

# TRANSCRIPT

## LEGISLATIVE COUNCIL LEGAL AND SOCIAL ISSUES COMMITTEE

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

Melbourne—Wednesday, 1 July 2020

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**WITNESSES**

Mr James King, Acting Chief Executive Officer, and

Ms Sue Grigg, Director, Housing and Homelessness, Unison Housing (*both via videoconference*).

**The CHAIR:** Welcome, and I declare the Standing Committee on Legal and Social Issues public hearing for the Inquiry into Homelessness in Victoria open. I know it goes without saying, but for committee members: please make sure your phones are on silent.

As we did this morning, I would just like to respectfully acknowledge the Aboriginal people, the traditional custodians of the many lands on which we are meeting today and pay our respects to their elders both past and present, and also acknowledge any Aboriginal people or Torres Strait Islander people who are watching the broadcast today through the World Wide Web.

To James and Sue, just to let you know, all evidence taken at this hearing is protected by parliamentary privilege, and that is provided under our *Constitution Act* and the standing orders of the Legislative Council. Therefore the information that you do provide to us today is protected by law. However, if you were to repeat those comments outside this hearing, they may not be protected. Any deliberately false evidence or misleading of the committee may be considered a contempt of Parliament.

As you know, we are being broadcast, but we are also being recorded, and Hansard is taking a careful transcript of this session, and they will send you that transcript after this session. We encourage you to have a look at that and make sure that we have made no significant errors. Ultimately it will end up on the committee's website. Again we very much appreciate your time here today and the work that Unison has been doing. Would you like to make some opening statements? Then we will open it up for general committee discussion.

**Mr KING:** Sure. Thank you, Fiona, and good afternoon all. I will start by introducing Unison, and we will go from there. Unison is a registered housing association that provides a range of services, including social and affordable housing, private rental property management, owners corporation management and social enterprise property services. We also deliver homelessness services in Melbourne's west. Our homelessness services deliver a transitional housing management program and private rental access program, known as PRAP, in Melbourne's west. This includes managing almost 300 transitional housing properties, delivering homelessness entry points from two high-volume shopfront services in Seddon and Werribee and delivering a program that supports people to establish or maintain housing in the private rental market.

Today I am going to focus on our entry point services. These services are designed to be the front door to the homelessness service system, which means that anyone who is homeless or at risk of homelessness comes to the service for assistance. We provide assistance to around 3500 households per year. That is high volume. Our busiest day at the Seddon office in 2019 was 45 households that presented for assistance.

So who are they? Almost all are on a Centrelink benefit, aside from the people who due to their visa have no income at all. About half of the households who present at our service are born overseas. Over two-thirds of households are homeless when they first present to Unison. Most of the homeless people are single-person households. One in five of these are sleeping rough, and it is important to note that rough sleeping is not only a CBD problem; there are rough sleepers everywhere. The remaining third of households who present are at risk of homelessness. Most households who are at risk are living in private rental when they first present, most are women and many are female-headed single-parent families.

So what do we do to assist them? When people are homeless our primary response is to purchase temporary accommodation in hotels and rooming houses. We spend approximately \$650 000 in Housing Establishment Funds, or HEF, a year on temporary accommodation and motels, although this has escalated drastically since March 2020, when we were given additional funds to assist people who are homeless during the worst of the COVID-19 pandemic. It is a lot of money, and there is a lot of debate about whether it is a good use of government funds, particularly given that most of the motels and rooming houses we use are run down, often dirty and sometimes dangerous places.

Some services will tell you we need more HEF to purchase more and better-quality motels, but Unison does not support this view. The reality is that placing people in motels is only effective when there is a clear exit option for the person. Look at what has happened during COVID-19. We have ended up with around 4000 people in motels across the state at a cost \$15 million in a three-month period. Most of the people were single, and the harsh reality is that outside of expensive motels there is no other housing available for single people. Private rental is not affordable, and the waitlist for social housing is years. Purchasing motel accommodation using HEF is a short-term solution, and it is a very expensive bandaid.

So what is the answer? The most important factor in resolving homelessness is safe, secure and affordable long-term housing. Looking at the housing market, we have four main options: home ownership, private rental, affordable housing and social housing. Let us put home ownership to one side, as it is not relevant for this presentation, and let us start with private rental. Private rental is an option for some families in western Melbourne, particularly further out from the city. Unison's private rental access program, PRAP, works in collaboration with real estate agencies and matches homeless families with private rental properties. It is an extremely successful program, as confirmed last week when Unison and RMIT University launched an evaluation of the service. The evaluation found that after two years nearly 80 per cent of people assisted had sustained their housing. In the last three months the Unison PRAP assisted 186 households to move into private rental and just over 100 households to maintain their private rental tenancy.

But private rental will not work for everyone. Some families are assessed as having complex needs that would make sustaining private rental impossible. For some it is also too expensive. There is not a single one-bedroom private rental property in the whole of metropolitan Melbourne that is affordable for a single person on a Centrelink benefit. Another option that might be suitable is affordable housing, which provides long-term housing for people who are employed but on a low income. Applicants must meet income and asset limits that are specified by the government. Again, however, the number of properties are limited, and this housing is not suitable for people who are unemployed.

So what do we do with single people on a Centrelink benefit and families with complex needs? The only remaining option is social housing, which, as you will have heard from everyone you have spoken to, is in critically short supply. Currently there are over 44 000 households on the Victorian Housing Register, and over half have been assessed as being in urgent need of housing. It is estimated that in Victoria alone 6000 new social housing homes will need to be built each year for the next 10 years to avoid a homelessness crisis. The COVID-19 pandemic has reinforced the importance of safe, secure and affordable long-term housing and maintaining a healthy society. For every \$1 invested in social housing the community reaps a benefit of \$3 of economic value. If all levels of government commit to increasing the supply of social housing now, not only will we be able to house more households that are homeless or at risk of homelessness, but as a result all Victorians will benefit.

**The CHAIR:** Thanks very much, James. Sue, did you want to add anything to that?

**Ms GRIGG:** No, not at all. We decided James would do the talking.

**The CHAIR:** Great. Well, it is nice to have you both there. James, thank you. And we have certainly heard about some of the innovative programs that Unison has been doing. I have just made a note—did you say the majority of your clients are initially at risk of homelessness?

**Ms GRIGG:** Two-thirds are homeless, so it is over 2300 households a year we see who are homeless. The other third are at risk. So the at-risk population we generally get a much better outcome for; it is just the challenge when people are already in the homeless population.

**The CHAIR:** And I think that is certainly the question I would like to ask you: how do we intervene, or is there anything that we should recommend to move more of your clients into that third who are accessing you when they are at risk of homelessness? Because as you say, your success rate with that cohort is much better than once people enter into homelessness.

**Ms GRIGG:** I think in our region—because of our private rental access program and how we have gone about developing that; we actually employ real estate agents to work in that program—we are quite well connected to the private rental market, and real estate agents often refer families who are at risk to us. Because they always know; the real estate agent is always aware when there are problems. So I think that the challenge

is, for the people who are already homeless, often they have not had a private rental tenancy for a long time. It is rare that they are newly homeless. If people are newly homeless, we are generally able to get them back out. I think that the reality is that 20 per cent of the homeless people we see a year are rough sleeping. That is kind of an indicator of the chronicity of the problem, I think.

**Dr KIEU:** Thank you, James and Sue, for your submission and for the important work that Unison Housing is doing. This is a very difficult problem but a very important thing that we need to address. There are many questions but in particular I am interested in the Union Housing Research Lab at RMIT. What is it doing? When there are reports or research outcomes, are they made available to the public? And what happens after five years, in 2022—because it started in 2017, then five years. Is there any plan for beyond 2022?

**Ms GRIGG:** I might start this and then—

**Mr KING:** I will talk about the extension.

**Ms GRIGG:** It is a unique partnership we have with RMIT University, and it means that for the five-year period we have a team of researchers who are focused on looking at housing and homelessness. The team includes the first-ever Professor of Urban Housing and Homelessness, and I believe he presented to you very early on, Professor Guy Johnson. And there are two full-time researchers and also three PhD projects, all focused on Unison Housing. There are a series of reports that are all available on the Unison website looking at how our tenancies are being sustained—who we are housing, is the housing working or is it not—and looking at our homelessness program. Some of the data James spoke about today about our IAP service came from an RMIT look at our IAP service. So I would encourage you, if you are interested, to go to the Unison website. All the reports are there and available for download.

**Mr KING:** Yes, and in terms of what happens in 2022, we see the relationship with RMIT as incredibly important. Not only does the data drive a lot of decisions that Unison makes in terms of what works and what does not, but it has been extremely helpful having that sort of ability and researching outcomes that work in-house. So come 2022 we want to extend the partnership—absolutely. I cannot speak, obviously, on behalf of RMIT, but I am hoping that they are enjoying the partnership as much as we are and see the importance of it, more importantly.

**Dr KIEU:** I would like to commend you on that partnership because the data and research—the data collection—actually is something that still is not sufficient enough for us to have a view on how to provide these services.

**Ms GRIGG:** Yes, but if I could just say as an example—because I agree with you about the proper research and proper evidence—this partnership allows us to close the loop. One of the early reports RMIT did as part of this partnership identified that we were housing the right people—so people who were very disadvantaged and in desperate need of housing—but too many of the tenancies were not being sustained beyond 18 months. We know that about homelessness—people fall in and out of it—but what is now driving our direction is: how can we better sustain people in housing? Because there is no point housing the right people if we are not keeping them there. So I think that loop is very important.

**Mr TARLAMIS:** Thank you, James and Sue, for coming to present to us today. One of the recommendations in your report talks about support agencies being more accountable for housing outcomes. Can you just elaborate on that a little bit more and talk about how that might happen or what you are proposing in that regard?

**Ms GRIGG:** One of the real challenges, I think, for us is we try and work in collaboration with support agencies, who are also under incredible pressure for the same reasons we all are. There are nowhere near enough resources, and I think that it is partly due to the funding guidelines, where services are asked to provide support, per worker, to 48 clients a year for an average of three months. Well, we know that people need support for longer than that if they have chronic issues. So I think that the Victorian government is looking at this issue now and recognising that some people need support for a lot longer. But yes, I am not sure what RMIT meant by ‘be more accountable’. I could speak for myself but probably not for them. But it is challenging. There can be a tendency for support agencies to think, ‘Okay, the person’s housed. Job is done’. We need to change that way of thinking because getting the housing is an important step—the most important step—but people often need support for a long time, to adjust to that housing and to settle in.

**Mr TARLAMIS:** So they are not in that cycle of being at risk of homelessness and going back into that cycle of homelessness again, yes absolutely.

**Ms GRIGG:** We know that, and I really want to try and break that. There are good support agencies, and we are developing new partnerships all the time. We have a new building in Footscray. It is 52 units of social housing—a beautiful building, all self-contained—and we have given a number of units to a support agency and said, ‘You can put your clients in there but the deal is: you support them and you spend some time on site, you are in the office with us, just so we can really get to know one another’. So they really understand what is happening from the tenancy side, you know. I think that is a good way to go in the future.

**Ms LOVELL:** Thank you for your presentation. It is great to have you presenting to us. The west is an area where obviously there is a great deal of need, and yet we do not hear a lot of it. There is always a lot of talk about what is going on out in the eastern suburbs of Melbourne, but the west certainly, I think, need to lift their voice a little bit. I would be interested to know if the new rental laws that were brought in for COVID-19 around the stay on evictions have actually helped or whether you can see a cliff coming where you are going to have a big rush of people because they are going to suddenly find themselves in breach of tenancy acts at the end of that. If you can just give us your thoughts on that.

**Ms GRIGG:** I have never been criticised for being a super-positive person but ‘cliff’ is a strong word, even for me. I am concerned about the eviction moratorium ending and what will happen. Our private rental access team have done an amazing job of negotiating with landlords, so I do think that is something to worry about. I am more worried about JobSeeker going back to—I mean, for years I have thought that what was called the Newstart allowance was terrible, way too low, for people. So I definitely do not want it to go back to preCOVID days. But I am worried about the impact of that, because it will be a whole new part of the community -coming in. But I think with our private rental access program we will do well.

The other thing that might happen is private rental might get cheaper. We do not know, but I do think the worst is in front of us, to be honest.

**Ms LOVELL:** Also you spoke about the 13-week episode of support and the revolving door that that creates because people do not have their problems solved; they go out the back door and they come back in the front door because they suddenly find themselves homeless again because their underlying issues have not been addressed. I guess my question is more around: if we go to providing longer episodes of support for people to make sure that we actually find an outcome and a solution for the person but there is no increase in funding, it is going to mean that we treat less people. But we actually solve their problem. So the nexus between actually being able to provide less episodes of support but actually moving people out of the sector so they are not coming back for several episodes of support would be initially a problem. But do you see that as a better solution in the long term?

**Ms GRIGG:** Look, I have been working in homelessness and housing for over 20 years and I have always said I would rather support less people well than more people badly. It has never been a numbers or a throughput thing for me. The homeless population is incredibly diverse. There are some people that only need light-touch support, but there are also people who, because of their life experiences, will need support forever. Not necessarily intensive support forever, but they will always need someone. So it is a really broad spectrum, and the Victorian government is talking about this rainbow with that spectrum. There is recognition, but definitely less people properly than lots of people badly.

**Ms LOVELL:** So funding for throughput tends to lead to a situation where services corral their people because they are their income stream, and the throughput is great because they are getting plenty of income to run their service, but it is not actually providing solutions for anyone. So a couple of things that have been brought up a lot in the inquiry are things like funding for outcome and also the re-tendering or recommissioning of homelessness services, and I would just like your views on both of those.

**Ms GRIGG:** There has been talk about outcomes funding for a very long time, and I think that is probably what RMIT were getting at when they said support agencies should be more accountable. Because if you are a homelessness support agency, what outcome are you looking for? It is to get people housed.

Many years ago I was working at a service, and we looked at the people who were coming in—it was a high-volume service—and we found that of people who were homeless when they first presented, 19 per cent got

out, which sounds so low, but I still thought it was really good. The reason I mention it is because it was a very simple measure. It was: are you homeless or are you not? It is tricky, the outcome stuff.

**The CHAIR:** And keeping people housed, as you mentioned before, rather than—

**Ms GRIGG:** How long are they housed for? So the importance of longitudinal.

**Mr BARTON:** Can I just ask—you are covering so many bases, but we are limited in what we can ask you because our Chair is very strict.

**Ms GRIGG:** I noticed that, actually.

**Mr BARTON:** I just want to ask you about the work you do with real estate agents, because one of my areas that I am concerned about is how people sometimes lose their way, or circumstances, as such. How is that working for you and how does that work if we look across all of Victoria? Are all real estate agents as understanding when things go pear-shaped for them for a period of time?

**Ms GRIGG:** We received funding for the PRAP program in 2017, and I thought, ‘Okay’, and I actively went out and recruited real estate agents from the local area because I thought, ‘They’ll speak the language; they know what will work to get people in and they will know how to craft applications for tenancies—all that sort of thing’. It was really different for me doing that, but it has been really successful. They had the networks already. In our area real estate agents often call us before they advertise a property, and then we fill it. I have had examples where the team can ring an agent and get a property within 24 hours because the department needs a property, or something like that. So it definitely works very well in our region, and in my experience in other regions real estate agents are really receptive to programs like this. Real estate agents, they want to get the money for their owners, but they hate evicting people. Nobody likes evictions. I mean, we are landlords as well. We do not like evicting people—jumping through VCAT, you know?

So absolutely, real estate agents are really receptive, but it is about trust. You have got to have that trust. I keep saying to the PRAP team, ‘Don’t refer families where it’s not going to work’, because the temptation is—because there is no social housing—to try to force it, but then we will damage the relationship with the agents and that will be the end of it. So we have to really target it right, but I do not think it is unique to our area at all. I think across the whole of Victoria real estate agents would love to work more closely with us.

**Ms VAGHELA:** Thank you, James and Sue, for your vision and for your time today. James, you mentioned about a majority of the people accessing the service being on Centrelink, and some of them do not have income because of their visa status. Do they need to have a certain type of visa status or visa type to be able to access services from you? If that is the case, then are particular communities in your region more at risk of experiencing homelessness or housing issues and why?

**Ms GRIGG:** It is a tricky question, that, because strictly speaking we are not funded to provide any assistance to people who are not eligible for a Centrelink benefit, and the state government would say to me, ‘That’s a federal government issue’. So we do limit it because we have limited resources. However, if we have a family with many children in our waiting room who has got nowhere to stay for the night, you cannot really say, ‘We can’t help you’.

So they really slip through the gaps. It is a massive problem, because we cannot pick it up—unless they get work. We try and work with people, and that is one of the things that happened with COVID—a lot of people who had visas that made them ineligible for Centrelink but had been working in casual employment started to contact us because they lost their employment and they were not eligible for Centrelink. So how can we sustain that tenancy until they can get work again?

**Ms VAGHELA:** But in cases where they approach you where do you refer them to then? Where do they go in cases where they do not fulfil the visa requirement? Do you refer them to somewhere?

**Ms GRIGG:** Yes, there are services that work specifically with that group, and there is also a lot of voluntary work within-the-community stuff that happens. Down in Werribee I know that a lot of work that happens there with different communities. But, yes, they really miss out.

**The CHAIR:** Look, more housing, more housing, more housing—and maybe COVID is the time for that. Are there any opportunities in what we are doing now? We understand that we have been able to put 4000 people into accommodation, albeit some of it not terribly good accommodation, but there is some relatively okay accommodation out there that may have kitchens or kitchenettes, that may have ensuites. Is there an opportunity to use that as more transitional than emergency housing right now, while hopefully we are then going to build up that stock?

**Ms GRIGG:** It is the cost. People are in much better accommodation than they have been because there were no tourists, so a whole market of better places opened up for us. I do not know how long that will last, but probably for some time. But there have been a lot of challenges with that too, because a lot of the hotels in the city who took in people who are homeless were not really prepared for the level of challenges that come along with a whole group of—so I do not know about that.

In terms of that as a transitional response, we can build more social housing, it is just very expensive. It is seriously expensive. Unison, in three months since the lockdown, have spent over \$1 million, and we are a small service. It is \$15 million across the state in three months. It is a huge amount of money.

**The CHAIR:** You would think surely we would be able to negotiate a better price on rooms that will remain empty for the next 12 months, 18 months. Surely, Quest or someone would rather rent it for \$500 a week than have it empty.

**Mr KING:** If I may, Fiona. That is a good point, and some owners do have an appetite for negotiation. I think there needs to be a little bit more hurt in the market for private owners—and I say that lightly. But to your earlier question, there is opportunity and there are other means. I know you are talking about housing, more housing et cetera, but there is some creative thinking out there. In Unison we have looked at an NRAS property that we have just purchased in Seddon, for example—so 67 apartments, the average size being about 23 square metres, we are trying to get change of use through council now. We bought that property for a lot less than what it would cost to build, and that is excluding the land as well. And it is built; there is no delay in having those apartments available.

The NRAS properties that were rolled out in 2009 are at the end of their NRAS program now, so there is going to be plenty of opportunity. As I said, the owners of those, now that the NRAS scheme has finished, are willing to offload them, and again, for a price that you would not be able to build for at all.

**Dr KIEU:** In the options that you said, social housing is one of the most effective ones in the longer term. The government has a Social Housing Growth Fund of \$1 billion, but then there is still always a need. You mentioned a figure of 6000 houses for the next 10 years and also a very good argument that \$1 invested will have a \$3 return. That is not surprising because we would not have to spend much in terms of violence, in terms of health care, in terms of some other social issues—prison, for example. But what is your wish list, given the economic situation is going to be very challenging and the government already has some commitments for \$1 billion? I do not know when it will end, but what is your wish list in terms of support for the government for social housing?

**Mr KING:** Okay, well my background, so you know, is property development, so you are probably asking the wrong person. But my wish list—we own and/or manage almost 2500 properties across Victoria now. As Sue said, a new direction for Unison is to ensure that the people that we house, we house well. A lot of the assets are at the end of their life, and we simply do not have the funds to continue to keep those properties in a condition that they should be in. So on the back of the maintenance stimulus that was recently announced, we are hoping to get a substantial amount of money to first of all bring those properties up to a standard, and then we can focus on housing those people better than what we have.

But the Social Housing Growth Fund that you mentioned, there are a lot of lessons learned from the first round of that Social Housing Growth Fund—a lot of time and costs involved in making applications, reporting. I think the state government is looking at trying to lessen the burden on community housing providers when applying. There is an argument around whether it is grant capital or investment from the state government, which I think is easier for us. You apply for a certain amount of money for a contribution—maybe 75 per cent of a development—and you draw down on that at certain stages of the development rather than monthly reporting and offsetting a 30-year term like the Social Housing Growth Fund has it currently.

I co-chair with DHHS an industry working subgroup funding model. So we are looking at what is the best funding model or the easiest to get money out the door from that \$1 billion stimulus to community housing providers and how it can be effective. So my wish list? Everyone will say more money, but to be honest with you, if I can talk frankly, it is government having a bit more of an open mind on funding models. For example, the Director of Housing has a number of assets that are at the end of their life—rooming houses—which we know provide poor outcomes for tenants. We general lease a number of them. The cost to maintain those is through the roof. We could easily come up with a funding model where we sell those assets and develop in that same area, but it is public property, so it is pretty difficult to get that over the line with state government.

**The CHAIR:** Interesting. Thank you.

**Ms VAGHELA:** I would like to continue on from Dr Kieu's question regarding the wish list. Either of you, James or Sue: if you were Minister for Housing for a day, what would you do? Would you continue with the wish list that you just mentioned, or would it then be something completely different that you would do to address the issue of homelessness if you were Minister for Housing for a day?

**Mr KING:** I will go first because Sue will have a very different opinion, as you will have already seen, that is sort of—

**The CHAIR:** Just remember that you have got a former housing minister here with us.

**Mr KING:** Okay. I would not be handing out tranches and tranches of stimulus money. I would review what I talked about—some creative thinking, value for money propositions, purchasing assets that you could not build for that would have an immediate impact. I know it does not have the economic boom putting workers on site, but that would be my first honest step to lessen the impact of all of these people in motels across the state. Then following that I would review the stimulus and how to best get value for money on that as well. Sue will have a different view.

**Ms GRIGG:** Not necessarily; look, I have mentioned I have been working in this sector for a long time and I have been saying the same thing for most of it: the most important thing is good-quality housing. That is the most important thing in terms of ending homelessness. I know it is expensive and many people will need support for that housing, but without the bricks and mortar we are just tinkering around the edges. We have a very complicated homelessness service system that we keep adding another layer on. If we do not invest in housing—you cannot end homelessness without housing.

**The CHAIR:** Well, that was a very good note, I suppose, to end on. Thank you very much. I think that there were some really interesting comments in that, and it has been great hearing some innovative approaches and listening to the science and really looking at, as we have heard and I know Wendy has mentioned it before, the notion that we get someone in a house but how do we keep someone housed rather than that forever cycle that we really need to break. Thank you very much for making the time for us today. I hope you are staying safe out there in the west. I know that some of the west is on lockdown. Thank you.

**Witnesses withdrew.**