

# TRANSCRIPT

## LEGISLATIVE COUNCIL LEGAL AND SOCIAL ISSUES COMMITTEE

### **Inquiry into Homelessness in Victoria**

Melbourne—Monday, 27 July 2020

*(via videoconference)*

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## WITNESSES

Mr Juha Kaakinen, Chief Executive Officer, Y-Foundation (Y-Säätiö); and

Mr Jarmo Lindén, Director, Housing Finance and Development Centre of Finland.

**The CHAIR:** Welcome, everyone. I declare open the Standing Committee on Legal and Social Issues. This is a public hearing of the Inquiry into Homelessness in Victoria. I would really like to start this hearing by respectfully acknowledging the traditional custodians of the many lands on which we are meeting today and pay our respects to their elders both past and present. I think it is really important to acknowledge when we are talking about homelessness that the effect on our Aboriginal brothers and sisters has been exponential, particularly here in Victoria.

We are really looking forward to hearing some of the solutions today from our new friends in Finland. Our new friends in Finland—let me introduce you—are Juha Kaakinen and Jarmo Lindén. To the witnesses: all evidence taken at this hearing is protected by parliamentary privilege, and that is provided under the standing orders of our Legislative Council but also under our *Constitution Act 1975*. This means that any information that you provide to us today in this hearing is protected by law, but if you were to repeat that outside, it may not be protected. Of course this only relates to actions within Victoria, and we would not be able to offer the same protection in Finland. But I am sure that this is an important issue that no-one is going to take umbrage at. Also any deliberately false evidence or misleading of the committee may be considered a contempt of Parliament. As you can all understand, this is being recorded. You will receive a transcript. So we have our Hansard team transcribing today's hearing, and they will send you a copy of that. I encourage you to have a look at that and check to make sure that we have made no obvious errors. Ultimately that transcript will find its way to the website of the committee.

We are very pleased to meet with you remotely today. This is a great opportunity to hear about the very fine work of Finland. Certainly your reputation precedes you. Most of the submissions that we have received to date have recommended that we look at what you have been doing in Finland and learn from it. So thank you for making time here today; thank you for taking some time out from your holidays. If you would like to make some opening remarks, we will then open it up to a panel discussion.

### Visual presentation.

**Mr KAAKINEN:** Thank you, Chair, members of the committee, for this opportunity to give our views on homelessness in Finland and the solutions that we have been working on for many years. I think we can start with the one slide that I want to show you about the statistics on homelessness in Finland. So this picture explains the development of homelessness in Finland. You will see it moving rapidly. Are we seeing it? It comes and goes. Let us see. There was some animation, but no problem; it is okay like this.

As you can see, it has been a long process. We had started very determined work already in the 1980s, and homelessness has been going down during all these years almost, but you can see there has been a kind of turning point in 2008. In 2008 we started a program to concentrate more on long-term homelessness. Up until 2008 I can say that it was a question about providing more housing—affordable social housing and special housing for homeless people. You could say it was the easy part of homelessness that was solved only by providing housing, but in 2008 we realised that the system was not working completely well. There was a lot of temporary accommodation for homeless people, and then we started to make a system change.

One important thing about these statistics is to explain that we have a very wide definition of homelessness, which means that people that are living temporarily with friends and relatives are included in the statistics. They comprise around 70 per cent of the total number of homeless. So at the moment we have 4600 single homeless persons in Finland and around 250 homeless families, which can be families with children, couples or single parents, and then we have approximately 700 homeless people whose whereabouts we do not know exactly. They are rough sleepers sometimes. They can stay in emergency accommodation, but this is probably the most difficult or demanding group of homeless people in Finland at the moment. But as you can see also from those statistics, it was going up to 2027 and it was supposed to be zero homelessness at that time, and this is based on the present government's decision that the rest of homelessness should be halved within the next four years and ended completely by 2027.

This also means that when we have a government decision, this has been recognised as a national problem that demands a national solution, and also it means that there is a wide political consensus on this matter. In Finland we normally have coalition governments, so there are different parties included in the government, and since 2008 we have had several governments with different coalitions and all have agreed to continue the work to end homelessness in Finland.

So what actually happened in 2008? There was a government decision to start a program to reduce and end long-term homelessness. We did two main things in that program. It was a national program led by the Ministry of the Environment, including in wide partnership several ministries, state authorities and big cities. There were the 10 biggest cities with the most homeless population in Finland involved in that program and also several NGOs, including national NGOs like Y-Foundation. I will shortly explain later about the Y-Foundation. It was a very wide partnership, a very concrete plan—how many flats we should need to tackle the issue, what kinds of supports should be provided, how all this would be financed. The main idea in financing was that 50 per cent would come from the state authorities and 50 from the local authorities taking part in the program. This has been basically the model of implementation, that there has been state involvement, mainly by providing financial opportunities, and also local authorities, who are mainly responsible for the practical solutions on a local level.

Two things changed in 2008. We started to implement our understanding of Housing First, and also we started the process to change the system completely so that we would get rid of temporary accommodation in shelters and hostels as much as possible, and these things have been done. For us, Housing First means that you have your own independent rental apartment with your own rental contract and support, and these are the basic elements of Housing First. But we understood also that temporary accommodation is a rapid solution to homelessness, but it is not actually a solution to homelessness, because in our statistics people living in shelters and hostels, they are still homeless.

So we started a process to renovate and convert some of the shelters into supported housing with independent apartments. A classic example is the last big hostel in Helsinki run by the Salvation Army. It is quite in the middle of the city, so it is a very good location. As a shelter and hostel they had 250 bed places. After the renovation in 2012 they now have in the same building 81 independent modern small apartments, but there are also onsite staff to provide support. This is what we have learned, that you need to have different housing solutions. In Housing First it is mainly based on standard housing, independent apartments scattered around, but that cannot be the only solution. You also need to have places where you are able to give more intensive support to homeless people, because there are often homeless people who need more intensive support.

So different housing solutions, but always the legal status where you have your own rental contract. You are also as a tenant responsible for paying the rent. But if you cannot pay it with your own income, you can get the general housing benefit, and that is one of the important elements in the Finnish system.

So we have put the number of shelters and hostels quite rapidly down. In 2008 in Helsinki we had around 600 bed places in shelters and hostels. Now there is one permanent emergency centre with 52 bed places. That is the only official emergency shelter, but if there is a need, as there is occasionally in winter time, there are 200 extra bed places available. This has been very crucial, that we have moved from temporary accommodation into permanent housing.

But of course solving homelessness very much depends also on the prevention side. If you only provide services for people who drop into homelessness without doing prevention, it will not work, or it will take a very long time. On the prevention side I think there are three critical elements in the Finnish system: affordable social housing, public housing, and Jarmo will explain more later. It is the structural element. You need to have that kind of housing available—enough. Then the other one is the general housing benefit, which can cover up to 80 per cent of the rent or housing costs, and this is also crucial because it gives people with low incomes the possibility to live in private housing when there is not enough affordable social housing available. The third element of prevention is the personal work—what we call housing advisory services, where social workers deal with tenants who have problems with taking care of their rent, making payment plans so that they can go on living even though they may have occasional financial difficulties. These three elements are very important on the prevention side.

And then, as I explained on solving or ending homelessness, I think it is important to have different housing solutions but also to provide enough tailor-made support, because that is one of the things that we have learned during these last years, that there are more support needs than we originally imagined. The group of long-term homeless people have multiple needs that should be covered.

In the Finnish system we have different actors who have different roles. Y-Foundation was established in 1985 with the sole mission to end homelessness of single homeless persons—that was the original idea of Y-Foundation. And the name Y-Foundation comes from a Finnish word, yksinäinen, which means a singular or a lonely person. One of the most important things that we have been doing is that we have been buying flats from the private market and turning them into rental flats for homeless people. We have at the moment around 6000 of those kinds of flats in around 50 municipalities in Finland. And besides that we have around 10 000 affordable social housing flats. That is an important element of prevention but it is also one of the solutions to homelessness—providing housing through affordable social housing. Y-Foundation is also a unique example of partnership, because it was established by the five biggest cities in Finland, a lot of NGOs, including the construction industry and construction workers trade union, the Finnish Red Cross and the Finnish church. So this shows that we are able to work in a very wide partnership, and that is what is needed in solving homelessness.

I would like to end my short presentation by saying that if I had to name one single measure that is the most important to solve homelessness, it would be good-quality social housing with affordable rent. And you may be a little bit surprised to hear that the most compelling argument for this comes actually from Australia. It is a study by Guy Johnson and his colleagues a couple of years ago which showed that 73 per cent of cases flowing into homelessness could have been prevented simply by placing these people in public housing. Just imagine the amount of homeless people that would be—roughly one-fourth of the current. It would be a whole different problem to deal with. Thank you. I will give the floor to Jarmo now.

**Mr LINDÉN:** Honourable Chair and members of the committee, my name is Jarmo Lindén. I am a civil servant. I have been working as a director in the Housing Finance and Development Centre of Finland for almost 20 years. Earlier I also worked as a special adviser to ministers in my life. But I am a historian by education, so I have to explain a little bit the background of these government housing policies. Our agency, which has the acronym ARA, was established already 71 years ago, in 1949, after the Second World War when the government decided to start the temporary housing loans program for five years to solve the temporary housing shortage. We have not managed to do that because we still are existing after all these years, but there have been different cases. But I understand that housing policies in a nation or state are based on the bad dependency, and we have this path we started then. We were first concentrating on home ownership until the mid-70s, but since the 90s we have only been concentrating on social housing. That is partly because of the European Union we are a member of. We are subsidising housing construction, so it has to go according to the rules of the European Union. It is not illegal state aid; it is compensation for services of general economic interest in these surroundings.

But over the years we have subsidised over 1.1 million new homes for the Finnish population. That means about every third home in Finland has been subsidised by government. But Finland is mainly a country of owner occupancy—two-thirds of the households are living in a home owned by themselves, and one-third are living in rentals. About half of the rental sector is so-called ARA housing, social housing under strict restrictions—about 420 000 dwellings—and the rest is the private rental sector. There has been no rent control of any kind in Finland since the mid-90s. But in the ARA rental sector there is a cost-recovery principle that means that the rent setting is based on the real expenses of construction and maintenance, nothing else. That is part of the restrictions of this system we have.

So our main task is to support construction of rental and right-of-occupancy housing. You can now share this slide I sent you, because it explains what is needed for actually affordable housing. There is a lot of text there. You can put it in the form of a presentation; I think it will work it out.

### **Visual presentation.**

**Mr LINDÉN:** First we started with direct government loans, but they were abolished in 2007, just before the financial crisis. But we now have these interest subsidy loans. They are taken from financial institutions, and we have a mandate this year to accept loans of up to €1750 million. That is good for almost 10 000 new

dwellings to be constructed. In the Finnish system, ARA accepts the plans, that they are good quality and the cost—it is not the idea to subsidise the cheapest possible but the best possible quality with the lowest possible costs. I think the quality of social housing projects in Finland is very high.

The construction is based on market operations. The construction companies of course drive it so it is peaking, and when the economic cycle is going downwards, like now, it is time to increase the social housing production. So this is one element of stimulating the economy in Finland. It always has been like that so the social housing can be increased when the economy is going down, so it is counter cyclical. That is why we have just got more money to increase the social housing production.

The affordability is based on many things. The running time of these government loans—or not government loans but subsidised loans—is 40 years, so the amortisations are divided over 40 years. And these subsidised loans cover usually 95 per cent of the actual price of construction, so there is no need for a lot of money off the provider—5 per cent maximum—and in many cases there is no need at all, because there are direct grants we can combine with these interest subsidy loans. And there is a government guarantee, so that makes the price of the money lower.

There are different types of direct grants. This year altogether we have about €250 million. The biggest grant is an investment grant for special groups like the homeless population, and students can get student housing and disabled people and elderly people with dementia and things like that. This investment grant can be up to 50 per cent of the acquisition costs. Juha explained how we renovated and modernised the shelters in Helsinki. They were done with a combination. Usually we had to put up 50 per cent as a grant and 50 per cent of this interest subsidy loan to get a lower rental level.

But affordable housing is not achieved by ARA or the housing providers alone. We need a lot of cooperation and partnership with the municipalities. The main thing is to get the affordably priced building sites, and in this European Union context municipalities can support social housing projects with single plots, then the market price, that is okay. So it is remarkably cheaper, these costs or rent for these building sites, for social housing projects.

So the combination of all of this is the affordable rent in ARA housing. In Helsinki, which is the capital, the ARA rental level is about 60 per cent lower than the private rental sector. The owners of social rental housing are mainly municipality-owned companies and non-profit private actors, like Y-Foundation. Everybody can establish a non-profit agency and apply for these subsidies, so this is not a discriminatory system, but you have to follow the rules of the game and go according to regulations.

In Finland we have agreements on land use, housing and traffic between government and the municipalities in the crowded centres like the Helsinki metropolitan area, and that is a target for social housing production in the Helsinki area. In the capital area it is 30 per cent of the housing production. That is very important—that we can go on and get more social housing new projects. Now you can put that away, this chart.

I have already explained the most important things, but concerning homelessness, we have been involved in all of these projects in the time I have been in the agency and from 2007, when we started these Housing First programs. What would I say? It is important to have this partnership with different ministries and agencies and non-government organisations because especially the housing sector and the social sector should go hand in hand, otherwise it is very difficult to achieve any results, because the public authorities are divided in silos but human life is in totality. From one silo you can look at it like this: we are promoting housing only. But when we come together with this type of problem, we have to have all the information and all the competence gathered together to achieve this result we have achieved.

ARA has as well been in charge of the reports on homelessness in Finland since 1987, so we have published an annual report on homelessness and you can find the newest report in English on our website as well. Maybe this is good enough to start with. Thank you.

**The CHAIR:** Thank you, Jarmo, and yes, it was more than good enough; it was great. Thank you, both of you, Juha as well. I think that gave us a great overview of the system that you use. And we keep hearing about Housing First as the model. It rolls off the tongue in most of the submissions and most of the inquiries that we have heard, so it seems the sector in Australia has been talking about Housing First for decades, or at least a

decade. What do you think made Finland successful where Australia, or Victoria in particular, has not quite been able to make that turn here?

**Mr KAAKINEN:** Well, I think what we have done differently is that we have been concentrating on a systemic level and systemic change. I think that experts around the world agree that Housing First as an individual approach is certainly the best one. But if you try to change the system by simply multiplying the individual successes, it will take a very long time. So you need to have a think about what systemic elements are needed. And I have said several times that Housing First in capital letters is not possible without having housing first in small letters. So you need to have the housing, and this seems to be the problem in many places—that people are very eager to pursue Housing First and then they realise that they do not have enough housing available. And for that reason we have used several sources to provide the housing. We have established plenty of affordable social housing, which is probably the most important. Then we have been buying flats in the private market, and then we have also built new housing. So all possible channels should be used; there is not only one source of housing that could be—if that is the issue, which seems to be—purchased depending on providing the housing.

**The CHAIR:** Sometimes when we talk about the numbers in Victoria—and they are just astounding—it is, ‘We need 30 000 houses, new properties, almost every year’. And, Jarmo, for you, we have been talking to how we get the private sector involved as well. The government cannot afford to build the number of houses that Victoria requires to meet this need. Is there any involvement of the private sector in the Finnish model, or is this really directed at not-for-profit organisations and municipalities?

**Mr LINDÉN:** Yes. I tried to explain that anybody who wants can establish this type of organisation that can be our client, but then they have to apply the rules of very limited profits. So it is not the way to get the profit out of housing. So it is not reinvestment in that sense; it is a providing of very affordable housing. So can you afford it? In Finland it does not cost very much to the government with this type with the interest level that we have now, because it is an interest subsidy system. We do not have to pay any interest subsidy because the housing loans have a very low level of interest. It is a question of the guarantees, and that is not the risk for the government—to give out these guarantees.

The other side, the housing benefits, that does cost a lot, because we have to pay so that the rental level that you can pay the rent, you have to pay a lot of money—over €2 billion annually in the government budget for the demand-side subsidies. That is much more expensive than the supply-side support system.

**The CHAIR:** Yes, so it seems to me that you lend the money for organisations to build the homes and then you give the money to the citizens to rent the homes.

**Mr LINDÉN:** Yes, we need this mixed system. But it is not government money anymore; it comes from the banks or financial institutions, mainly from Municipality Finance in Finland. So we give the guarantee to the lender that they will get the money back, but that does not cost anything. Then we get the housing stock with an affordable rental level, so people can survive.

**Mr KAAKINEN:** If I could also comment, I think that this Finnish housing subsidised system is extremely clever because it is very easy for the state. Last year, if Jarmo remembers better, I think that the state paid subsidies for this housing of around €5 million it could have been—not much.

**Mr LINDÉN:** Yes, and for the existing stock of loans is over € 12 billions.

**The CHAIR:** Five million?

**Mr KAAKINEN:** Five million, and over 7000 flats were built. At the same time the state paid housing benefits that cost over €2 billion, so in our system it would be wise to provide and build more affordable social housing because actually the loan money comes from the financial institutions and the tenants actually pay it back in their rents during the 40 years. So this is a very sustainable system also in economic terms.

Also what Jarmo pointed out is that with this state-subsidised housing it is tempting for private construction companies more when there is economic recession, so it also has some quite positive effects on employment and also for economic recovery.

**The CHAIR:** Yes. Thank you. It is a notion that is being repeated loudly here as a way of addressing the economic crisis of COVID. Hopefully I might have some more time, but I will move over to my deputy chair, Tien Kieu.

**Dr KIEU:** Thank you, Juha and Jarmo, for your presentation today. It is very interesting, and we have learned quite a few things, but particularly I am impressed with the level of data collection and data quality you have in terms of homelessness, which is one of the problems we are still having, because we still do not have a centralised system to do the data collection, and also in the Finnish way of handling the problems. It has taken you quite a long time, but you are getting there according to the chart that you have shown us. I am also very impressed with the notion and with the scheme of ratcheting up the building during an economic downturn so that it could be helping people in that difficult time in terms of housing and in terms of recovery as well.

I would like to ask you more about a component of your scheme that you talk about, which is the housing benefit and that you could provide up to 80 per cent of the rental to people. Is it available to everyone or is it part of a welfare payment to the people who are receiving it? How does it work?

**Mr LINDÉN:** It is part of the welfare system. The Ministry of Social Affairs and Health is in charge of these housing benefits and social assistance for housing costs. Of course it is means tested and related to your income, so it is cut down when your income is going up. So the benefit is going down, and at quite low levels of income it comes to zero. There is a rule for the uppermost-level of rent. In Helsinki it is a little over €500 per month, and the rental level in the private rental sector is much higher. So it is not covering all of the rental expenses, but when you cannot pay with the housing benefits, then you can apply for social assistance—the last instance of income. It is covered up to almost €700 in Helsinki per month. That is still considered as affordable housing, and if your rental level is higher, then the government is asking you that you have to find a cheaper dwelling then.

**Dr KIEU:** That was the second part of the question that I was going to ask, because when the government subsidies or helps with the benefit of the rental assistance program there are only certain limits that the government can pay. So there is enough stock for cheaper rental that people can rent instead of going into luxury housing or something. There is an adequate supply of affordable housing in the market for people, is that right? If there is not enough supply of cheap rental, then people would have to go to the next tier, the more expensive one, which they subsidise. The benefit cannot cover that. So you have to maintain an adequate level of reasonable and affordable rental, even in the private market. Do you see my problem there? The government can only do certain things, such as a certain amount of rental. But if there is no available space in that area, then people have to go to another more expensive rental, and then the government cannot provide that set percentage for a higher and more expensive rental.

**Mr LINDÉN:** Somehow I understand what you ask. Of course the rental level is higher than the level of what these housing benefits can cover. That is quite acute to the social housing rental in Helsinki, for instance, so people are trying to find this affordable housing and they cannot get that. That is why it is important to construct more affordable housing. The other solution is that you have to move further away from the city centre and then peddle to the city, but then you have to use a lot of time for travelling to your working place or where you are studying. That is a problem of course. And that is why we have these agreements with government and these municipalities in these growth areas. We have the target that the municipalities promise to increase the land use activities—that there are enough building sites—and then they promise to give about 30 per cent of these building sites for social housing projects. We need to try to solve this question in partnership in these areas where that is. There is not enough affordable housing.

**Mr KAAKINEN:** I think that there are also regional differences. You can see that there are cities where there is relatively more affordable social housing available, and it seems to also push the private rents on a lower level. These problems are of course biggest in a metropolitan area like in Helsinki, where despite all that has been done we do not have enough affordable social housing available. That means that people have to hire that from the private market where the rental level is much higher. So there are differences, but you can see the positive effect of affordable social housing in any case.

**Dr KIEU:** It is a well-designed, well-thought-out system. Everything is interlocking and has been working well. Thank you.

**Ms LOVELL:** Thanks for the presentation, Juha and Jarmo. It has been very interesting. I was just wondering how Finland managed to convince the private sector that homelessness was everybody's problem and that they should contribute towards the provision of the affordable housing, because it is certainly something that we are talking about here, but to get the private sector to actually release those funds to come into housing will be a significant high jump bar for us to get over.

**Mr LINDÉN:** How do I explain? First of all, there is a wide political consensus from the right wing to the left wing. It was a conservative party housing minister who started this Housing First. He is now the mayor of Helsinki, Jan Vapaavuori. He was convinced that this is something that is a human basic right, that everyone has housing, so he increased the government subsidies; for instance, these investment grants and these programs. The private sector is not giving out money just like that. There are these types of organisations like Y-Foundation, but basically it is based on municipality-owned housing—companies that are our clients who own that social housing.

The private construction companies are working on the market principles. The most important is government subsidies and the municipalities giving the building sites for these projects at a cheaper price. The idea is to get new providers of social housing, but it is difficult to combine that you get some profit out of this and the result is affordable housing. I think it is a very difficult way to combine these. There is, for instance, student housing; they have organised foundations for which the idea is to provide the cheapest possible rental level they can provide for the students. The idea of the whole business is not getting any money out of this system. I do not know how to get the private sector—all the expenses can be covered and a limited profit if you put your own money. In Finland it is 4 per cent, but the need for private equity is only, let us say, 5 per cent of the project because of this subsidised system. The money for construction is coming from the banks and they get the interest, which is very low at the moment, and the government guarantees that they will not lose the capital during the 40-year period when it is paid back.

**Mr KAAKINEN:** I would add that there is not much private money involved, because the market really has not solved this issue. It is more that the private construction companies take part in this ending homelessness, and as Jarmo explained, they are more interested when there is economic recession. Finland is a small country, so we are very much dependent also on the availability of constructors. You could say also that luckily we have had enough economic recession that we have got private companies involved in building affordable social housing. But you really cannot rely on the role of the private sector, at least in Finland, because the profit-making possibilities are very limited.

**Ms LOVELL:** Also, can you just explain to us a little bit more about your rental benefit? You said that in some cases people could qualify for up to 80 per cent of their rent to be paid by the government. How does that rental benefit work, and how do they qualify to access that?

**Mr LINDÉN:** You are asking about the housing benefit system; how it works. You apply for that from the government agency under the Ministry of Social and Health Affairs, the social insurance institution. It is means tested by your income and the number of members of the household. And then there is a roof for the highest amount that can be paid divided in four municipality groups. Helsinki, the capital, has its own, and if I remember rightly it is a little over €500 for a one-person household per month that can be covered with the housing benefit, and as you have said, the housing benefit can be up to 80 per cent of that highest rent if you have no income. When you have income the housing benefit is related and goes downwards. I think if you earn something like €1500, then they will be zero already, the housing benefits. But if you have no income and this housing benefit does not cover your rent, then you can apply for social assistance, the last resort of income in Finland. And there the limit for affordable rent in Helsinki is about €700 per month. If that goes up, then the institution asks you to apply for a cheaper dwelling somewhere else—there is three months time to find that out. Otherwise they will cut your benefit lower.

We are under the Ministry of the Environment, and I am trying to explain how it is done in the Ministry of Social and Health Affairs.

**Ms LOVELL:** That is really interesting—that as people earn more you do reduce their benefits. If people are in social housing, if they are in public housing, in Helsinki and their circumstances improve, is their rent pulled up? Are they asked to move on from social housing to give somebody else the benefit of it? Or is it a rental agreement for life?

**Mr LINDÉN:** That is an important question. In Finland, it is not. You can continue living there. The rent is only paid on the real expenses of the construction and maintenance, not related to your income. But there have been political discussions that income levels should be checked every five years. That has not been done, because inhabitants who have their incomes go up will usually move out. But on the other side it is important to have balanced housing areas. The idea is social mix—that there are different forms of tenure. Helsinki city is guaranteeing that, okay, if 30 per cent is social housing, for instance, then there is owner-occupancy and some middle forms, so it is balanced housing areas. And that should not be segregated units around poor people living in social housing. So it is accepted that people can stay there while their incomes go up, but usually they move away. But in Helsinki about, let us say, 5 per cent of the tenants have much higher incomes. They are in the two highest deciles of income now.

But then that is a political question, so some parties think they should get out of the social housing, but the majority still thinks that it is okay because of the more balanced tenancies.

**Ms LOVELL:** It is a vexed question because it is about if you make people move it decreases their willingness to get themselves into a job and to improve their income, because they know they are going to be kicked out of their housing. We do not want people to do that, where they keep themselves in a situation where they are in need of government support.

**Ms VAGHELA:** Thanks, Juha and Jarmo, for your presentation today. Juha, you mentioned about the new program which was launched in 2008. What I want to know from you is prior to the launch of the programs, a few years before that, how did you guys know how this Housing First model would look? What led you to the path of this model, and did you see it working somewhere else? Because right now we are at the stage where we do not know how we solve this problem over here and we are looking at the model that you guys are using, so what was the decision based on when you implemented this model in 2008? And once this was implemented, what are the challenges you faced while implementing the Housing First model?

**Mr KAAKINEN:** I would say that the reason that we ended up having this Housing First model in Finland was that we made an evaluation of the existing system and we realised that this model did not work. I remember very well I worked in the 1980s for the City of Helsinki in the homelessness services, and I was responsible for building up a temporary accommodation place, a shelter for 80 men in 85 I think, around that time, and it was meant to be a temporary solution for maybe a couple of years. Well, as happens with temporary solutions, it was temporary for over 20 years, and when it was built it was the best possible place for homeless persons, but after 20 years it was the worst place, where nobody wanted to go. So we understood that this element of temporary accommodation is really a crucial thing, because it causes a lot of problems also to have a place where you have 220, 250 homeless persons with different backgrounds. They are very insecure and unstable conditions.

Because some of these buildings were in very central locations, we decided that we were not going to lose these construction sites and we tried to renovate the places into permanent housing. We had a group of four advisers, where I was the secretary, and it was a group where we had for example the Bishop of Helsinki, the social chief and my predecessor in my foundation, and one civil activist, and all these people with very different backgrounds agreed that housing should be a social right, it should be the foundation for your living and it could help to solve the other issues. It is unrealistic to expect that people who are homeless can solve all their problems and then be eligible for housing, so you have to provide the housing first and then support if that is needed, and that is the way to work.

The problem maybe with Housing First is that, as you know, it is originally a US model, but we were quite unaware of the existence of Housing First in USA when we ended up labelling our model 'Housing First'. The basic philosophy is very similar, but there are some elements also in the housing environment which make it very different in Finland.

It has worked quite well because since 2008 the number of long-term homeless people has dropped by 65 per cent. And also, unlike in most European countries or anywhere else where homelessness has been going up rapidly, in Finland it has been constantly decreasing, and this decreasing has maintained the view of this element of getting long-term homeless people, people who are sleeping rough, people living in temporary accommodation into more permanent housing.

You asked about the problems. I think that we have realised that there are people who need more support than we thought would be needed, so you have to be very careful. You cannot always assess the need of support at the moment when you are housing somebody. The support needs may appear later, so you need to have a very flexible system where you can provide support when that is actually needed. It does not have to be very intensive all the time, but you have to have the availability of support in different forms, because the people who need more intensive support, they have mental health issues, they may have substance abuse problems or both of these, so you have to have the expertise available, and this is something that we struggle with sometimes—that the support is not always needed.

Still around 80 per cent of people who have been given housing during this program have been able to keep their housing. And I would also like to point out that Housing First is not anymore a program or a project in Finland, it is a national policy, so every actor should work according to this basic ideology of Housing First. Maybe that will give you some answers.

**Ms VAGHELA:** Yes. And in terms of providing housing to homeless people, is it the same policy you have for different cohorts—so for example for youth, women and, say, elderly people? Because you also mentioned about students as well—I think Jarmo mentioned about students as well. So do you have a different subset of policies, or is there just one policy that is applicable to everybody?

**Mr KAAKINEN:** When it is a question about long-term homeless people, it is the same policy. So Jarmo can explain, yes.

**Mr LINDÉN:** I think one important element—I am of course part of this—is that the government has this supply- or production-side subsidy system that we can concentrate on this. We can put effort on housing construction for special groups. We have this one system, so it depends how much special equipment or arrangements are done in rental housing. So we can add the grant side of the subsidy. As I explained, when we renovated those homeless shelters up to modern housing, we put 50 per cent of grant and 50 per cent of the interest subsidy loans. For student housing the grant side is 15 per cent and the rest is interest subsidy loans. In Finland we have about 50 000 dwellings for students, mainly the university students in the university cities. They are almost all subsidised by us. And then we are subsidising rental housing for the elderly, and that is combined with the high need of social services. So these housing units can also get a lot of money, but that is more difficult because that is not only the housing providers but the social care providers. The combination and picking is very difficult, but we have been doing that, and there is at least about as much rental housing for elderly people with dementia or whose physical condition is very low—about 50 000 with these government subsidies.

**Ms VAGHELA:** And you also mentioned, Jarmo, in terms of anybody wanting to access social housing, it is income tested. So they need to have a certain level of income before they are able to get the house. But once they are into this social housing, then even if their income increases there is no mandate that they have to leave the house. So in what circumstances do the people leave the house? Is it because they want to go and purchase their own house? Why would somebody want to leave the house if they are not forced to leave the social housing?

**Mr LINDÉN:** Yes. Finland, as I said, is a country of owner-occupiers. Usually people want to buy their home sometime in their housing career, so they move away. And for instance, in student housing of course it is related as long as you are studying, so you cannot continue living there forever—or if you are an eternal student, but you have to get some points of study. That is of course understandable, and there are some thousand units for youth housing where there is an age limit. But most of the people, at some stage of their life, they move away. Only those who are very, very low income stay there.

**Ms VAGHELA:** Is there any stigma attached to people living in social housing if they live there?

**Mr LINDÉN:** No, I do not think so, because you cannot see outside. When you come to Helsinki and Finland, you can see that the housing areas are very balanced. You cannot point out that it is social housing, because usually in the suburbs the social housing units are better quality because the owner is renovating them, but the owner-occupants usually try to minimise the expenses. So they do not renovate so easily.

**Mr KAAKINEN:** We also have social housing for different groups, as Jarmo mentioned. We even have in Helsinki, with my foundation, one building where part of the building is reserved for low-income rock musicians, because there are plenty of those.

**The CHAIR:** That really took my fancy when I read about that.

**Mr BARTON:** Thank you, gentlemen. This is very interesting—very interesting financing models. I love the fact that when you look at funding over 40 years and amortise the cost of that over such a long period of time, you get such a workable model. I do not think we have heard of that in Australia. I think it is pretty amazing. I just want to benchmark where we are here in Victoria. As the Chair pointed out before, we are roughly the same size in terms of population, but I feel we are starting from a point probably about where you were in 2008, and this is a journey that we have to go along, but my feeling is that there is a mood for change and there is an acceptance that this has got to be done. We have a waiting time for social and affordable housing that runs into years. What is the sort of waiting time in Finland?

**Mr KAAKINEN:** Could you repeat the question? I did not hear it.

**Mr BARTON:** Unfortunately we have a waiting time for social and affordable housing, and it runs into many years. It can run into many years, I should say. When people are trying to access affordable social housing in Finland, what sort of waiting times are we looking at there?

**Mr KAAKINEN:** I think Jarmo can also comment. Especially in Helsinki it is rather long, but it is difficult to say because in the queue there are people who want affordable social housing from a certain district. So for that reason they are waiting, and a lot of people are also on the list because the rental level is so much lower than the market rent. So they are not necessarily in urgent housing need, and these are the criteria—low income and urgent housing need. So I do not know if, Jarmo, you can better answer that?

**Mr LINDÉN:** Yes, this is not the total waiting list. You apply and you have to renew your application every three months. It is only in force for three months and then you have to renew it, and the selection of tenants is based on the housing need. If you have been evicted, you have a very high housing need, and then how much are your income and your wealth? So it is relative. Those who are applying for social housing, the owner has to select or in Helsinki it is the municipality itself that selects the new tenants. So they take those who are most in need and have the lowest income and the lowest wealth, so it is relative. You can get into it in a very, very short period of time. If you accept all areas in Helsinki, for instance, then you can get into a suburb in a quite short period of time.

But there are valid applications, for instance, in Helsinki. At the end of May there were about 24 000 applications for the social housing dwellings of the city. The city itself has about 50 000 dwellings, so there is a need for more, and the number of people moving out is now relatively lower because people stay there. Because of the low turn and this COVID situation, they are not moving out. So there are not available from the stock as many dwellings for rental as last year, despite the increased production of new dwellings.

**Mr BARTON:** Just in terms of brand-new private developments, do you mandate a certain amount of properties to go into social or affordable housing on brand-new developments—private ones?

**Mr LINDÉN:** If I understand, no. The basis is land use, of course. In Helsinki, for instance, the municipality owns most of the land for new developments, and it gives out these building sites for providers of social housing. As I said, 30 per cent should be given to them, and they build one house, and it is totally for social housing or combines normal social housing and these special groups. And then there is student housing, and we have one middle form—right-of-occupancy housing. It is difficult to explain, but then there are no types of criteria for tenant selections. You pay 15 per cent of the acquisition price, and you get it back when you leave. That is good for young families to get a bigger apartment very, very early in their housing career. We are subsidising that as well as the middle form between owning and renting. So there is not that type of, let us say, regulation for the developers that you should give out of the house some percentage, like in England. I do not know. It is a little bit of a different system.

**Mr BARTON:** No, I think the way you fund it is clearly working.

**Mr KAAKINEN:** But in practice it often happens that a private developer is looking for a bigger area, a block. In the town planning it is determined that there should be one building for social housing, and the private developer does not want to build that themselves, so they ask for a partner. This is the way, for example, that Y-Foundation in many cases gets selection of sites: there is an area, a block, and the private developer also needs as a partner somebody who will build affordable social housing.

**Mr LINDÉN:** Yes, that is when the municipality does not own so much land, but they have the monopoly for the planning. They can insist in the planning that there has to be some percentage of social housing. Then the developer has to take on another owner to build a social housing unit in that area.

**Mr TARLAMIS:** Thank you, Juha and Jarmo, for speaking to us today about the bold initiatives that Finland have taken in addressing the homelessness issue. It is really quite inspiring what you have been able to achieve and to be able to unify everybody to come together for a common cause. It is certainly something to look towards.

In terms of the Housing First model—I know that that is national policy—it has saved around €15 000 per year per person in terms of homelessness, and part of the national policy is also that those savings are not returned to government but are redirected back into preventative services in homelessness. That is one of the issues that we have heard throughout the hearings that we have been having, that there are the two issues: there is providing additional housing stock to deal with getting people into housing but also the preventative aspect about how you stop people from requiring a house. So on a slightly different tack, how extensive are the preventative services in Finland? And we have seen how innovative you have been in terms of the construction side of housing. Are there any innovative programs in terms of the preventative programs that you are running in Finland?

**Mr KAAKINEN:** I think that I spoke about the structural element of prevention—building affordable housing—and that is of course the main thing. But as an innovative project I think that housing advisory services, which are now in many cities—I think that there are almost around 90 housing advisers at the moment working in the housing companies and core cities—are kind of personal social work we do with the tenants. You build trust and then you also try to tackle the issues early enough so that you can make, for example, payment plans. For example, now, during this COVID crisis, I think that there has been a common policy among the non-profit housing providers that because of economic problems no-one is going to be evicted because of COVID. So in practice it means that housing advisers make payment plans, for example, with tenants. They have the benefits that they are entitled to and then they can pay the rent in a longer period.

But there are also other things that housing advisers can do, and there have been some special projects to negotiate between neighbours if there are problems, if neighbours do not get along, which occasionally happens also—there is a neighbour complaining all the time and then somebody has to find out if there is any ground for these complaints. This kind of brokering or negotiating is also one thing that they are doing. Then also there is debt counselling, because it seems that this is a growing issue—at least among young people, who come into the housing market already loaded with a lot of debt. So debt counselling is also one thing that has been done. I think these are the things we are working hard on because ARA is financing some of these initiatives, if you want to [Zoom dropout] housing advisory services and other projects that ARA has been financing—

**Mr LINDÉN:** Yes, we are giving grants for the housing advice, but in the government program there is a target to make this housing advice counselling statutory, to make it law based—and there is a working group; I am the chair at the moment—and to increase it so that it would be available to all irrespective of the form of housing. Now it is mainly for the social housing but also in future for those tenants in the private rental sector. So that is one measure in the government program in future.

**Mr TARLAMIS:** Coming back to the Housing First program, in terms of the long-term targets that have been set to have everyone in housing by I think it was 2027, how are you tracking in terms of achieving that? You also said that you tend to have more take-up with the private construction companies in times of recession as a stimulus measure. Have there been any discussions or thoughts about other mechanisms to try and encourage the private sector to get engaged—so additional incentives or different models to try and encourage them to engage outside of a recession to try and invest more in the construction?

**Mr KAAKINEN:** Well, at the moment, the cities involved in this are running a national program and are making their local plans, how they are going to receive the call. And of course we have follow-up studies and mainly the count that ARA does yearly is the main measure. That is of course the most obvious thing to follow—how the number of homeless is going down.

But I can see that you all the time ask how to get the private sector involved. I think that in our thinking we have realised what would be the reason for the private sector to be involved and interested in ending homelessness? And the obvious thing is that the private sector aims to make profit, so it is not quite easy. And our thinking is we have decided and understood that this is something that the state and the public are responsible, together with partners, for dealing with, this issue, if the private sector is not involved. So what is the most economically viable way for the state to be involved in this kind of issue? Because we think it is a social right and society has to take care of its members. So if the private sector is not acting, then the state and other public authorities—NGOs—have to work. So I think that we have a little bit of a different way of thinking. We are not thinking how to tempt the private sector to get more involved; we think that it seems that we have to deal with this issue with the public authorities and what is the most economically reliable way to do that.

And you mentioned the savings. That is of course the economic rationale for the state and public authorities—that it saves money. It saves in many places not only from the social and health sectors but also the police and court systems have seen the savings and the changes, and that is a reason big enough for us to act as a combination or partnership of state, local authorities and NGOs to work on this issue—to say nothing about the human value reasons to act.

I think that the only way probably to get the private sector more involved is a mechanism called social investment bonds. So you can put some calls for the private sector to act and they would get profit if they receive the calls, but that would also involve the money from the state. So who else would finance that kind of [inaudible]? I do not know.

**The CHAIR:** Good point. Very good point.

**Dr CUMMING:** Jarmo and Juha, I have been so excited to have this online forum with yourselves. I have been a great fan of the work that Finland has done, so you should be congratulated for all the hard work that you have done for many, many years. To tell a little bit of a story, I went to school in an area called Braybrook, and Braybrook has remained for many years in the top ranking of all reliable indicators of disadvantage, including the SEIFA index, [inaudible] burden of disease, and it just goes on that the area in Braybrook has a lot of disadvantage.

I also have been very pleased with your presentation around the local government's role in working with the state government to try to actually come together to do some work on social housing or public housing. I was elected in my council in Maribyrnong in 1997, and I was mayor there twice. But one of the years I was mayor, which was 2013, we wrote up the Revitalising Braybrook report. That was in 2011, sorry. But in 2013, at that time when I was mayor, I went to the then Minister for Planning, Matthew Guy, and I showed him this little picture of all the social housing that the state looks after. But then I showed him a little picture of what you could actually do if you put in some more public housing.

I was mayor again in 2017. A change of government had occurred, and I went to Martin Foley at that particular time. The last government actually had an inquiry into the public housing renewal program. Just to explain to you, the report in 2018, just before I was elected in November, had as one of its recommendations:

In addition, the Government has recently committed a further \$209.1 million to deliver 1,000—  
not 10 000—

new public housing properties by 2022.

In other words, 1000 houses within four years. I know that in Finland you would not even contemplate such a measly figure to try to get on top of homelessness, or even the public housing issues that you have.

One wonderful thing that you said in your presentation was about the quality of public housing. I think governments in the past have made many mistakes, especially in the public housing stock that I have in Braybrook and Maidstone. They were made temporary. They are fibro. They thought that was going to be just a

temporary measure, but people have been living in those houses for 40, 50, 60 years; it is generational. One of my questions to you is: when you do the quality housing that you build in Finland, what is the life expectancy of those new houses? Is it a 50-year build? What kind of quality standards do you actually put into your public housing stock? Because I believe that is very important.

Just to express another point—and I would love to know what Finland is doing around this—we have a lot of walk-up flats, which are like walk-up public housing blocks. What we have found in these COVID times is that that has created problems because of the way that they have been built. In the common areas there has not been enough in the way of laundry facilities. With the way they were built it has created a lot of contamination with COVID. I am very interested to know: when you do apartments, especially flats, do you have common areas? Are they well built to make sure that they have their own laundry facilities? What kind of square metreage are those houses, to get a bit of an idea on the quality standards that Finland has in the way of your homeless stock? I am just in awe of the way that Finland has actually—

**The CHAIR:** Catherine, you might be in awe, but you are running out of time. Get your question out.

**Dr CUMMING:** I thought I had an extra half an hour. I am sorry, Fiona, but everyone else seemed to have a lot of questions. I did not realise that I was on a clock.

**The CHAIR:** You are on a clock. I am trying to give everyone around 10 minutes.

**Dr CUMMING:** Sorry, Fiona. But I guess I will just say to the committee, with these COVID times I will actually make sure that all the committee get a copy of the *Revitalising Braybrook Action Plan*. You will get last year's Parliament report—another copy to be tabled—and I will make sure that you actually get this plan and that plan as well as this one for everyone to read. That could be part of when we have some wonderful recommendations that come out of this homelessness committee.

**The CHAIR:** Okay. I am hoping that you remember the question.

**Mr LINDÉN:** I can comment something. In the guidelines for social housing we target a high standard of housing. That means that the housing is accessible and there are of course common places like you mentioned there has to be. In Finland it is important that every tenant has access to a sauna because we have over two and a half million saunas. We brought them to the urban areas as well, so social housing units have saunas.

**Dr CUMMING:** I like the thought of having band or art public housing as well. It makes a lot of sense to me.

**Mr LINDÉN:** Yes. Juha may explain how it is in the homeless units. The idea is to get as much quality as possible with the affordable cost of construction. And we consider that the designs will be housing for all, so it can be for different ages, so it cannot be very, very small apartments. In the private sector there has been a boom of very, very small housing units during the last years because there is a limit for the total rent. Then they think, 'If we put less and less square metres, we can put the total rent lower'. But now COVID-19 has shown that housing is needed more and more, and if there is some kind of lockdown there has to be room for different activities—

**Dr CUMMING:** For quality.

**Mr LINDÉN:** Children are there; they might be distance schooled, where you have to do distance work like we are doing now with Juha. There has to be room. So the quality of housing is very important.

**Dr CUMMING:** Yes. I am just trying to figure out if 'sauna' means, like, a gym or like a—

**Mr LINDÉN:** No.

**Mr KAAKINEN:** No. A gym can be a different facility, but a sauna is a sauna; it is a sauna only. And that is also in homelessness: where we have homeless people in these supported housing units they have the same common facilities also.

But about the life expectancy of social housing, we have loans for 40 years so the houses are meant to last at least 40 years. There are normally renovations done after 20 years, but we can get financing also from ARA for

that. I think that the main thing is that we keep the flats and buildings in good condition. So for example, in Y-Foundation for the 10 000 flats we use around €30 million yearly for the renovation of the buildings to keep them in good condition.

**Mr LINDÉN:** Repairs.

**Mr KAAKINEN:** Yes, for repairs.

**Dr CUMMING:** Yes. That is good. And also, the one thing with your Housing First policy, which makes a lot of sense: without having a house it is very hard to find a job and it is very hard for your kids to go to school. It makes a lot of sense for people to actually advance, but without a house it is very hard to have internet and all of those things that you need to be able to work and have job, so it makes perfect sense for me.

**Mr KAAKINEN:** That is of course true, and I think we have extremely low family homelessness because of social housing. That is probably the reason behind this. And we have a lot of NGOs, for example, who have housing for homeless people who are running different kinds of job programs. For example, in Y-Foundation for our tenants we have an app where they can make a profile for themselves, and at the foundation different departments can put work offers there and people can look for—

**Dr CUMMING:** I do believe that here in Victoria the local governments want to work with the state government and could do a lot of the planning work or implementation work, but it would need a real political mental shift, because they have been doing the same thing for a long time but it is not working. I guess that is just more of a comment. But I am definitely a fan of Finland, so I cannot wait to be able to come and have a look at everything that I have read about for many, many years. Thank you.

**The CHAIR:** Thank you, Catherine. Yes, we did set up time limits for each person, so we were keeping to that.

**Dr CUMMING:** I am sorry.

**The CHAIR:** But some people did not use their time limit, so we have got a little bit more time.

**Dr CUMMING:** I took it all!

**The CHAIR:** Just following on from that notion of work and of your organisations, Juha and Jarmo, and when you changed the system—and this is probably something that Wendy would be asking—a lot of our housing and homelessness services are really based around crisis. They are really based around turning someone over, and I do not want to say there is a victim mentality, but there is a mentality within our homelessness sector around this. When you really changed to focus on Housing First, focus on the client and giving the client the services that they needed, not the services that you offer, did this require real groundbreaking changes to those services, and did some of the agencies kind of get lost along the way? I notice that the Salvation Army was one of the early adopters. I wonder if you could comment on how you had to change the sector.

**Mr KAAKINEN:** Well, it was really a mind-shifting approach. I would say that one of the important things was that a lot of things were happening in a reasonably short time period, so people could see that things were changing, and there was a kind of psychological recognition because people started to realise that they wanted to be part of this new thing. But of course it was not totally painless. I know, for example, that in the Salvation Army, when you have a unit building where you have staff working with homeless people in temporary accommodation, the job titles are, for example, that you are a guard. That was the normal job title for people working in hostels and shelters. When they went with Housing First, you are now a support worker. So that is a wholly different attitude. It is a different power position also. You have to build trust with your tenants. In some cases it did not work. For example, when the Salvation Army opened one unit, they had to take totally new people to work there, because the old guards did not all get along with the new ideology.

But the important thing is that when the Salvation Army before had 250 bed places in one place, they had 30 people working there as guards and in other occupations. Now in three different buildings they have 55 people working as support workers, and the amount of the flats is almost the same as they used to have as temporary accommodation. It will take time, but we have had a lot of training also, continuous training.

Actually we have this Housing First Europe hub that we built together along with France, and there are now over 30 organisations from different countries involved in continuous training. Now you can see also a new generation of social workers who have not worked only in Housing First, and there is no way they would return to the old system also. That has been a quite remarkable thing to see, that they are so committed to this new way to work.

**The CHAIR:** From the government's perspective, Jarmo, did this change the contracts that you would have with social organisations or charitable organisations about what outcomes you expected them to achieve?

**Mr LINDÉN:** Yes. For me I look at it from the Ministry of the Environment, but I understand it is crucial to have this partnership with the social and health sector, and I think they have to change their mindset more than we do. We understand that nothing is good for the people if they are not housed. It does not help anything if you get therapy but then you go back to the street, but that has been developed over that period of time, the remodelling of the social services, and we try to get the idea that the way of doing their work is to ask the question: how is your housing organised? When you get the new client, they should ask this question—the social services—and that would be part of this normal work there.

We have made progress. That is important for instance for collecting the information on how much we have homelessness. The most part of homelessness in Finland is so-called hidden homelessness. It is very difficult to estimate the number, but those people usually go to some kind of social services and if that question is asked, we get better information of the real number of homeless people. In this program we now have with this government the municipalities can apply for special grants to develop social and health services that reduce homelessness. So remodelling the existing structures, this Housing First does not mean that you have to put extra money; you have to put more rational thinking and reorganise the existing resources to get better results. To achieve this right to housing as everyone's right.

**Dr KIEU:** I am just trying to understand more: you are not only providing housing but also you emphasise prevention and support. In terms of support, permanent housing is a very good thing, as you have pointed out, but temporary housing cannot be gotten rid of. For example, in an emergency—some women because of family violence we have to move from the house in the middle of the night, so somewhere to put them up for some time before they move into something more stable and permanent. The second part of the support that I would like to ask is about: how would you support a case? What model do you use? Is it case management tailored to a person or is it by different departments looking at different aspects of the problems that a person may have in terms of preventing and supporting the person not to be homeless?

**Mr KAAKINEN:** I would say that generally you could describe the Finnish support system as intensive case management, but it means that there is normally a support person who is in contact with the tenant who is in need of support. If a need arises to get more specialist support, this is the person who arranges these contacts and, if necessary, gathers a bigger group of different experts to deal with the issue. But I think that it is also important to understand that because people have very different support needs, a varied intensity of support is needed. That is the reason we have had these supported housing units.

A good example of a kind of optimal solution is a building called Vainölä, where we have 33 independent apartments in the same building. Then we have staff to provide support in the building, working on site, because for some people the support needs are so intensive and they may have even some somatic issues, for which reason they need that kind of availability of support. I think one other thing that we have realised is that in scattered housing, if it is only scattered housing, there is sometimes a bit less isolation and loneliness, and for some this kind of community that you can build voluntarily in these supported housing units is also needed. I do not want to paint a too rosy picture. We have a lot of work to do to intensify and make sure that the support is always adequate, and it is not always easy. It is more demanding, more difficult to arrange in scattered housing than in these supported housing units also.

**Ms LOVELL:** Just a very quick one, following on from the question around the funding and when you made the changes and obviously had to probably recommission all of the services. How often do you review the funding that is going to services and the results that that is getting and consider recommissioning the provision of services?

**Mr LINDÉN:** Juha could answer it, because it is a municipality that is in charge of organising these services. It is bidding for, let us say, three to five years.

**Mr KAAKINEN:** I think that normally every two years or every four years there are bidding processes, but there are also now new models where you try to build an alliance together with the municipality and the service providers, and these kinds of experiments are running at the moment. But basically it is a normal tendering process.

**Ms LOVELL:** It is very good to have that collaboration amongst services, to give them a holistic service provision. So that is great.

**Dr CUMMING:** Wendy, so you know, Martin Foley promised my council many years ago.

**Ms VAGHELA:** Just a quick one. Jarmo, you mentioned earlier that because of the COVID-19 pandemic the tenants are not vacating the properties as much as they would. So my question is: what sort of impact has COVID-19 had on people experiencing homelessness or other stakeholders? If people are not vacating the properties because of the COVID-19 pandemic, the question to Juha and Jarmo is: will the target of building the houses be reached by 2027? And thirdly, if the economy needs to recover from the pandemic, will they be building more social housing then?

**Mr LINDÉN:** There were very many questions, yes. At least, since we have been following the situation, this COVID has not caused an increase in homelessness until now, but it might be during the autumn period that people who have lost their jobs have difficulties to pay their rent. These housing benefits and the social support systems have reacted quite rapidly to the situation, so there have not been any big problems with that, as far as I understand. But maybe the NGOs have a better understanding of the situation.

The situation at the moment is we have of course this possibility to build more social housing, and as I said people are not moving out of the existing social housing. They are doing that less, partly because of the pandemic situation, so there is a need for more social housing. What happens then? It is difficult to say, but I am sure that the market will not solve the housing question at any time of history. So there is a need for strong intervention of the public authorities in the housing question to guarantee housing for all.

**Mr KAAKINEN:** If I can add quickly something. I do not think that there were any dramatic things during this COVID in Finland for homeless people. Maybe you could see that homeless people became more visible because you could see more homeless people because for many the housing solution is to stay temporarily with friends and relatives, and that became more difficult during the lockdown period. So for that reason some NGOs and the City of Helsinki, for example, arranged food services for homeless people, but that was still a minor issue.

I am quite optimistic that this goal of zero homelessness will be reached in 2027, and I really hope so because I plan to retire years before that. So it should be done.

**The CHAIR:** Good, well, there we go. We have got a goal there: your retirement.

**Mr BARTON:** Kaushaliya has asked my question, but I will expand on it just a little bit. At a previous hearing, some data was given to us that for every 1 per cent increase in unemployment we would see a 1 per cent increase in homelessness. We know that we have got a support package at the moment keeping people employed, and it is going to start being faded out come September. I really wanted to know, are you having that similar sort of view that further down the track—I know you said in autumn, but we think we are going to fall off a cliff in terms of unemployment compared to where we started from. Just your views on the longer term. And we are not going to be able to build any houses in the next six to eight months.

**Mr KAAKINEN:** I think it is a little bit difficult to predict because this economic crisis that has followed the COVID crisis seems to be very different compared to many previous points, but I think that in the autumn we will see what happens with unemployment and what kind of effect it will have on homelessness. But I am still rather optimistic that we can find housing solutions at least to keep people housed so that they are not dropping into homelessness because of unemployment, but maybe Jarmo from the government's side can add something.

**Mr LINDÉN:** I tried to say that it has not had, until now, any major effect, but maybe next autumn we will see if there are really more unemployed. Now most of the people have not lost their jobs; they are laid off. So they still have their jobs and the social security system has reacted rapidly so people can keep their housing, but if this continues, there will be a loss of housing as well next autumn. We will see on that.

**The CHAIR:** Thank you, and I think for all of us it is not knowing what is going to happen next or how long we are going to be in this system.

Just one quick final question. You mentioned that your clients I think, Juha, required more services than you had first anticipated. Can you tell me what percentage of the clients in social housing are receiving other services compared to the percentage that are working and carrying on going to school?

**Mr KAAKINEN:** I think that Jarmo may have some statistics about that, but I was speaking especially about former homeless people and their support needs, and that is more a question about how to provide the support in scattered housing. It can be in social housing, but it can also be in these flats bought from private. So it is more the process of assessing the needs and keeping track of people's basic situations. Otherwise—

**The CHAIR:** Yes, more that kind of support.

**Mr KAAKINEN:** Yes. You have to find a balance of the optimal support, because it can also be very work intensive, and of course there are some economic limits—how much you can put money into this support. It is a balancing act. But Jarmo may know how many people in affordable social housing are working or were out looking for work.

**Mr LINDÉN:** I do not have the exact figures. In Helsinki city maybe most of them are not working. They are elderly people or they are unemployed or somehow younger people on pensions. But I do not have any exact numbers; I could provide them but not directly out of my head.

**Ms LOVELL:** We have spoken a lot about your model being about dispersed housing and less focus on refuges or things like that. I was just wondering how you dealt with your young people, your youth homelessness, so the 15 to, say, 24-year-olds that are still students. Do you practice the youth foyers model? How do you house the young people who can no longer live at home for various reasons?

**Mr LINDÉN:** In general in Finland youngsters leave their parents very early. So it is maybe the lowest level—let us say from 20 to 29 years, 15 per cent are living with their parents. So with the rental housing market, as I said, there is about 50 000 rental social housing for students and some many thousands for the working young people made by the government subsidies. But the youngsters—many are living in this private rental sector as well, so they appreciate the place where the housing is and they are willing to pay more as they can afford. We are concerned about youth homelessness, but it is not very widespread, or do you think it is compared with—

**Mr KAAKINEN:** No, it is not very widespread, and as Jarmo mentioned, there are solutions to that to provide housing, but it seems that there is also a kind of hidden problem because many young people when they move away from home are staying with friends and relatives—not relatives but friends, and you do not know about the conditions. Sometimes the social problems accumulate during this time before they come into the more official system.

**Dr CUMMING:** We call it couch surfing.

**Mr KAAKINEN:** Yes, couch surfing, sofa surfing, whatever. As you can see, it is part of our statistics and we try to cover it, but it is a difficult issue.

**The CHAIR:** Thank you so much for taking this time to speak with us today. I think we have really learned a lot just by being able to have this communication. The material that you have sent us as well is very compelling. It seems like there are going to be some real pivotal shifts, both in the sector and in the government, to achieve the numbers that you are achieving.

On behalf of the committee, thank you so much for taking this time. I hope you enjoy the rest of your day off of holiday. We will send you a transcript of this hearing. Again, I encourage you just to have a look at it and make

sure we have not made any errors. I would like to thank everybody who has been watching today. I am sure you have all learned a lot and are inspired by the work of these two gentlemen in Finland.

This ends the public hearing. Thank you again, and I wish everyone well.

**Mr KAAKINEN:** Thank you.

**Mr LINDÉN:** Thank you.

**Committee adjourned.**