russell, Consumer / Advocate, in response to the question
"What do volunteers need?"

Volunteers provide an important role in many emergency relief organisations, representing the majority of the workforce in some models. This not only represents great value to funders, but can also improve outcome for service users. Volunteers have a reputation amongst many of those experiencing homelessness for being willing to make additional efforts to support those in need.

'They really do care, and try to help people... volunteers are way better'

- Christine Thirkell, Consumer / Advocate

However, agencies have reported that clients are presenting with more complex needs than in the past, and that it is important to ensure that their workforce (and particularly volunteers) are appropriately equipped to deal with such matters. This will improve the retention of skilled volunteers in services, as well as the ability of all services to deliver positive outcomes for consumers. CHP supports the availability of training to agencies providing Financial Wellbeing and Capability Activity activities. This may include training in having positive conversations about employment; though said conversations should not be mandatory.

'I know that (volunteers) cop a lot of abuse'

- John Kenney, Consumer / Advocate

Strategies to strengthen evidence, improve practice and measure outcomes

'You could get a (rental) bond or a bandaid, I don't think it should be on a scale. You get help, you get help. They should report the stats and leave it at that'

- Jason Russell, Consumer / Advocate

Measuring outcomes appropriately is an important mechanism for continued monitoring of whether a program is achieving its goals. However, in order to monitor this, there must be a strong understanding of what a program's goals are. It is clear that the different programs that operate under the Financial Wellbeing and Capability Activity have different goals from one another, for example that a No Interest Loans Scheme loan for whitegoods has a different outcome to a Community Development Financial Institutions loan to start a small business.

The emergency and food relief stream of the Financial Wellbeing and Capability Activity is an important intervention that seeks to prevent crises from worsening. As

such, goals with a long-term focus, such as ‘employment outcomes’ are unable to be meaningfully applied to these programs. Instead, these programs must measure whether outcomes such as the current ‘existing financial crisis needs met’ are being delivered. Outcomes for these programs should focus on whether assistance is provided, and whether that assistance has prevented a worsening crisis.

‘Report help needed, help given, and failed’

- Jason Russell, Consumer / Advocate

Conclusion

‘(Emergency relief providers) don’t need to be told to do what they already are doing. They’re already making decisions around their funding, and they’re doing it in the best way they know how’

- Christine Thirkell, Consumer / Advocate

The programs under the Financial Wellbeing and Capability Activity are of critical importance to those experiencing homelessness, those at risk of homelessness, and the agencies that seek to support them. CHP strongly opposes the tightening of eligibility requirements for these programs.

For many people it is not possible to meet their own essential needs within their incomes. Requiring these people to accrue debts for these necessities prior to being eligible for the emergency relief program is poor financial practice, which will penalise those who are forced to accrue such debts, while costing more to the Government in relief. Emergency and food relief are such important programs within the social services system that eligibility assessments must be based exclusively on legitimate need.

While greater integration of Financial Wellbeing and Capability Activity providers and complementary social services is likely to lead to better outcomes for consumers, and the more efficient operation of social services, greater consideration must be given to the model and partners of any such integration. In particular, the inclusion of job service agencies must not be applied universally to all consumers of emergency relief. Instead, the Government should consider other mechanisms for improving employment outcomes for this cohort, such as staff and volunteer training, and recognising the importance of addressing crises in achieving job readiness.

CHP strongly opposes the proposal to limit access to multiple occasions of emergency relief to those who can demonstrate reduced costs, or greater incomes. It is important to recognise that many people with low incomes face extremely high costs in meeting their essential needs, and are unable to make cuts or increase incomes. Removing access to emergency relief for these people will have disastrous impacts, including increased homelessness.

Greater training opportunities for staff and volunteers, as well as improved outcomes measurements have the potential to improve these programs, though must be appropriately applied.

The programs under the Financial Wellbeing and Capability Activity, particularly emergency and food relief, underpin much of the rest of Australia's social sector. As such, restricting eligibility has the capacity to be calamitous. CHP urges caution in reforming the future of this activity.