



National Housing and Homelessness Agreement Review 2022

**SUBMISSION TO THE
PRODUCTIVITY COMMISSION**

Acknowledgement of Country

Melbourne City Mission acknowledges the traditional custodians of the lands on which we work and note that this document was developed on the lands of the Bunurong, Wurundjeri and Woi Wurrung peoples of the Eastern Kulin Nation.

We pay our respects to Elders past, present and emerging. We acknowledge the culture, dreams, and aspirations of the Aboriginal and Torres Strait Islander people who are the true custodians of the land upon which we live and work.

Melbourne City Mission recognises the right to self-determination and provides endorsement of submissions made by Aboriginal Community Controlled Organisations.

About MCM

Melbourne City Mission (MCM) is a community service organisation that provides a range of supports to people who are experiencing different forms of disadvantage across Victoria.

Our vision is to contribute to a fair and just community where people have equal access to opportunities and resources. We work alongside people and communities to provide long-term, sustainable pathways away from disadvantage.

MCM has more than 80 programs which span multiple service systems, including homelessness, disability, early childhood education and care, health (home-based palliative care), mental health and education and training.

MCM also run the Hester Hornbrook Academy, an independent specialist school providing education and wrap-around supports to over 300 students across campuses in the CBD, Sunshine and Prahran.

MCM has made the commitment to implement a systems-level, whole of organisation approach to trauma informed healing-oriented care. A 'Healing Oriented Framework' has been developed by MCM to promote the physical, emotional, social, psychological and spiritual health and wellbeing; cultural inclusion and ongoing safety of people in contact with MCM. MCM maintains a holistic view of individuals, families and communities in their ongoing process of healing.

MCM provides a range of homelessness supports to young people, and adults and families, through a workforce of over 185 frontline case managers. Services provided by MCM include:

- Frontyard Youth Services – provides a range of integrated supports to young people aged 12 to 24 experiencing or at risk of homelessness, including support with housing, health, mental health, legal issues, Centrelink, employment and living skills. Frontyard operates the only State-wide specialist access point for young people aged 16-24 seeking to access the Homelessness Services system, including an 18 bed CBD-based crisis accommodation service for complex young people experiencing rough sleeping.
- Four Youth Refuge programs across the Northern and Western suburbs of Melbourne which provide short-term accommodation to over 600 young people each year.

- Youth Foyer Programs that provide intensive case management and fully furnished medium term accommodation to young people for up to 2 years.
- Early intervention programs in Sunshine, Frankston and Shepparton supporting over 594 young people each year to remain housed and connected to family, school, and their community.
- Short and long-term support to assist over 848 adults and family households to find and keep long-term housing each year.

Introduction

Never has the need for a safe, secure and affordable home been so pressing than during the COVID crisis. Our collective health has been reliant on finding appropriate housing for everyone, and the lack of social housing has been acutely felt. Having a home is critical for people’s mental and physical health, their education and employment opportunities, and their ability to fully participate in society.

MCM welcomes the opportunity to contribute to the Productivity Commission’s National Housing and Homelessness Agreement (NHHA) Review. This submission focuses on several key themes addressed in the Issues Paper, and in particular, draws attention to the housing and support needs of young people experiencing or at risk of homelessness.

The NHHA and the agreements that precede it have been successful in initially creating, and more recently, maintaining the stock of social housing, and in providing critical resources to homelessness services. The key concern with the NHHA is that the current level of funding is insufficient to generate enough social housing to address Australia’s growing problem of declining rental affordability and needs to be significantly increased to meet social housing demand. The funding level is also insufficient in meeting the growing demand for assistance with homelessness.

Australia’s economic recovery will be a time of significant government spending as we seek to rebuild and reactivate our economy – and it is crucial that the Australian Government takes this opportunity to invest in social housing, in order to build a resilient affordable housing system.

Social Housing

Increased affordable, appropriate and safe housing is required to achieve sustainable client outcomes. The lack of social housing options is the most common and severe block to funded homelessness agencies like MCM achieving NHHA outcomes and outputs.

Secure housing is fundamental to live a safe, dignified and productive life – yet even before the COVID pandemic, there were more than 80,000 people waiting for social housing¹ in Victoria, and almost 25,000

¹ Department of Health and Human Services Victoria, ‘Victorian Housing Register Transition Report’, (June 2019); Victorian Public Tenants Association, ‘Housing Wait List Jumps Again’, (2019) < <https://vpta.org.au/housing-wait-list-jumps-again/> >

Victorians homeless on any one night.² Many more people who are not yet homeless are at risk of losing their housing and becoming dependent on the social housing system due to a range of factors, including declining housing affordability, rental stress and instability, family violence and poor mental health.

The Victorian government's \$5.3 billion commitment to build social and affordable housing is a significant investment that will go a long way in addressing Victoria's housing challenges and unblocking the homelessness system. The planned increase in housing stock however, represents less than 10% of the estimated shortfall in social and affordable housing in Victoria.

Housing placements available to young people at risk of or experiencing homelessness in Victoria are not meeting the current level of demand. Nationally, young people experiencing homelessness are only 2.9% of primary tenants in social housing, despite that they make up about half (54%) of all single people who seek help from homelessness services. It is estimated that there are 7,000 young people in Victoria experiencing or at risk of homelessness seeking medium to long-term housing, whose needs are not being met. Without effective intervention, this group will go on to require a high level of support across a range of public services including health and social security.

If Australia's social housing stock is not expanded to meet this need, more and more people will become homeless or end up in insecure, unsafe housing. Once people are in this position, it is difficult to retain or find employment, stay healthy, care for children – and very challenging to re-enter housing in the private rental market.

Social housing options, including youth housing models, are required to achieve NHHA outcomes. The new Agreement should include funding needed to maintain the existing stock of housing and the funding necessary for social housing growth. This could be facilitated via the creation of a new social and affordable housing growth fund.

RECOMMENDATION: The NHHA should include the required funding needed to maintain the existing stock of housing and for social housing growth, in response to Australia's growing problem of declining rental affordability.

Homelessness Support

The NHHA needs to include significantly increased funding for homelessness support to meet the growing demand for assistance with homelessness, including funding for ERO supplementation to meet increased wages costs arising from the 2012 Fair Work Commission Equal Remuneration Order.

Funding allocations do not currently reflect the demand for assistance particularly in outer metro growth areas where homelessness and the risk of homelessness has substantially increased in recent years. The changing demographics and geography of homeless populations could also be reflected in future program funding including increased investment in prevention and early intervention programs and the provision of more flexible support programs, rather than a time limited support period that does not equate to the actual needs of people experiencing homelessness.

² Council to Homeless Persons, 'Homelessness will increase as social housing proportion falls', (2019) <<https://chp.org.au/mediareleases/homelessness-will-increase-as-social-housing-proportion-falls/>>.

Supported Housing System

While making more social housing available is a critical first step, there's a further need to connect people, with models of supported housing that are appropriate for their needs. For many young people experiencing homelessness, a form of medium-term supported housing is needed as a pathway to independent living. In other words, while housing may end an individual episode of homelessness, support breaks the cycle and provides a pathway to independence.

It is therefore important to recognise the characteristics of youth homelessness, and how it differs from adult homelessness. Young people who become homeless at an early age are forced to take on a range of adult responsibilities, without having been given the time and support to develop the knowledge and skills required, including how to maintain a property and their tenancy rights and responsibilities.

Young people are being supported for extended periods of time in models of care that are designed for brief periods of crisis and are unable to access the continuity of supports that they need to exit homelessness permanently. Young people reveal a strong sense of frustration with the housing and homelessness system, as many experience significant transience between short-term stays and support from different services. MCM works with young people who report spending years moving between refuges.

A youth housing system must provide integrated, sustained support and housing, to address the complex personal and structural causes of their homelessness. Key elements of support include education and employment support, living skills development, community connections and health and wellbeing. This framework aims to build the independence and resilience of young people experiencing homelessness and their capacity to sustain social housing and successfully transition into the private rental market.

The NHHA should create a supportive housing system, including funding Housing First models, and supported accommodation whilst continuing to fund the existing crisis system. Currently, agencies trying to implement a Housing First approach struggle to obtain funding for either the housing or the support component of these successful programs as usually Government funding provides either housing or support, not both.

RECOMMENDATION: The NHHA should include significantly increased funding for homelessness support to meet the growing demand for assistance with homelessness, including funding for ERO supplementation to meet increased wage costs arising from the 2012 Fair Work Commission Equal Remuneration Order.

RECOMMENDATION: The NHHA should create a supportive housing system, including funding Housing First models, medium term youth housing models and other supported accommodation.

10 Year National Housing and Homelessness Strategies

For the past decade, there has been growing awareness of a housing and homelessness crisis in Australia and the absence of national strategies or plans to address it.

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Currently, there is no national policy for either housing or homelessness and it is left to individual states to develop strategies. This approach does not acknowledge the intersection between federal, state, and local government policy responsibilities including the reliance on income support.

For the NHHA to be effective, it needs to sit within the context of a 10-year National Housing Strategy and National Homelessness Strategy (**10-year Strategies**), and complementary state and territory housing strategies and homelessness strategies.

The Australian Government should work in conjunction with State, Territory, and local governments, to develop these 10-year Strategies. Strategies must set strong achievable targets to reduce and end homelessness, provide social and affordable housing for the lowest income cohorts and include sufficient funding to support the required actions. The NHHA is one of the major mechanisms for Governments to implement such a Strategy.

Youth Homelessness and Housing Strategies

Young people are a significant group experiencing homelessness in Australia. Compared to older cohorts, young people have distinctive pathways into, and experiences of homelessness, including having limited coping strategies and resources as well as being at high risk of further trauma. This requires the service system to apply developmental approaches.

To effectively meet the needs of young people, a stand-alone national youth homelessness and housing strategy is required to sit alongside the 10-year Strategies discussed above.

RECOMMENDATION: The Australian Government should allocate resources to develop a 10-year National Housing Strategy and National Homelessness Strategy that includes a standalone but integrated plan to address youth homelessness.

To discuss this submission, please contact Shorna Moore