

FAMILY AND COMMUNITY DEVELOPMENT COMMITTEE

**Inquiry into the provision of supported accommodation for Victorians with a disability
or mental illness**

Melbourne — 5 November 2008

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Mr C. Chaplin, policy and project officer, Community Housing Federation of Victoria.

The CHAIR — Welcome to this public hearing conducted by the Family and Community Development Committee as part of its inquiry into the provision of supported accommodation for Victorians with a disability or mental illness. The committee is looking into issues such as the standard, range and adequacy of care and accommodation currently available; the appropriateness of current service providers; how unmet need is managed in Victoria; the accessibility and appropriateness of accommodation for rural communities, ethnically diverse communities, and indigenous Victorians; and the impact of the current service provision on families and carers.

This is an all-party investigatory committee of the Victorian Parliament and is due to report to Parliament by 30 June next year, after which the government has up to six months to reply to the committee's report and recommendations.

All evidence taken at these hearings is protected by parliamentary privilege as provided by the Constitution Act 1975 and further subject to the provisions of the Parliamentary Committees Act 2003, the Defamation Act 2005 and, where applicable, the provisions of reciprocal legislation in other Australian states and territories. Any comments a witness makes outside the hearing may not be afforded such privilege.

We are recording the evidence and will provide a proof version of the transcript to each witness at the earliest opportunity. I ask members of the public gallery to respect this committee hearing and not disrupt the proceedings as it will affect the Hansard recording.

I call on our first witness, Mr Chris Chaplin, to introduce himself and give a brief description of his organisation and how it is funded, followed by his verbal submission.

Mr CHAPLIN — Thank you. I would like to acknowledge the committee members here and the indigenous people who are the traditional custodians of the land, the Wurundjeri people and the Kulin nations. My name is Chris Chaplin. I am the policy and project officer for the Community Housing Federation of Victoria, which is funded by the state government. The Community Housing Federation of Victoria is the peak body for all the community housing organisations in Victoria. Community housing, as a general description, is housing that is provided, either managed or owned and managed, by community organisations, many of which are themselves funded by the state government. We have approximately 80 members in our organisation, and that covers about 7000 dwellings, to my knowledge.

I am relatively new to my position; I started a month ago. Although I have 14 years of experience in the housing sector, my experience at the Community Housing Federation of Victoria is somewhat limited. My presentation today is verbal, partly for that reason and because there has not been time to prepare a written submission. I will draw heavily on my own experience in the housing sector, in particular working with transitional housing managers, or THMs, as they are called. They are a large subset of community housing in Victoria and provide two key services. One is housing information and referral, where a person needing housing assistance comes into the office and seeks advice, support or referral. The service also provides transitional housing itself, which is short-to-medium-term housing, and that is the way it was intended. North East Housing Service, where I used to work until six months ago, is a typical transitional housing manager with about 260 properties rented out for transitional housing.

Community housing in general provides affordable, community-managed rental housing, and it is generally regarded as a higher level of provision than public housing, on the basis that the properties themselves are very well managed and well maintained. Many of the properties are owned by the Office of Housing, and their maintenance program is the same as that for the Office of Housing, but because they are community-managed there is more opportunity for ensuring that the properties themselves are selected for the needs of the tenants, and the tenants in general have more say about how their housing is run. It covers a very wide range from rooming houses, rental housing cooperatives, transitional housing, all the way up to the newly-created housing

associations, which are the growth vehicles in Victoria for increased provision of affordable housing.

I am going to focus on an area that I suspect may not have been covered much in this inquiry, and that is singles housing. The reason I am doing that is because there are other members of the Community Housing Federation who are specialists in the provision of supported accommodation, in particular accommodation that serves people with disabilities or with mental illness, and I am hoping that they have made submissions themselves. It does not seem to occur readily to people that singles housing in particular has a role in this discussion, because a high proportion of singles seeking housing have mental health issues. There has been some research done by AHURI, the Australian Housing and Urban Research Institute, which was released in June 2008 and is entitled *The Cost-Effectiveness of Homelessness Programs — A First Assessment*. One of the things they found was — I am quoting from their executive summary:

Client outcomes need to be read against the needs of clients and their histories of homelessness. Needs were assessed across a range of dimensions.

On health, it goes on to say:

Significant numbers of respondents in the client survey reported that they experience a mental health condition (43.9 per cent), with over two-thirds of these respondents taking medication for their mental health condition.

These are people who are homeless or at risk of homelessness, and roughly 44 per cent have a mental health condition. That is across the board, but we know that singles have a higher incidence of mental health issues. That seems to correspond well with other information I have read which suggests that somewhere between a half and two-thirds of all singles who are homeless or at risk of homelessness have a mental health issue.

Where do singles go for their housing? There are three options: one is private. The private options available are rooming houses, boarding houses, supported residential services, hotels to a lesser extent, and a small number of flats. The private market does not particularly provide for self-contained accommodation for singles, therefore it is very hard for them to get into affordable housing, for those options. With respect to rooming houses, I think there have been a number of media reports about the sort of standard you would expect in private rooming houses. It does vary; there are some well-run private rooming houses, but there are a number of providers that are in it only for the profit, resulting in quite horrific situations.

The second tier would be community housing, and typically community housing for singles would be rooming houses. These are generally quite well run but often the premises are fairly old and in need of better maintenance. They are often old rooming houses from 40, 50, 60 years ago, so there is a move within the community housing sector towards rooming houses that have self-contained dwellings.

There is a difficulty with that. There is an advantage in having small, box-like rooms, because you can pack a whole lot of people into a given location. The accommodation might be sparse, but at least it is a roof over your head. The advantage of having self-contained accommodation is that the person is housed in better circumstances and is more likely to have a better quality of life, but it is much harder to build those numbers in a given area.

The third option is public housing. Public housing does provide a small number of singles-specific, one-bedroom accommodation, but it is a relatively small percentage. The Office of Housing has the capacity to allow a single person to live in a two-bedroom property, but at the moment its policy is not to do that. The waiting period for singles to get into one-bedroom properties or into public housing of any sort — if they are homeless, if they are on the highest level of need without having recurring homelessness — is somewhere between four to six years, and that is for a homeless person. This means effectively that a homeless person is not going to get housed in public housing. For someone who happens to be renting or living somewhere and is not

regarded as needing urgent accommodation, the waiting period would be, at a rough guess, maybe 20 years. It is somewhat faster if the person is over 55 and can access an elderly persons unit, but even then it can be one to two years to get in, and for a person experiencing homelessness that is far too long.

I am going to give a brief analysis of the situation. What are the barriers to getting into accommodation? One of the barriers is whether it is accessible or not. Accessibility may just mean physical accessibility in terms of being able to negotiate stairs or the physical structure, but in particular for singles accessibility is in location. The vast majority of singles accommodation is in the inner city and has been disappearing at a rapid rate over the last 20 years with the gentrification of inner-city areas. St Kilda, for example, which was renowned for its boarding houses and rooming houses, has lost a very large proportion of that, and what is left has been protected by the City of Port Phillip, for example, in its quite successful program of supporting singles accommodation, with the end result that there is now a housing association, the Port Phillip Housing Association, which was supported in its creation by the City of Port Phillip.

In particular, the accessibility issue is a major problem for outer urban areas; there is simply no singles accommodation at all. There is limited availability of even private rental options in outer suburban areas, but there is no singles accommodation at all unless we are talking about a garage in someone's house or a couch, which is regarded as homelessness even if a person has a roof over their head.

Affordability is a major issue for singles. If a person is unemployed, singles rental accommodation is simply unaffordable. For example, a person on a pension receiving commonwealth rent assistance would be receiving roughly \$320 a week. The usual measure for affordability is 30 per cent of household income — 30 per cent of \$320 is \$96 a week. The cheapest room that I am aware of in one of the bad private rooming houses is usually around \$150 a week, so in the private sector it is simply not possible to get affordable accommodation if you are on a statutory benefit and you are single. I have heard of situations where a person can be renting what is effectively a linen closet with a bed — a mattress laid on the bottom — and paying \$180 a week. That is, surprisingly, not out of the ordinary; there are even worse situations than that.

Another barrier is the need for appropriate housing. For example, for a person trying to recover from drug addiction, rooming house accommodation is in general inappropriate because they are likely to be put back in an environment where drugs are more likely to be found.

A person recovering from alcoholism is in a similar position. Rooming house accommodation tends to have a high level of drug and alcohol and other substance abuse issues amongst the tenants. For a person with a mental health issue, rooming house or any sort of shared accommodation may be extremely inappropriate. They may simply be terrified of the others or they may be bullied or victimised because of their mental health issue. Safety is another issue. We know that there is a high level of violence in rooming houses, especially the private rooming houses, and that can be particularly damaging for someone with a mental health issue.

The fourth barrier is simply the availability, in terms of how a single person actually gets to a property. It might be affordable, accessible and appropriate but how do they find that property? There are virtually no private rental brokers that are provided for through community housing or through the support processes. It is almost impossible for that person to get around, especially if they have a mental health issue and are on a low income and perhaps are without a car. For example, if there happens to be an affordable one-bedroom flat, how do they actually get to the real estate agent, get the keys, go to the property, view the property, come back and go through the process? These are just some of the barriers; I am sure there are a number of others, in particular for those with any sort of disability, including mental illness. The disability or illness itself may be a barrier in terms of accessing housing.

One of the issues that I think is important to raise in this inquiry is the relationship between homelessness or housing stress and mental illness. There has been I think a perception that homeless singles in particular are homeless because of mental illness or drug addiction or substance abuse. Some very important research came out last year by Chamberlain and Johnson, which I will read from. It is *Homelessness in Melbourne — Confronting the Challenge*:

The researchers found —

I am quoting here —

that 30 per cent of the homeless had mental health issues —

that is of all of the homeless that they looked at —

However, just over half (53 per cent) developed mental health problems *after becoming homeless*.

In other words, for half of the people presenting with mental health issues those issues developed because of their homelessness. I think this is really important in terms of understanding how damaging homelessness can be and how important it is to resolve homelessness as quickly as possible.

I will quote from another section of the same report. This is on page 11:

We use these classifications to show that over time homeless people's housing and support options progressively diminish. As a result, people are increasingly forced to rely on substandard forms of accommodation such as boarding houses and eventually sleeping rough becomes a relatively common experience. We show that the longer people remain homeless, it becomes more difficult to assist them to 'get out' and 'stay out' of homelessness.

And further down:

The report shows that unless people are quickly assisted out of homelessness the probability of experiencing sustained exclusion from the housing and employment markets, as well as other important mainstream institutions, increases significantly. When this happens many people experience chronic homelessness and the only way to overcome this is to provide ongoing support linked to affordable, appropriately located housing.

There is other research that I will not go into — in fact it is the research I referred to first — that demonstrates the costs involved in the provision of homelessness services and support services. We do not yet in Australia have adequate research into the cost of not providing those services — in other words, the cost to the community of picking up for people who develop mental health issues or substance abuse issues or have their employment disrupted or lost. All the other related issues, including the crime that seems to be attached to those who have become homeless, are costs to the community that have to be, in the end, borne by the taxpayer, many of which could be ameliorated or avoided completely by simply providing a solution to the homelessness in the first place. The solution of providing housing is probably a far lower cost than all the other costs if homelessness is not resolved.

One of the things that community housing provides is rooming houses of reasonable quality with the option of support. Support is not part of the rooming house provision but there are usually relationships with support providers, and community housing is very good at forming those relationships — having the protocol so that if someone has a mental illness, for example, they can be referred to the support provider. It also works in the other direction — that a support provider can be nominating a person to a community housing agency with the support going with it. One of the difficulties with the transitional housing program is that although it operates so that the vast majority of people going into transitional housing go in with support already attached, the support tends to be of limited duration because its funding is limited, and the person may be in transitional housing for two or three years waiting for their public housing option, by which time the support may well have reduced to maybe a phone call every few months.

That is fine if the person has stabilised, but often when the person moves into their next option, which often is public housing, the quality of that particular property is less than that of the

property they have just moved out of. It may be in a less desirable location, it may be on an estate, there may be all sorts of other problems associated with it, and the support has effectively concluded. It may carry over for a short period but it effectively concludes. I think one of the major problems is a lack of funding for support. It is very difficult to get people into support and it is very difficult to have that long-term support that is often needed.

Another problem is that the model for the other end of the market — the housing association end of community housing — is focused on the bands of housing that are primarily catering for people who are not able to access private rental but otherwise should be able to rent affordably, who just cannot access it, and those who cannot access homeownership. Those are bands A and B, from recollection. Band C is those who need support, in particular all those who are on statutory benefits. Housing associations are not geared to that third band. They are geared to those who are shut out from private rental and homeownership simply because the market is so tight. Another way of looking at it is that in terms of low-income earners — that would generally be the bottom 40 per cent of income groups — the housing associations are tending to target the 40 to 20 per cent, not the bottom 20 to 0 per cent, so they are not targeting the lowest fifth. The lowest fifth therefore ends up really having public housing as its only option.

Another problem — this is not a problem with housing associations but with the funding model — is that many of them find it is necessary to charge rent based on market rent, a reduced market rent. Typically someone might be in a housing association property paying 70 per cent of market rent.

Where it is a percentage of market rent, the market rent is of course is related to the property size and structure. Seventy per cent of a two-bedroom property is still 70 per cent of a two-bedroom property. It is not related to the income of the person; whereas there are other funding models even within housing associations that base it on an affordable percentage of the person's income. If it is related to the size of the property, then a single person who may need a second room for a carer is still on a single income but they are going to pay a percentage of the market rent for a two-bedroom property. That becomes unaffordable. They are shut out from those options. Similarly, a single person who has access rights for a child, the child is not living with them but does come to visit on every second weekend. They are only on a single income. They may not be able to afford the second bedroom.

I am going to give a couple of concrete examples from my own experience, because I think that is easiest to understand. About six years ago I worked as a housing information and referral worker for transitional housing. My job was to be on the coalface as people came in in desperation, either at risk of homelessness because the rent had gone up and they just could not afford it anymore, or they had in fact been given a notice to vacate, or in fact they were homeless. It was not unusual to have a mum come in with her kids in tow saying that she was sleeping in a car.

In particular I am going to focus on singles. The difficulty with singles is that the public housing system is so long for them to get into that it is not even worth discussing that as an option. So where does a single go for housing? Rooming houses. Since community rooming houses are long-term rooming houses — there is little turnover, little vacancy compared to the private properties — the main option is to refer a single, to say, 'Look, we don't support these sort of places, but here are your options. Here are a couple of phone numbers. Go and have a look'. They go off, they see that there is a room. They come back. I would then say, 'Look, you need to understand the sort of place you are moving into. Do you want to go ahead?', and they say, 'Yes, it is better than sleeping in the street'. So we provide government funding out of the Housing Establishment Fund (HEF). We provide typically two weeks rent in advance for that person to move into one of these decrepit rooming houses.

Not surprisingly, that tenure tends to be very short term. People do not last very long because the places are quite appalling. The sort of place I am talking about, the private operator will rent from a real estate agent or a landlord. They will take a three-bedroom property at, say, \$300 a week.

They will convert the lounge room into another bedroom so that the only communal area is the kitchen. They will rent out each room at, say, \$180 a week. So they are making \$720 a week and paying the landlord \$300. It is very lucrative.

What they are doing is they are taking affordable three-bedroom properties out of the market and creating unaffordable single-room dwellings that fall below the radar for the current Health Act. They are not regarded as rooming houses even though they have four rooms and are operating as a rooming house. I understand that the government is currently looking at a review of the Health Act to change the legislation and bring it into line with Residential Tenancies Act, in which four bedrooms, each rented out separately, would be regarded as a rooming house. It was my role to assist people financially to go to those sort of properties. The reason is there is no other option. There is simply no other option for a person.

I am going to talk about my other experience, which was as a tenancy worker; my most recent experience. As a tenancy worker I looked after a small portfolio of properties that I managed, even though they were actually owned by the department, but they were set aside for transitional housing. Typically a support agency would nominate the person into the property. One exception was the first tenant I will talk about — I will call her 'J'.

She actually had been in public housing. She had a high level of disability. She had an intellectual disability, some personality disorders and a level of physical disability as well. She had a very severely disabled child who ended up dying at about the age of four or five. The child, because of its high level of disability, was receiving a lot of support in the home. That support also tended to support the mother. When the child died, that support ended. The mother, the tenant J, ended up not being able to manage on her own. Also, for a whole lot of reasons she had to get out of that property.

The Office of Housing found her a place. I believe it was an SRS, which was absolutely inappropriate for her. She did not last there very long. She left there voluntarily and became homeless. She ended up going through a number of services and ended up at Southbank, which is regarded as a final destination for those most desperate who cannot find any other option. Not surprisingly, she was victimised and bullied at that place. It is a pretty tough place to go. She was a very vulnerable person. She was recommended to us for housing. I was the tenancy worker. I did not want to take her, because the fact was she had a high level of support need and I am not a support worker, I am a tenancy worker.

In the end we made a decision to take her, reluctantly. It turned out that she in fact was probably not the person we should have taken. Her needs were far more than we could cope with. We ended up having to institute a number of office protocols, for example. Because of her mental health issues, she would be ringing two or three times a day. She was in a lovely property, but her disorder meant that she would find every small problem such as a small bit of carpet coming away from part of a wall and would regard that as something that had to be fixed urgently — a very high level of need. She found it difficult to then relate to the contractors who came into the property to do the work that she was insisting be done. She ended up having the contractors put a ban on her, because they did not feel safe — a whole lot of issues.

She was being supported by the Department of Human Services, the disability client services. There was a lack of support there. Because she was already linked in with those supports, it was hard to get other supports linked in. She in fact had, I think, five different support providers, all of whom worked to a greater or lesser extent in trying to maintain her tenancy. But transitional housing was really not the right option. She needed dedicated supported accommodation, and it was very hard for us to get her into that. It was easier for us to get her into standard public housing on a recurring homelessness application.

A second tenant of mine, I will call him C, came in through the bail initiative. He had been in a bit of trouble. He was identified as someone who may be able to be supported and end up not getting

a custodial sentence. He came into one of our properties. I was his tenancy manager. It was then found that he had an underlying mental health issue which no-one had picked up. We found this out when he had a psychotic episode. The difficulty that we went through with him in trying to keep him in the property was when he had one of his episodes he would leave the property and go and sleep rough. As a result, he would not be paying his rent, his Centrelink would get cut off and he would accrue arrears.

The standard process would be to then issue him with a notice to vacate for arrears, and if he did not take action immediately he would be evicted. That is certainly the way the private system would work. Because we were community housing we did not work that way. We allowed the arrears to accumulate, with growing trepidation, but at the same time we were desperately working with his support worker to try and get him back on his medication, back into the property and connect his Centrelink payments again.

We had this situation happen not once where he ended up 20 weeks or so in arrears — it happened twice. This is large arrears and it is a brave housing organisation that lets someone go that far without saying, ‘No, you have to pull the pin’, and just evict them. We did continue and persevere with him. He stabilised. We ended up having to move him out of that property because it got sold, but we kept with him and after two and a half years he was able to move into public housing with ongoing support. That is a great success story because of the supportive arrangements. I am just aware of the time, so I will drop the fourth one I was going to talk about.

What are the solutions? I think one of the solutions that applies, whether we are talking about private housing or community housing, is state intervention in planning laws to provide for inclusionary zoning. We know that inclusionary zoning allows councils to require that affordable housing be provided as part of any development. This works tremendously well in the states it already exists in. For example, in the city of Brisbane I believe 15 per cent of all developments, 15 per cent of the cost of the development, is put into the Brisbane housing trust which then funds directly the provision of affordable housing. In other situations it may be that a development requires a minimum of 50 per cent of the units in the development to be affordable in rental. These would rapidly increase the amount of provision of affordable housing in Victoria.

Another solution is of course what the community housing sector has been calling for a 15 years — it is greater funding, in particular greater funding for public housing stock. There is already a government commitment to funding the expansion of community housing but public housing, the actual number of stock, has diminished over the last 15 to 20 years and the quality of that stock has drastically diminished. There is a small level of building and purchase of new public housing but it is matched by the level of sale and demolition of public housing so there is effectively no growth at all, in fact there is a slow loss.

The CHAIR — I am conscious of the time.

Mr CHAPLIN — I have nearly finished. We certainly support an expansion of funding of community housing. At the moment the housing associations are the growth vehicles for community housing. The Community Housing Federation of Victoria supports that, but there is certainly an opportunity for greater support of the other housing providers as they are being registered at the moment, for other sorts of niche accommodation. Certainly there is a desperate need for an expansion of funding support services, SAAP services, HACC services, personal support programs and a whole range of services. That of course is partly federally funded as well, but we certainly believe that would be a solution.

There are opportunities with the national affordable housing agreement currently being negotiated, and the Community Housing Federation would urge the Victorian state government to do everything it can to argue the case for an enormous increase in funding through that national affordable housing agreement. The national rental affordability scheme offers additional options for the provision of affordable housing. There certainly could be a great deal more that the state

government provides in terms of support for community housing organisations to become engaged in that process.

I note that something like half of all of the applications to the commonwealth for funding under that scheme are from community housing organisations. There are opportunities for the facilitating and funding of partnerships such as the Three H model in the west, which is Metro West Housing, Western Hospital and City Mission, which is the homelessness service, over the coordination of housing, health and homelessness.

There are obviously other options for partnerships which include things like employment services, education services, training and so on. As a very broad solution there is the idea of joint government providing greater integration of services so that housing, homelessness, support and all of those related services have a high level of communication between the departments and a high level of facilitation between the support providers and the housing and homelessness providers. That is my submission.

Ms WOOLDRIDGE — I am just wary that we are already over time and I wonder whether we have time for questions or not.

The CHAIR — Thank you very much.

Witness withdrew.