

**MERCY FOUNDATION SUBMISSION IN RESPONSE TO:**

**The Legal and Social Issues Committee Inquiry into Homelessness in Victoria**

March 2020

**BACKGROUND**

The Mercy Foundation, established by the Sisters of Mercy North Sydney in 1990, is an organisation committed to social justice and structural change to create greater social equity and inclusion in the Australian community.

The primary social justice issue with which the Mercy Foundation is currently concerned is [homelessness](https://www.mercyfoundation.com.au/homelessness/index.cfm?loadref=21) and its related causes and consequences. It has a special interest in the prevention and impact of homelessness on women and in the implementation of appropriate policy, systems and service responses.

The Mercy Foundation is an independent voice, informed by evidence and current [research](https://www.mercyfoundation.com.au/homelessness/index.cfm?loadref=25) as it works to change social structures and practices, laws and ways of thinking. The Mercy Foundation works in partnership with other organisations on issues and activities that support its mission.

The Mercy Foundation provides grants for a range of social justice and community initiatives as well as for services, projects and research that will contribute to the goal of ending homelessness.

**INTRODUCTION**

The Mercy Foundation congratulates the Victorian Government on its Inquiry into Homelessness. The Mercy Foundation believes that homelessness requires an effective and evidence-based response that results in the ending of an individual or family’s homelessness.

Housing is a human right. Affordable, appropriate, permanent housing is key to physical and mental health, to quality of life and human dignity. Homelessness is a symptom of serious failures in our society. It is symbolic of a failure of existing and past policies and practices concerning housing, employment, poverty reduction and the social safety net. Homelessness can only be solved and prevented by addressing its systemic and structural causes. Employment and adequate income reduce poverty and provide access to new housing options. An adequate social safety net would ensure nobody experiences the indignity and risk that rough sleeping brings. An increased supply of permanent, appropriate, affordable housing would solve homelessness for most Victorians.

There is a general perception in the community that people’s homelessness is a result of a personal failing. This stigmatises homelessness, creates a sense of shame amongst people experiencing homelessness and influences how we as a community respond to homelessness. Offering people support services to address their identified failings will not end their homelessness. For most people, access to permanent, affordable housing ends their homelessness. Some people may need and access to the required supports to stay in housing and a very small percentage will require permanent support to help them stay housed.

Investment in extra services will not end homelessness. Expenditure on more crisis services or transitional housing will not end homelessness. Without an increase in the supply of social and affordable housing, the homelessness system will remain clogged. More people will experience homelessness and more people will endure the indignity and the risks of street homelessness. When people are safely and permanently housed, they have much greater chance of finding a job, addressing their health challenges and increasing their wellbeing.

This submission is informed by ten years of research, provision of grants and working with communities to end homelessness. The Mercy Foundation is particularly concerned with chronic homelessness and older women at risk of or experiencing homelessness; this submission focuses on those two cohorts.

The Mercy Foundation supports evidence informed responses to homelessness. This includes Housing First and Rapid Rehousing, discussed later in this submission.

**SUMMARY:**

* Homelessness is a solvable problem. Most people experiencing homelessness need access to appropriate, affordable, permanent housing to end their homelessness.
* Consequently, there is an urgent need for investment in more social and affordable housing to enable people’ homelessness to be ended.
* A small number of people experience chronic homelessness. They may require a high level of support to sustain their tenancy. By using a Housing First approach, their homelessness can be ended. This group are often heavy users of emergency services and there is a substantial cost benefit to ending their homelessness.
* More permanent supportive housing options are required to solve chronic homelessness.
* Using the VISPDAT and Registry Weeks, communities across Victoria can gain an understanding of who is homeless and what their housing and support needs are. Using real time data, resources can be applied efficiently to work towards ending homelessness in their community.
* Older women are one of the fastest growing cohorts to experience homelessness. Access to services to prevent their homelessness and the allocation of social and affordable housing to this group will help address their housing needs.
* Work towards the development of a 10 year plan to address homelessness that involves all levels of government, service organisations, business, engagement with the community and insights from people with lived experience of homelessness.

**TERMS OF REFERENCE**

1. **Provide an independent analysis of the changing scale and nature of homelessness across Victoria**

The following brief analysis is based on statistics available from the ABS[[1]](#footnote-1) and AIHW[[2]](#footnote-2).

* Nationally, it is estimated that 116,427 people experience homelessness, an increase of 14% on 2011.
* In Victoria, homelessness has increased to 24,817, an increase of 11% since 2011.
* In Victoria, older people are experiencing homelessness at a greater rate than any other operational group.
	+ The number of people experiencing homelessness aged 65 to 74 years increased by 32% compared to 2011,
	+ the number of people aged over 75 years experiencing homelessness increased by 39.6%. It is shameful that an increasing number of older people are experiencing homelessness.

Most people experiencing homelessness were living in severely overcrowded dwellings (36%). The number of people sleeping rough increased by 3%.

**It is concerning that the number of Victorians experiencing homelessness since 2006 has increased by 43%.**

The increase in homelessness is further substantiated by the 2018-19 Specialist Homelessness Services report by AIHW. It shows that the number of people receiving homelessness assistance in Victoria was substantially higher than the national average. One in 57 people received homelessness assistance in Victoria, compared to the national average of 1 in 86.

 The top three reasons for seeking assistance were:

* Family and domestic violence (44% compared to 38% nationally)
* Financial difficulties (44% compared to 41% nationally)
* Housing crisis (37%, same as national average)

An average of 105 requests for assistance were unmet each day.

Service usage rates in Victoria were lower in 2018–19 compared with the previous year, except for young people presenting alone, older people, clients experiencing family and domestic violence and clients with disability.

**Chronic homelessness**

Chronic homelessness is defined as an episode of homelessness lasting 6 months or longer or multiple episodes of homelessness over a 12 month period or more. People who experience chronic homelessness are likely to have complex needs, which means that they have one or more of the following:

* developmental disability
* traumatic brain injury
* serious physical health problems
* history of abuse or trauma
* mental illness
* mental disorder
* psychiatric disability
* addictions.

People experiencing chronic homelessness often transition from shelters to refuges to rough sleeping and boarding houses. This can continue for many years.

People who are chronically homeless often engage with emergency services such as ambulance, hospital emergency departments, police and justice.

Of greater concern, people who are chronically homelessness are at a much greater risk of adverse health outcomes and early death. Research shows that people experiencing homelessness die up to 30 years earlier than their peers in housing.[[3]](#footnote-3)

The number of people experiencing chronic homelessness is small. Only 1,100 Victorians were counted as sleeping rough in the 2016 Census. It is estimated that around 40% of the rough sleeping population and 20 – 30% of people in supported crisis accommodation are chronically homeless. There is good evidence to support that the cost of ending someone’s homelessness is actually less than the cost to society.

**Older women**

The Mercy Foundation has a special interest in older women and homelessness. Older women are the fastest growing group to experience homelessness, with an increase of 31% nationally in the last census. Women over 55 are at great risk of financial and housing insecurity due to systemic and compounding factors such as:

* Lack of superannuation
* Working part time or casually throughout their lives
* Taking time out of the workforce to care for family
* Bearing the brunt of the gender pay gap
* An increasingly unaffordable private rental market
* Age discrimination

Women living on a low fixed income, who have not had the opportunity to buy a home, are at great risk of homelessness.

1. **Investigate the many social, economic and policy factors that impact on homelessness**

Poverty and unaffordable housing are the two key drivers of homelessness. There are many factors that impact on poverty and housing supply. Some of those factors are discussed below.

**Poverty**

Poverty is a key driver of homelessness in Australia. The latest HILDA report found that the proportion of people living below the relative poverty line (50% of median income) increased from 9.6% in 2016 to 10.4% in 2017. One of the key causes is the movement of people from higher pension benefits to the Newstart allowance.

Child poverty rates among single parent families rose to 19.2% and poverty rates were in excess of 30% for older single women.

The relative poverty line is around $430 a week for a single person. The Newstart allowance is currently $277.85 a week.

The report also shows that growth in household incomes has been stagnant since 2009.[[4]](#footnote-4)

Reducing poverty in Australia requires people to earn more through employment, or if they are unable to work, to receive a social benefit that enables them to enjoy a decent standard of living. The casualisation of the workforce has created increased poverty and unpredictability. People who cannot work full-time or at all need adequate levels of income support to ensure they remain stably housed. These issues should be raised with the Federal Government

**Older women at greater risk of financial and housing insecurity**

Women aged over 50 are at greater risk of financial and housing insecurity than older men. This has been linked to a number of compounding and systemic factors such as lack of superannuation, low pay rates, taking time out of the paid workforce to care for children and fulfil other caring roles.

The number of older women renting in the private rental market has increased significantly over the past three censuses. In 2006, there were 91,549 older women in the private rental market. This increased to 135,174 in 2011 and 180,617 in 2016. This is a concern because of the trends that show an increase in older women living in poverty and the deficit in affordable housing in the private rental market.

Many older women do not identify as being homeless. As such, they do not access homelessness services and explain their situation as a housing crisis. Of the 1,518 homelessness agencies across Australia, only three are funded as specialist services for older people.

Homelessness is often precipitated by a shock. The loss of a spouse, illness, car accident, no grounds eviction, or any other event that suddenly impacts on income or housing status.

Housing is an older woman’s most basic need. Access to affordable, long-term housing is an important health intervention.[[5]](#footnote-5)

**Access to housing: Housing affordability**

Melbourne is the fourth least affordable city in the world, behind Hong Kong, Vancouver and Sydney.[[6]](#footnote-6) Historically low interest rates, rising household debt, rapid house price growth that has outstripped wage growth, population growth and current taxation settings contribute to current poor housing affordability conditions.

Additionally, Melbourne’s low rental vacancy rate of 2.2% in December 2019 indicates the lack of housing supply available to potential renters and has led to renters paying a premium. Healthy vacancy rates are around 4%.[[7]](#footnote-7)

**Access to housing: Housing supply**

A deficit in housing supply means that people cannot find a place to live. The City of Melbourne estimates that there is a shortfall of 5,500 rental homes in Melbourne, which will increase to 23,000 by 2036 unless action is taken.[[8]](#footnote-8)

The Victorian Housing Register Transition Report for December 2019 reports that there were 51,646 applications for social housing under the Register in Victoria.

A report by City Futures estimates the current unmet need for social and affordable housing in Melbourne and the rest of Victoria as follows:[[9]](#footnote-9)

|  |  |  |  |
| --- | --- | --- | --- |
| **Unmet Need** | **Social Housing** | **Affordable Housing** | **Total** |
| **Greater Melbourne** | 75,300 | 33,900 | 109,200 |
| **Rest of Victoria** | 28,600 | 8,800 | 37,400 |

Increasing the housing stock is essential if we are to make any inroads in homelessness. It is simple economics that a lack of supply drives up rents and makes access to housing difficult for low-income groups.

1. **Identify policies and practices from all levels of government that have a bearing on delivering services to the homeless.**

**3.1 Evidence based solutions to ending chronic homelessness**

The Mercy Foundation advocates for evidence-informed approaches to ending homelessness. Housing First is the evidence based approach to ending chronic homelessness.

**Housing First** is an approach or methodology for assisting homeless people to access permanent housing with support as needed. It is based on the idea that people need a stable and secure home before they can address any other challenges. A safe, permanent home is the foundation that we all need to thrive. The principles of Housing First are:

* Housing is provided as quickly as possible for people experiencing chronic homelessness
* People do not have to be assessed as ‘housing ready’. There are no pre-requisites for people to access housing.
* People with addictions can access housing. There is evidence that once people are in stable housing, they are in a better position to tackle their addictions.
* Housing First provides people with permanent housing and access to services needed to help them sustain their tenancy. Most people will just need permanent housing to end their homelessness; some may need a period of transitional support as they move back in housing, and a small number of people have high or complex needs and may require permanent support. An individual’s engagement with these services is not required for them to maintain their housing.

People with complex needs may need permanent supportive housing to end their homelessness.

Studies of housing programs around the world reveal that tenants engaged in Housing First arrangements are:

* more likely to stay in their accommodation long term;
* have improved health outcomes;
* higher employment and training success;
* more engaged in the community

compared to more traditional housing programs. Consequently, Housing First programs are more cost effective for governments and service providers.

A study of 225 people in the USA compared the outcomes of those using traditional housing services and those using a Housing First program known as *Pathways to Housing.*The research found that 88% of those in the Housing First program retained their housing for two years compared to 47% in the other programs.[[10]](#footnote-10)

**Common Ground**

The Common Ground model is one form of permanent supportive housing, providing Housing First to people who are chronically homeless with complex needs. The mixed-tenancy model provides some support services on site. There are also workers on-site who can assist tenants with support as well as helping to co-ordinate other professional health, mental health and support services for the person.

**The cost benefit of solving chronic homelessness**

An evaluation of the Brisbane Common Ground model in 2016 reveals that governments can save in excess of $13,000 per person each year, by providing secure, long term housing and access to relevant support services. The savings are primarily in health (less mental health episodes, less visits to the emergency department, fewer hospital admissions). There are also saving to criminal justice and homelessness services.[[11]](#footnote-11)

Solving someone’s experience of chronic homelessness pays economic, social and health dividends. And it is the right thing to do.

**Ending homelessness requires collaboration**

Ending homelessness requires collaboration between local, state and federal government, community services, health, mental health, justice and education sectors and the private sector.

**Registry Weeks** also known as Connections Weeks enable communities to identify by name every individual and family requiring safe, permanent and sustainable housing. This is commonly referred to as a By-Name List. Using a survey tool called the VI-SPDAT[[12]](#footnote-12), the data collected identifies the type of housing required and the type of supports needed to end the experience of homelessness for each person. Continued use of the VI-SPDAT means that communities understand the real-time demand for housing and support services and also assists local organisations and agencies to understand the level of housing and support that their community requires to end street and episodic homelessness.

Registry Weeks focus community efforts on ending homelessness rather than simply managing or servicing homelessness. (food vans, showers etc). Once each community sees that the problem is a solvable number, resources can be directed into actions that can assist people into permanent housing. The Mercy Foundation provides local communities with a toolkit to help them implement a Registry Week.[[13]](#footnote-13) The data from Registry week provides a by-name list of people experiencing homelessness in their community, and prioritises them according to their vulnerability, and gives an indication of the services need to solve their homelessness.

The Mercy Foundation has assisted a number of communities to run Registry Weeks. These communities include Newcastle, inner Sydney, Waverley and the Nepean region. By harnessing the resources of cross-sector organisations, many of these communities made substantial reductions in street homelessness. The challenge has been to continue the momentum and work to prevent people falling into homelessness.

**Functional Zero:** Counting down the number of people experiencing homelessness means that there is a continual effort to prevent and solve homelessness in a community. A community is said to have reached Functional Zero when the number of new people entering the homelessness system in a given period of time (eg one month) is no greater than the average housing placement rate for that same period.

Reaching Functional Zero means that the homelessness system works to make homelessness rare, brief and non-recurring. In 2017, Adelaide was the first Australian city to commit to work towards Functional Zero for rough sleepers. The **Adelaide Zero Project**, a collective impact project designed to end street homelessness in the Adelaide inner city area, is working with 40 partner organisations to reach Functional Zero street homelessness by the end of 2020.[[14]](#footnote-14)

Since launching the project in 2018, the Adelaide Zero dashboard reports that 297 people have been housed since Connections Week (May 2018).[[15]](#footnote-15)

**The Act to End Street Sleeping** collaboration in Sydney is using the Functional Zero approach to reduce street homelessness. The campaign has the support of the NSW Government, with the Premier setting targets to reduce street homelessness in Sydney and across the state.

This approach uses real time data that is specific to the people experiencing homeless in each community. Rather than forcing a solution to fit a particular area, solutions are developed by local teams that match the needs identified in the data. Using real time data, communities can change how the local homeless response system works and the impact that they can achieve.

**3.2. Older women and homelessness**

The Mercy Foundation commissioned research in 2014 to identify the pathways out of homelessness for older women. The key learnings from this research are:

1. The majority of older women become homeless for the first time in later life
	* Housing affordability and accessibility are the primary reasons for their homelessness
	* Some women become homeless as a result of a breakdown in relationships with family
	* Some become homeless due to a life shock, such as the death of a partner
2. A smaller group have lived precariously in marginal housing and substandard accommodation throughout their life.
	* This smaller group of women can be characterised as experiencing chronic homelessness
	* They have higher needs and require more intensive services
3. A smaller group of older women have had transient lives, working, house sitting and travelling with family. With secure housing and access to support services they are able to manage their health concerns

Whilst secure housing is imperative for older homeless women, their life experiences, culture, background and communities need to be recognised and their own needs and wants in relation to the form of housing.

In 2018, the Mercy Foundation brought together the **National Older Women’s Housing and Homelessness Working Group,** to develop a national plan for change. The paper, Retiring into Poverty, made a number of recommendations including:

1. The development of a national housing and homelessness Strategy that includes actions and targets to create more permanent social and affordable housing options for women in each State and territory
2. A review of CRA, superannuation policy and legislation, national income support system to address the financial insecurity of older women
3. Increase efforts to address gender inequality and discrimination
4. Establish a seniors housing gateway to better address the housing support needs of vulnerable older women
5. Develop better national datasets and better data informed responses[[16]](#footnote-16)

**3.3 Increasing the supply of housing**

Clearly, there needs to be a significant increase in the supply of affordable and social housing to address homelessness across the State. Large-scale investment by State and Federal Government is required to meet the need.

The Mercy Foundation has funded a number of innovative projects that are designed to increase the stock of housing. Three of these projects are discussed below:

1. **Women’s Property Initiatives Older Women’s Program**

The Mercy Foundation funded a project with Women’s Property initiatives to enable older women with some assets that made them ineligible for social housing but with limited income that prevented them from accessing a mortgage or owning a home of their own. These women end up paying expensive private rental until their assets are diminished. The program enables low-income women over 55 with modest assets to invest in safe, secure and affordable housing where their assets/contribution will be preserved. They pay rent on a portion of the property, but they will have peace of mind from knowing that the rent is affordable, and their capital investment and their tenancy is secure.

This pilot project may create a replicable model that provides high quality, appropriate, accessible and affordable housing into the future for women to age in place. It will prevent them from becoming homeless or requiring more costly social housing in the future.[[17]](#footnote-17)

1. **Homes for Homes**

In 2014, the Mercy Foundation provided seed funding to the Big Issue to establish the Homes for Homes project, an innovative new funding model aimed at increasing the supply of social and affordable housing in Australia.

This model allows owners to make a voluntary tax-deductible donation, equivalent of 0.1% of the property’s sale price, to Homes for Homes when they sell their property. This offer to donate is registered on the property’s title through a simple legal mechanism (a permissive caveat) and acts as a reminder for the donation to be made at settlement. To help encourage participation, the property owners can choose to withdraw their property from Homes for Homes at any time.

Donations from each property sale will remain in that state or territory. When there is sufficient money raised, experienced housing providers will be invited to submit their proposals via an open tender process. Homes for Homes has granted almost $1m in funding to organisations across Victoria and ACT. These projects will provide housing for 32 people.[[18]](#footnote-18)

1. **Head Start Homes (NSW)**

Head Start Homes provides a pathway into home ownership by acting as guarantor for community housing tenants who can afford a home loan but are locked out due to the need for a large deposit and mortgage insurance. By moving into home ownership, their community housing property is made available for another individual or family in need.[[19]](#footnote-19)

**Set housing supply targets for vulnerable groups**

The Victorian Government should set measurable targets to create additional social and affordable housing options in Victoria, specifying targets for vulnerable cohorts such as older women and permanent supportive housing for people with high needs.

**Support Inclusionary Zoning policies**

Inclusionary Zoning is a policy that requires developers to ensure that a share of new construction is affordable. The Mercy Foundation supports targets that require 15% of dwellings built on private land and 30% of dwellings built on formerly public land be affordable. These targets will eventually lead to an increased supply of affordable dwellings for vulnerable cohorts as well as key workers and minimum wage workers. Another advantage of Inclusionary Zoning policies is that it creates additional affordable and social housing stock across the metropolitan area, rather than concentrating development in particular suburbs.

**Develop a State Strategy to End Homelessness**

We recommend that the Victorian Government develop a 10-year strategy to address homelessness. The Western Australian strategy “All Paths lead to home’, is a 10 year strategy on homelessness for 2020 – 2030. The strategy has been developed with input from academics, practitioners, government agencies, engagement with the community and people with lived experience. Ten year plans ensure all proposed programs, projects and initiatives are in line with the overall objectives to end rather than manage homelessness. The WA plan provides a blueprint for the state of Victoria to develop its own strategy.

<https://www.communities.wa.gov.au/media/2156/homelessness-strategy-final.pdf>

**What does ending homelessness look like?**

When we conceptualise the notion of ‘ending homelessness’ this is what it will look like:

* No Australian will experience long-term (or chronic) homelessness.
* Individuals or families in a housing crisis will have their homelessness prevented.
* If an instance of homelessness cannot be prevented, individuals and families will receive immediate crisis services and temporary accommodation and be re-housed as quickly as possible (Rapid Re-housing).
* Anyone who experiences homelessness will be assisted into stable, affordable, permanent housing as quickly as possible (Housing First). If they also need support services to help sustain that housing, this will be available (Permanent Supportive Housing).
* Housing First and Rapid Re-Housing will become ‘business as usual’ responses for homelessness in Australia.
* There will be an adequate supply of ‘permanent supportive housing’ options for the small number of people with significant disability, health or behavioural problems who require ongoing support to sustain housing.
1. ABS 2016 Census of Population and Housing [↑](#footnote-ref-1)
2. Specialist Homelessness Services Annual Report 2018-19, Australian Institute of Health and Welfare [↑](#footnote-ref-2)
3. <https://www.sheffield.ac.uk/news/nr/crisis-charity-homelessness-bethan-thomas-homelessness-kills-1.213096> [↑](#footnote-ref-3)
4. Roger Wilkins, Inga Laß, Peter Butterworth and Esperanza Vera-Toscano (2019) *The Household, Income and Labour Dynamics in Australia Survey: Selected Findings from Waves 1 to 17*. Melbourne Institute: Applied Economic & Social Research, University of Melbourne. [↑](#footnote-ref-4)
5. *Retiring into Poverty: A national plan for change: Increasing housing security for older women* National Older Women’s Housing and Homelessness Working Group 2018 [↑](#footnote-ref-5)
6. 16th Annual Demographia International Housing Affordability Survey 2020 [↑](#footnote-ref-6)
7. REIV Monthly Rental Data December 2019 [↑](#footnote-ref-7)
8. https://www.melbourne.vic.gov.au/building-and-development/urban-planning/community-housing/Pages/affordable-housing.aspx [↑](#footnote-ref-8)
9. *Estimating need and costs of social and affordable housing delivery* City Futures Research Centre March 2019 [↑](#footnote-ref-9)
10. *Housing, hospitalization, and cost outcomes for homeless individuals with psychiatric disabilities participating in continuum of care and housing first programmes,* Journal of Community and Applied Social Psychology, 2003 Leyla Gulcur, Ana Stefancic, Marybeth Shinn, Sam Tsemberis, Sean N. Fischer [↑](#footnote-ref-10)
11. *Brisbane Common Ground Evaluation: Final Report*. Prepared for the Queensland Government, Dept of Housing and public Works by the Institute for Social Science Research, The University of Queensland [↑](#footnote-ref-11)
12. VISPDAT: Vulnerability Index Service Prioritisation Decision Assistance Tool [↑](#footnote-ref-12)
13. <https://www.mercyfoundation.com.au/our-focus/ending-homelessness-2/registry-weeks/> [↑](#footnote-ref-13)
14. For more information about the Adelaide Zero project, see <https://dunstan.org.au/adelaide-zero-project/> [↑](#footnote-ref-14)
15. <https://dunstan.org.au/adelaide-zero-project/dashboard/> [↑](#footnote-ref-15)
16. A National Plan for Change: Increasing Housing Security for Older Women. Produced by the National Older Women’s Housing and Homelessness Working Group, August 2018 [↑](#footnote-ref-16)
17. <http://wpi.org.au/older-womens-housing-project-moving-forward> [↑](#footnote-ref-17)
18. <https://homesforhomes.org.au> [↑](#footnote-ref-18)
19. <https://www.headstarthomes.org.au> [↑](#footnote-ref-19)