Inquiry into Homelessness in Victoria

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Organisation Name: Per Capita
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SURVEY QUESTIONS
Drag the statements below to reorder them. In order of priority, please rank the themes you believe are most important for this inquiry into homelessness to consider:
Rough sleeping, Services, Public housing, Indigenous people, Family violence, Housing affordability, Mental health, Employment

What best describes your interest in our Inquiry? (select all that apply):
An advocacy body

Are there any additional themes we should consider?

YOUR SUBMISSION
Submission:

Do you have any additional comments or suggestions?:

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PER CAPITA SUBMISSION TO THE INQUIRY INTO HOMELESSNESS IN VICTORIA

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January 2020

Table of Contents

About Per Capita .............................................................................................................................. 2
   About the authors .......................................................................................................................... 2
Introduction ...................................................................................................................................... 3
Lack of affordable housing ............................................................................................................... 4
   Case study: family violence and homelessness in Victoria .......................................................... 5
   Recommendations ...................................................................................................................... 6
Poverty and inadequate income support ............................................................................................ 7
   Case study: older women, poverty, and homelessness in Victoria ............................................... 7
   Recommendations ...................................................................................................................... 9
Evictions into homelessness .............................................................................................................. 10
   Case study: evictions from public housing into homelessness in Victoria .................................. 10
   Recommendations .................................................................................................................... 11
Ending homelessness in Victoria: delivering safe and secure housing for all .............................. 12
   A human right to housing .......................................................................................................... 12
   Housing First ............................................................................................................................ 12
   Case study: Housing First in Paramatta .................................................................................... 13
   De-commodifying housing ......................................................................................................... 15
   Case study: Brighton & Hove City Council ............................................................................... 16
   Recommendations .................................................................................................................... 16
Conclusion ..................................................................................................................................... 17
   Full list of recommendations .................................................................................................... 17
About Per Capita

Per Capita is an independent progressive think tank, dedicated to fighting inequality in Australia. We work to build a new vision for Australia based on fairness, shared prosperity, community and social justice.

Our research is rigorous, evidence-based and long-term in its outlook. We consider the national challenges of the next decade rather than the next election cycle. We ask original questions and offer fresh solutions, drawing on new thinking in social science, economics and public policy.

About the authors

Abigail Lewis is a Research Associate with Per Capita, providing research and editorial support to projects across our research areas. Abigail’s research and policy interests include inequality, social policy, social security, and gender.

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She is passionate about the meaningful participation of older people and has worked in roles supporting this at Pensioner Action in the UK, Commonwealth Respite and at Council on the Ageing (COTA) Victoria.

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Introduction

116,427 Australians were experiencing homelessness on Census night 2016, up 13.7% over five years. 20% of Australia’s homeless population – more than 24,000 people – live in Victoria. The number of clients assisted by specialist homelessness services (SHS) in Victoria has grown to more than 100,000 each year.

Recognising this, the Victorian Government has committed significant funds to the Homes for Victorians plan to “increase and renew public housing and address homelessness”. The $2.6 billion investment includes a number of initiatives to provide more social and affordable housing, help people at risk of homelessness to access the private rental market, and increase housing support to survivors of family violence. Per Capita welcomes this investment and acknowledges the substantial work done so far to begin to tackle homelessness in Victoria.

We also welcome the opportunity to highlight to the Inquiry the areas where gaps in policy are continuing to fail Victorians in need of housing.

The submission will address three key concerns we have with the existing policy framework: the fundamental lack of affordable housing, the inadequate income support available to people experiencing financial difficulty, and the weak regime of tenants’ rights that leaves too many Victorians vulnerable to eviction into homelessness.

In particular, our submission explores the flaws in a housing model premised on supporting people at risk of or experiencing homelessness to enter the existing private rental market using subsidies or other tools that tinker around the edges of the housing system. Instead, it recommends that the Andrews Labor government, enjoying unprecedented levels of public support, uses the opportunity to deliver an ambitious program of housebuilding rooted in a Housing First model, enshrines a human right to protection from homelessness in legislation, and explores ways to harness to power of local governments in the effort to de-commodify the housing market.

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Per Capita Submission to the Inquiry into Homelessness in Victoria

Lack of Affordable Housing

The root cause of homelessness in Victoria is a fundamental lack of affordable housing. Over the last decade, median rental prices in Melbourne have increased by 2.9% each year, well above inflation. In regional Victoria the situation is even more desperate with rental prices increasing by an average of 3.6% each year, including a huge increase of 5.2% in the 12 months to September 2019, the most recent available data.4

As rental prices have spiralled, the proportion of properties affordable to people on lower incomes in Victoria has collapsed. The Department of Health and Human Services (DHHS) reports that just 14% of rental properties across Victoria are affordable for lower-income households, down from 20.9% in the same quarter a decade ago, and dropping precipitously since 2004, when close to 40% of Victoria's rental properties were affordable.5

For the people struggling the most in Victoria, the private rental market has become almost totally inaccessible. Just 0.3% of one-bedroom units in Victoria were affordable for a single person on Newstart. A single parent caring for one child and surviving on a Centrelink income would have access to just 1.3% of two-bedroom units across the state.6 This state of affairs has put incredible pressure on Victoria's social housing system. As at June 2019 there were 41,677 applications for social housing on the waitlist, with a 10-month waiting period for even the highest priority cases.7 These applications represent more than 80,000 people waiting for housing, including 25,000 children.8

Despite this, Victoria continues to spend considerably less than other states on social housing. The Productivity Commission's last Report on Government Services9 revealed that Victoria spent just $530 million on social housing in the last financial year, considerably less than New South Wales ($1.37 billion), Western Australia ($829 million), and Queensland ($628 million). At $82.94 per person, Victoria spends less than half the national average on social housing per capita. As a point of contrast, Victoria spends $1.6 billion each year running the state's prisons and the most recent Budget announced a further $1.8 billion for building new prison infrastructure.10

Without adequate social housing provision, the tens of thousands of Victorians excluded from the private rental market will be at risk of or forced into homelessness. While the Government has recognised this and committed to some investment under the Homes for Victorians strategy, the demand far exceeds the investment that has been promised. The Victorian Social Housing Growth Fund is modelled to deliver just 2,200 total social housing properties over the next five years, when Victoria needs 1,700 new social

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housing units each year for the next 20 years just to maintain social housing at its current 3.5% share of total homes in Victoria, which is already the lowest proportion of social housing stock in Australia.\textsuperscript{11}

Victoria also lags behind other states and territories in its commitment to inclusionary zoning.\textsuperscript{12} In South Australia, 15% of new dwellings in all significant development projects must be affordable housing, including at least 5% for at-risk groups. The City of Sydney has mandated an affordable housing component of around 2% in specified zones and introduced an affordable housing levy for developers that do not include affordable housing. In the Australian Capital Territory, 20% of all new estates must include affordable housing. Victoria’s voluntary approach to inclusionary zoning, under which the planning system offers development contributions for affordable housing, has had a “negligible” impact so far.\textsuperscript{13}

The Victorian Government has preferred to support at-risk groups into the existing private rental market by using subsidies, brokerage funding, and other forms of non-financial support, but this is at best a stopgap measure when the dearth of social and affordable housing is this extreme. The case study below highlights this issue in the context of family violence.

**Case study: family violence and homelessness in Victoria**

The Government responded to the specific housing recommendations of the Royal Commission into Family Violence in Victoria with a $152 million investment in the Family Violence Housing Blitz Package.\textsuperscript{14}

This initial package included:

- $40 million over two years for flexible support packages – providing flexible tailored responses that meet the individual needs of victims of family violence, including support to stay safe at home
- $50 million over one year for rapid housing assistance – providing 185 new social housing properties as a first stage and head leasing for up to 124 dwellings in the private rental market
- $16 million over one year of private rental assistance – providing private rental assistance advice and brokerage to access or sustain private rental tenancies
- $25 million over two years for accommodation for the homeless – supporting the construction of 180 new units of crisis accommodation and upgrades of existing accommodation
- $21 million over two years for family violence refuge redevelopment – beginning the conversion of four existing family violence refuges to the new core and cluster model

From 2017, a further $133.2 million was committed to the Safe and Stable Housing arm of the Family Violence Rolling Action Plan. Having already delivered 300 additional accommodation places for family violence victim survivors, the current investment promises 110 new public housing properties, more head leasing of private rental properties, upgrading all remaining family violence refuges in Victoria to the new ‘core and cluster’ model, and building two new Aboriginal family violence refuges and two new youth refuges.\textsuperscript{15} According to the latest Report of the Family Violence Reform Implementation Monitor, the Housing Blitz has delivered its target of 185 long term housing units, and 234 out of the target of 256 leases over two years.\textsuperscript{16}

\textsuperscript{12} https://www.ahuri.edu.au/policy/ahuri-briefs/Understanding-inclusionary-zoning
\textsuperscript{14} https://www.vic.gov.au/family-violence-housing-assistance-implementation-taskforce
This investment has been welcomed across the sector, but three years on from the Royal Commission, the number of women and children escaping family violence but going without accommodation is still increasing every year, with nearly 7000 women and children going without accommodation in the 2017-18 financial year, up by 1000 from the previous 12 months.\textsuperscript{17} While crisis response and accommodation for families in family violence situations is improving, it is not getting easier for families to move from short-term or transitional accommodation into long-term, stable, secure housing.\textsuperscript{18}

Subsidies, brokerage funding, and support to access the private rental market are welcome, but inadequate. In tight, expensive housing markets, limited support to enter the private rental market can alleviate some pressure but cannot solve the broader problem.\textsuperscript{19} Families in receipt of subsidies may still find them insufficient to access the larger properties they need in the locations they need (for example, near schools, or far from the perpetrator). In Victoria’s extremely competitive rental markets, they may face discrimination from landlords who have a number of other prospective tenants to choose from or be stigmatised for receiving government rental subsidies. Living in a family violence situation may also have marred their rental record and compromised their ability to compete with other prospective tenants.

Fundamentally, support to access the private rental market can only be one of a range of options for families seeking accommodation after surviving family violence and other groups at risk of or experiencing homelessness in Victoria. Without a significant investment in direct housing provision, including public, community, and affordable housing, pathways from homelessness, short-term crisis accommodation, or supported transitional accommodation to long-term, secure housing will remain obstructed.

The Family Violence Housing Assistance Implementation Taskforce has asserted that 1,700 more social housing units are needed each year for the next 20 years to maintain social housing at its current 3.5% share of total homes in Victoria; double that amount will be needed if lower income households currently facing housing stress in the private rental market are to have affordable housing.\textsuperscript{20} The Council to Homeless Persons, the peak body for organisations in Victoria committed to ending homelessness, has recently called for the Victorian Government to increase its investment in social housing to at least the national average, build 6,000 new public and community owned properties per year for the next ten years to increase the state’s share of social housing to 4.5%, and commit to mandatory inclusionary zoning.\textsuperscript{21} We echo that call.

**Recommendations**

1) Increase investment in social housing to at least the national average  
2) Build 6,000 new public and community housing units per year for the next ten years  
3) Commit to mandatory inclusionary zoning

\textsuperscript{19} Ibid.  
Poverty and inadequate income support

The risk of homelessness is underpinned by the experience of poverty, and most homelessness can be linked to financial difficulty in some way.\textsuperscript{22} Exponential growth in the cost of housing accompanied by stagnant wages and entrenched unemployment – in Victoria, the median weekly rent grew by 75.7\% over the decade from 2006-2016 while weekly total personal income grew only 41.2\%\textsuperscript{23} - has left 30\% of Victorian renters in housing stress.\textsuperscript{24}

Meanwhile, families who struggle under these conditions receive a meagre, inadequate level of income support. There has been a sharp increase in the numbers of people receiving Newstart Allowance as eligibility for Parenting Payments and the Disability Support Pension has tightened, shifting many onto the lower Newstart payment.\textsuperscript{25} Under the Targeted Compliance Framework, compliance rules for income support have become increasingly more onerous and financial penalties have become more widespread; cutting off income support payments to people on already low incomes can put them at immediate risk of homelessness.\textsuperscript{26}

Meanwhile, the Productivity Commission has found that the Commonwealth Rent Assistance (CRA) payment’s “ability to cushion vulnerable private renter households from rental price increases has diminished over time as the Consumer Price Index – against which the CRA is indexed – has grown slower than rents.”\textsuperscript{27} The Australian Council of Social Services has called for an immediate 30\% increase to the maximum rate of CRA followed by a review of the payment’s rate and indexation.\textsuperscript{28} Per Capita has long advocated for an increase to the CRA backed by an indexation of the payment to rental costs rather than to the CPI.

Case study: older women, poverty, and homelessness in Victoria

Women over 55 are the fastest-growing cohort of people experiencing homelessness in Australia.\textsuperscript{29} Since 2011, there has been a 31\% increase in older women experiencing homelessness,\textsuperscript{30} and these figures are likely to be understated given the ‘hidden’ nature of these experiences, with many older women living in marginal housing or staying temporarily with different friends and family members.\textsuperscript{31}

The causes of homelessness among this cohort are intimately linked to how gender inequality affects financial security across the life course.\textsuperscript{32} Structural disadvantages associated with women’s workforce

\begin{itemize}
\item \textsuperscript{26} Ibid, page 12
\item \textsuperscript{27} https://www.pc.gov.au/research/completed/renters/private-renters.pdf, page 19
\item \textsuperscript{28} https://www.acoss.org.au/wp-content/uploads/2019/03/ACOSS-Pre-election-priorities-housing-homelessness.pdf
\end{itemize}
participation - including the gender pay gap, which still stands at 14.6% for men and women working full-time, a higher likelihood of disrupted income and/or part-time earnings due to caring responsibilities, and the lower incomes available in female-dominated industries like healthcare, education and retail - mean that women are likely to face significant financial insecurity in their older age.33

On average, Australian women retire with around half of the superannuation balance than do men.34 More than a third of women approaching retirement have no superannuation at all.35 Single older women – and a third of women are not in relationships when they retire36 – who may have been financially dependent on a male partner for most of their lives, experienced family violence, or lost income or home ownership after divorce or separation, are particularly likely to face housing stress or insecurity.37

Over-55s are also now the largest single age demographic receiving the Newstart Allowance.38 They also stay on Newstart longer than any other age group, unable to find work for an average of 3.5 years (compared to under a year for under-25s).39 Women over 55 have the hardest time getting off Newstart and into employment, spending an average of 191 weeks on the payment, and are often at risk of homelessness throughout that time.40

In Per Capita’s research with older women experiencing disadvantage or financial insecurity, we heard of the ‘triple threat’ of housing insecurity, increasing care needs, and social isolation facing women as they age.41 Our recent co-designed research project, Mutual Appreciation, found that older women are particularly interested in accessing ‘largescale’ (defined as between 25-30 units) cooperative housing as a solution to this ‘triple threat’.

Cooperative housing (or cohousing) in this context refers to an innovative model of housing and care in which older women live in independent accommodation units on the same property and share communal areas and responsibility for the day-to-day running of the community, allowing mutual care and support in older age. Our research showed that even older women who own their homes outright would consider moving into cohousing, but cohousing models have received very limited attention or support in Australia.

Currently, the Victorian Government directs considerable incentives towards builder-developers and landlords. Some of this funding could be better used to provide grants to emerging cooperative housing models, and funding studies, pilots, and trials to test the feasibility of these innovative models in Victoria. Victoria could be at the forefront of an attempt to address dual crises in aged care and housing insecurity in older populations.

Whether older or younger, and whatever their gender, Per Capita’s research with people in receipt of income support payments has found that they are often caught in a balancing act between looking for work and avoiding homelessness. Unable to afford the rent in areas of higher employment, some reported being forced to move out of the city to avoid homelessness, and then being penalised by Centrelink or their job service provider for moving away from available jobs. Victoria’s homelessness and rough sleeping action plan promises that the Victorian government will “lobby the Commonwealth Government regarding levels of income support” but as yet there has been little public evidence of this effort. In its submission to the Federal Inquiry into the Adequacy of Newstart and related payments, the Victorian Government identified that “low rent affordability is exacerbated by the low rate of Commonwealth Rent Assistance” but did not explicitly call for an increase to that payment. The Victorian Government should lead the chorus of voices around the state highlighting to the Federal Government the ways in which inadequate levels of income support are penalising low-income families in Victoria.

Recommendations

4) Lobby the Federal Government to increase Newstart and related payments and index the payments to wages
5) Lobby the Federal Government to increase Commonwealth Rent Assistance and index the payment to housing costs
6) Fund a feasibility study and/or pilot programs/trials of a largescale cohousing model for older women

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Evictions into homelessness

Housing crisis – which includes events like evictions and sudden rent increases causing rental arrears – is the third most common cause of homelessness in Victoria and the fastest growing cause of homelessness nationwide, rising 32% between 2015 and 2017. The housing and homelessness sector in Victoria has long been campaigning for reforms to rental rights and legislative protections against the types of events that cause housing crisis. The Residential Tenancies Amendment Act 2018 granted some of these reforms, including removing the ‘no specified reason’ notice to vacate (also known as ‘no grounds evictions’) and mandating that rent increases occur annually, rather than six-monthly.

While these reforms are welcome, safeguards against evictions into homelessness still need strengthening. While landlords now have to state grounds for eviction, there is no current requirement for them to show that eviction is ‘reasonable’ in the circumstances. Furthermore, there is no requirement for landlords to consider alternatives to eviction or engage their tenants in processes to avoid eviction.

Lawyers from the Women’s Homelessness Prevention Project, which represents women and children at risk of eviction at the Victorian Civil and Administrative Tribunal (VCAT), have recommended that Victoria look to Scotland for best practice legislative protection against eviction. Landlords in Scotland must satisfy a ‘reasonableness requirement’ for evicting a tenant and must also complete a ‘pre-eviction checklist’ that shows they have considered alternatives to eviction such as speaking to the tenant about the issue the planned eviction relates to, working with the tenant to consider alternatives to eviction, or referring the tenant to support services. This checklist was reported to have reduced evictions by 33% in its first year.

The Victorian Government should consider how families can be protected against eviction into homelessness, using measures similar to those that exist in other jurisdictions or other measures specific to circumstances in Victoria.

Case study: evictions from public housing into homelessness in Victoria

The number of people being evicted into homelessness has more than doubled over the past five years. Many of these people are public housing tenants: thousands of Victorians have been evicted from public housing in the last decade and thousands more have been threatened with the immediate risk of homelessness, mostly because they have fallen into rental arrears or have fallen foul of the ‘three strikes’ rule for nuisance breaches or the ‘zero tolerance’ approach to substance use on the premises. Public
housing authorities are more likely to apply to VCAT for lease terminations than landlords in the private market.\(^{51}\)

This means some of Victoria’s most vulnerable people are being evicted from already precarious positions into homelessness. Some of the most shocking cases have included:

- Victoria’s public housing authority evicting a woman with an acquired brain injury because the sound of her partner abusing her represented a ‘nuisance’ breach\(^{52}\)
- Numerous cases of children evicted into homelessness with insufficient regard for their wellbeing\(^{53}\)
- Tenants undergoing treatment for alcohol and drug addiction or misuse evicted for breaching the housing authority’s ‘zero-tolerance’ approach to substance use

The Department of Health and Human Services should not be evicting public housing tenants into homelessness. As the social landlord, the Department has a responsibility to support its tenants when they are facing difficult circumstances and to work with them to address any issues that are affecting their tenancies. At present, the fear of eviction discourages public housing tenants from accessing the support services they may need, creating a self-perpetuating cycle.\(^{54}\)

Victoria’s Human Rights Charter does require that the right to protection of families and children be considered in decisions about eviction proceedings, putting Victoria ahead of some other states and territories, but evidently eviction is still being used as a blunt and punitive tool.

The Government should make a legislative commitment that no one will be evicted from public housing into homelessness. The Department should make sure it is applying a gender lens to its social housing policies and practice and considering the issue of gender-based violence at all times. The Department should also consider the best interests of the child as the paramount factor in all decisions about tenancies that include children.\(^{55}\)

Where the tenant has fallen into rental arrears, the Department should work with the tenant to plan alternatives to eviction. Where the issue relates to anti-social or criminal behaviour, the Department should work proactively to refer tenants to support services or, where necessary, transfer them to alternative premises. Of course, for this to be possible, we would need a significantly larger stock of public housing properties in Victoria.

**Recommendations**

1) Continue to strengthen safeguards against evictions into homelessness, particularly for families with children and survivors of family violence

2) Legislate against eviction from public housing into homelessness

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\(^{52}\) Ibid.


Ending homelessness in Victoria: delivering safe and secure housing for all

A human right to housing

The human right to ‘an adequate standard of living...including adequate housing’ is enshrined in the United Nations International Covenant on Economic, Social and Cultural Rights.⁵-six Although Australia has ratified the Covenant, the right to adequate housing is not reflected in our housing policy.

Many countries experiencing housing crisis have adopted this ‘rights approach’ to housing.⁵-seven In Scotland and Wales, for example, where human rights approaches to housing are emerging, it is articulated through legislation that enforces a legal right to protection from homelessness.⁵-eight Wales introduced legislation in 2014 that gives all Welsh citizens a legal right to homelessness prevention assistance from local authorities, which receive funding to transition their services to the new statutory framework, under which “for the first time people will be able to challenge the local authority for failing to take steps to prevent homelessness”.⁵-nine In Finland, where the right to housing is a constitutional principle, homelessness has fallen by 35% since 2010.⁶-zero

Given Australia’s somewhat chequered history of human rights legislation,⁶-one a constitutionally or federally enshrined right to housing may seem a pipe dream. The State of Victoria, however, was the first Australian State to adopt a Charter of Human Rights and thus has an existing rights framework in place, and a reputation as a human rights pioneer.⁶-two Adopting a rights-based approach to housing and enshrining a human right to protection from homelessness would be a logical step for a State Government looking to show leadership on ending homelessness.

Housing First

Housing First is a model developed in response to chronic homelessness that prioritises permanent, supportive and unconditional housing for people experiencing homelessness.⁶-three Originating in the 1990s in the United States, the initial Housing First tenancies were managed by not-for-profit organisations that maintained individual units or small groups of units scattered across a residential area and supported people experiencing chronic homelessness into tenancies in those units. Housing First represented a departure from the prevalent ‘continuum of care’ model, under which people experiencing chronic homelessness are required to show a commitment to addressing problems like poor physical and mental health, drug or alcohol misuse, or unemployment to prove that they are able to meet the obligations of a tenancy before they are offered it.⁶-four

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⁵-seven For example, Belgium (http://www.housingrightswatch.org/country/belgium), Portugal (http://www.housingrightswatch.org/country/portugal-0), and Canada (https://www.citylab.com/equity/2017/12/canada-declares-housing-as-a-human-right/547319/)
⁵-eight For Scotland: https://eachother.org.uk/its-time-to-make-housing-a-human-right/, for Wales: https://www.taipawb.org/policy-influencing/right-to-adequate-housing/
⁶-zero https://www.24housing.co.uk/news/wales-moves-toward-housing-as-a-human-right/
⁶-four https://www.ahuri.edu.au/research/final-reports/184, page 4
By contrast, Housing First models quickly provide a permanent, self-contained home as the first step in a program of support, with no treatment or behavioural eligibility conditions. Under the Housing First model, tenants also receive flexible support to maintain their housing for as long as needed, and housing and support are separated so that tenants retain access to support if they lose their housing and are able to keep their housing when they no longer need support. Strengths-based and harm reduction approaches are taken to offer tenants choice and control over their journey out of chronic homelessness. This has a range of benefits for the individual and the community, increasing social inclusion and providing a safe, secure and stable foundation for people in crisis.

The Housing First model is now well established internationally, and a number of programs in the USA, the UK, and several European countries have been formally evaluated as demonstrating strong success in assisting people experiencing homelessness to access and maintain housing despite high support needs. A two-year longitudinal study in the USA found Housing First clients were able to retain their tenancies at a rate of 88%, compared to 47% among ‘continuum of care’ clients. Similar success rates have been observed across the world: an international evidence review reported that approximately 80% of Housing First service users across a number of programs managed to retain their housing for at least one year, compared to 40-60% of ‘continuum of care’ service users.

Case study: Housing First in Paramatta

The Michael’s Intensive Supported Housing Accord (MISHA) Project was a philanthropically funded, two-year Housing First program implemented by Mission Australia in Parramatta, New South Wales, from 2010 to 2013. MISHA approached and engaged with men experiencing chronic homelessness, including men who were sleeping rough, and provided them with long-term housing accompanied by tenancy support, psychological services, and access to a wide range of external social support services.

Underpinned by the Housing First assumption that it is only when chronically homeless people are given access to permanent housing that they will be able to overcome their other longstanding personal issues, MISHA assisted 75 men over 24-months and measured a range of outcomes over the course of the project.

These men had a range of histories that classified them as ‘hard to house’, including chronic homelessness, incarceration, physical injury, mental health issues, and substance misuse. Despite this, 97% of clients retained secure housing after 12 months of MISHA, and 89% were still in secure housing after two years.

There was also a dramatic drop in substance use disorders among MISHA clients over the two years, from 37% to 7%. Mental health disorders were halved. The Project was also shown to be cost effective, saving the Government $8,002 per person per year in health, justice, and welfare costs.

65 [https://housingfirsteurope.eu/guide/what-is-housing-first/the-evidence-for-housing-first/](https://housingfirsteurope.eu/guide/what-is-housing-first/the-evidence-for-housing-first/)
67 [https://housingfirsteurope.eu/guide/what-is-housing-first/the-evidence-for-housing-first/](https://housingfirsteurope.eu/guide/what-is-housing-first/the-evidence-for-housing-first/)
Many of the principles of Housing First are already broadly accepted in Victoria, where the separation of housing provision from support, harm reduction, intensive case management, assertive outreach, and strengths-based recovery approaches are embedded in the state’s network of service delivery providers.\(^6^9\) There is considerable will and capacity to implement Housing First programs, and Victoria’s homelessness and rough sleeping action plan already incorporates a Housing First approach.\(^7^0\) What we lack in Victoria is available housing.

The Melbourne Street to Home project was a Housing First project funded for three years under the National Partnership Agreement on Homelessness. The program’s formal evaluation notes that:

> “[t]he most pressing problem for Street to Home is finding suitable housing for the clients. Housing options in the inner city are limited and the failure to integrate the provision of housing into the model is a major policy oversight. It is imperative that future policy discussions take into account the need for ‘housing first’ services to have access to good-quality housing.”\(^7^1\)

The evaluation notes that the length of time it takes to find housing for a chronically homeless person in Victoria means that the program’s model cannot truly be described as Housing First.\(^7^2\) Similarly, although Victoria’s homelessness and rough sleeping action plan does promise to “explore ways…to expand the supply of long-term housing options for people experiencing homelessness and rough sleeping”, it also continues to prioritise support to access transitional housing and the existing private rental market over significant investment in house-building.\(^7^3\)

According to the Minister for Housing, 5% of Victoria’s homeless population are sleeping rough, representing approximately 1,100 people.\(^7^4\) Victoria could set the pace and direction of Housing First programs in Australia by funding a state-wide initiative to house all of its rough sleepers using a Housing First approach, investing in substantial house-building to support that goal and investing too in rigorous monitoring and evaluation to allow the program to stand as a national example of what can be achieved when Housing First principles are combined with significant growth in housing supply.

Furthermore, Housing First carries significant potential for job creation. A review of the literature on housing investment and job creation found that, on average, every 100 units of public housing that were built created approximately 80 jobs in construction and an additional 30 ongoing jobs supporting the people in the housing units.\(^7^5\) This would mean that an investment in 10,000 housing units would create an approximate 8,000 construction jobs and an additional 3,000 jobs to support those who go into public housing. Adding these estimates to the additional demand created up and down the supply chain, we see the potential for a large-scale investment in public housing to rival nation building projects like the Snowy Hydro scheme by creating employment and solving the housing crisis.\(^7^6\)

\(^7^2\) Ibid, page 66.
\(^7^4\) Ibid, page 4
\(^7^6\) https://www.snowyhydro.com.au/our-energy/hydro/the-history/
De-commodifying housing

Under Australia’s housing system, houses are primarily seen as financial assets, rather than as homes, as shelters, or as a human right. Both in Australia and overseas, the housing market has become more financialised and speculative over the last half-century. In Australia, where speculative buying and selling is encouraged over long-term investing by tax incentives such as capital gains discounts and negative gearing, the commodification of housing is significantly reducing the stability and the security of the private rental market.

Alongside the program of house-building required to provide safe and secure housing for all, we need to challenge this commodification of our existing housing supply. Victoria needs a strategy for making more efficient use of its housing stock; one example of this might be to tackle the issue of properties and land left vacant by speculative owners.

On Census night in 2016, 1,089,165 properties were recorded as vacant across Australia, representing 11.2% of our housing supply. That’s approximately nine times the number of homeless people – 116,427 – recorded on the same night. In Victoria, Prosper Australia used water usage records to estimate that approximately half of the State’s vacant properties – some 82,724 homes, or 4.8% of our housing stock – could be classified as long-term unoccupied “speculative vacancies”. With more than 24,000 people homeless in Victoria on Census night, one can see why leading UNSW urban policy expert Hal Pawson described the 2016 figures as “cruel and immoral”.

Most of these empty properties are holiday homes; many will be “ghost apartments” owned by wealthy investors looking for places to store their wealth; some will be Airbnb or other types of properties booked occasionally by tourists in Victoria’s short-term letting market and thereby removed from the general rental market.

Vacant land is a parallel issue: increasing land vacancy rates have been attributed to speculative owners getting development approval and then sitting on their properties, without developing, until land values increase, when they sell the land “as approved for developing” for a significant profit.

Both Federal and State Governments have recognised increasing vacancy rates as a problem and have enacted measures in response. At the Federal level, then-Treasurer Scott Morrison introduced fees for leaving investment properties vacant, but only for international buyers.

At the state level, a Victorian Government tax of 1% of the property value on properties left vacant for at least six months in the year came into effect in 2018, but has been criticised for its geographic limitations, its reliance on self-reporting, and for granting exceptions where a property is a second home, even when it is “grossly under-used”. The impact of this new tax is yet to be evaluated but should be rigorously evaluated.

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80 Ibid.
84 Ibid.
assessed and any funds raised from the tax re-invested into schemes to free up more of the private rental market or increase the supply of housing stock.

Another option at the state level would be to follow the United Kingdom’s example and give Councils powers to tackle the issue of empty properties. Legislation passed in the UK in 2013 allowed Councils to begin charging a maximum of 100% premium on Council Tax for unoccupied properties. Most councils introduced a 50% premium, and subsequently the number of properties left empty for six months or more decreased from 300,000 in 2010 to 200,000 in 2018.

Buoyed by this success, a new piece of legislation passed in 2018 allowed councils in England and Wales to double the rate of Council Tax charged on properties that had been empty for two years, triple it on homes empty for more than five years, and quadruple it on properties left unoccupied for a decade or more.

Case study: Brighton & Hove City Council
Some councils in the UK have extended efforts to address the vacant properties issue even further. Brighton and Hove City Council in England, after being identified as the council in its region with the highest number of unoccupied dwellings, introduced a strategy to work with owners to bring empty properties back into use. Under one element of the strategy, the Council offers to lease the empty property on behalf of the owner for a longer-term lease period of three to five years, guaranteeing an income for the entire length of the lease and the return of the property in its original condition. Under another, the Council allows landlords to bypass the fees associated with the National Deposit Scheme by guaranteeing the deposit themselves, simultaneously helping tenants who may not yet have a deposit saved to access the rental market.

The specifics of local government vary from jurisdiction to jurisdiction and what has worked in England and Wales may not succeed in the same way in Victoria. However, case studies such as the one above demonstrate the potential of harnessing local government to aid efforts in accessing vacant properties and de-commodifying the housing market.

Recommendations

9) Enshrine a human right to protection from homelessness in Victoria
10) Invest in a Housing First program with the aim of housing all of Victoria’s rough sleepers
11) Develop a Vacant Properties Strategy and investigate ways to empower local government to tackle the issue of empty properties

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88 https://www.brightonandhoveindependent.co.uk/news/brighton-tops-list-for-most-vacant-properties-in-the-region-1-7703152
89 https://www.brighton-hove.gov.uk/content/housing/general-housing/what-council-can-do-about-empty-properties
90 https://new.brighton-hove.gov.uk/housing/private-housing/private-sector-letting-service
91 https://new.brighton-hove.gov.uk/housing/private-housing/deposit-guarantee-service-private-tenants
Conclusion

There is a strong misconception in some corners of society that homelessness is a result of individual lifestyle choices like leaving school without qualifications; not looking for a job; taking poor care of one’s health; mis-using substances, and so on.

Homelessness is a function of choice, but not of those choices. Rather, homelessness is a function of political choices: the choice to surrender housing provision to the whims of the private market; the choice to prioritise the rights of landlords over the rights of tenants; the choice to spend less on social housing than any other state or territory. This submission argues that different choices can be made.

Australia has a complex housing system, with policy levers at multiple levels of government. While the reluctance of the Federal Coalition Government to address the problem is no doubt challenging, there are levers the Victorian Labor Government can and must pull to alleviate the crisis of housing and homelessness in Victoria. We have identified some of those levers in this submission, and there are certainly others. We hope that many of them will be presented and discussed at this Inquiry and we appreciate the opportunity to contribute our analysis and recommendations.

Full list of recommendations

1) Increase investment in social housing to at least the national average
2) Build 6,000 new public and community housing units per year for the next ten years
3) Commit to mandatory inclusionary zoning
4) Lobby the Federal Government to increase Newstart and related payments and index the payments to wages
5) Lobby the Federal Government to increase Commonwealth Rent Assistance and index the payment to housing costs
6) Fund a feasibility study and/or pilot programs/trials of a large scale cohousing model for older women
7) Continue to strengthen safeguards against evictions into homelessness, particularly for families with children and survivors of family violence
8) Legislate against eviction from public housing into homelessness
9) Enshrine a human right to protection from homelessness in Victoria
10) Invest in a Housing First program with the aim of housing all of Victoria’s rough sleepers
11) Develop a Vacant Properties Strategy and investigate ways to empower local government to tackle the issue of empty properties