



Brotherhood  
of St Laurence

Working for an Australia free of poverty

Submission to the  
Legal & Social Issues Committee  
of the Victorian Parliament

# Inquiry into Homelessness in Victoria

Brotherhood of St Laurence

March 2020

## About the Brotherhood of St Laurence

The Brotherhood of St Laurence (BSL) is an independent non-government organisation with strong community links that has been working to reduce poverty in Australia since the 1930s. Based in Melbourne, but with a national profile, the BSL continues to fight for an Australia free of poverty. We undertake research, service development and delivery, and advocacy with the objective of addressing unmet needs and translating the understandings gained into new policies, new programs and practices for implementation by government and others.

The BSL has longstanding expertise in homelessness policy and program reform at both Commonwealth and state levels. This has been informed by our social policy work, research and service models designed to inform system change. Our current initiatives to support people facing housing insecurity and homelessness include:

- consultancy with the Tasmanian Government to inform and support **systemic change to Tasmania's homelessness response** through the Housing Connect Reform Project
- program of innovation to inform a **systemic change agenda for young people at risk of homelessness** including:
  - development of and support for the **Education First Youth Foyer** model and Community of Practice
  - co-design, development and support of Victoria's **Better Futures** initiative to reform approaches to equipping young people to transition from care to independence
  - partnering with 10 TAFES and community sector agencies to develop and deliver the Cert 1 program in **Developing Independence** for vulnerable young people
- **tailored employment assistance and training programs for social housing residents** including development and oversight of the state-funded **Work and Learning Centres**, support and ethical labour hire, adult community education and structured workplace learning (e.g. a dedicated traineeship program for public housing residents).
- affordable **accommodation for older people** at risk of homelessness and delivery of **home support and aged care services** to vulnerable older people
- partnering with SGS Economics, National Shelter and the Community Sector Bank on the **National Rental Affordability Index**
- partnering with the Melbourne Disability Institute on research into **affordable housing models for people with disability**
- research and demonstration projects on **energy affordability measures for low-income households and renters**

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## Recommendations

1. Set affordable housing targets at state, regional and municipal levels. Measure and report on progress.
2. Establish a dedicated Affordable Housing Fund to deliver Victoria's affordable housing targets.
3. Establish a Victorian Affordable Housing Supply Council to mobilise efforts of key stakeholders.
4. Undertake a sustained program of investment to lift the Victoria's social housing stock by at least 60,000 dwellings over the next decade.
5. Introduce mandatory inclusionary zoning measures to obtain affordable housing contributions from future property developments.
6. Capture part of the value uplift flowing from land rezoning for investment in affordable housing measures.
7. Develop a coherent, place-based, evidence-driven homelessness response across Victoria. This would be underpinned by:
  - shared principles to guide commissioning, service design and delivery
  - a focus on prevention and early intervention rather than crisis-driven approaches
  - a life-course approach with a tailored response for distinct groups
  - embedded connections with employment, education, health services
  - workforce development
  - co-governance/a community of practice.
8. Recast support for young people experiencing/at risk of homelessness to include a primary focus on engagement with education and training.
9. Extend access to the Home Stretch program to all young people leaving care. Ensure it is properly resourced and aligned with the Better Futures program.
10. Extend initiatives that strengthen the social and economic participation of people receiving state housing assistance (including public housing).

## Overview

The Brotherhood is pleased to contribute to this critical Victorian Parliamentary Inquiry into Homelessness. It comes at a time when more and more Victorians are struggling to keep a roof over their head.<sup>1</sup> Particularly alarming is the large and growing number (over one million Victorians) of low-income private renters facing unaffordable and unsustainable rents.

Secure, affordable and appropriate housing is not simply nice to have. Along with transport, telecommunications and IT infrastructure, affordable housing in locations with access to jobs is pivotal to our state's productivity and economic growth. Housing is also fundamental to nurturing family, success in education, holding down work, being involved in community life, and general wellbeing. Investment in affordable housing provides downstream savings in social services, justice and health.

This submission draws on our practical experience along with our research and that of others. We focus on systemic approaches to preventing homelessness—in line with the vision of the Brotherhood's founder, Fr Gerard Tucker, to build the fence at the top of the cliff rather than park the ambulance at the bottom.

Accordingly, we urge the Inquiry to place structural causes of homelessness at the front and centre of their deliberations.

### Structural pressures are changing the face of homelessness

The following factors are changing the face of homelessness, extending it beyond groups long known at be at risk:

- Pressures along the housing continuum—from high house prices to the severe shortage of affordable rentals and Victoria's declining social housing stock (the lowest in Australia by far).
- Australia's fraying social security net—with sub-poverty level social security payments;<sup>2</sup> tightened eligibility for the Disability Support Pension; and a punitive compliance regime which has seen payments suspended for many jobseekers

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It is now a common occurrence that unemployed people who are without the support of family or friends are resorting to rough sleeping simply because of the inadequacy of the Centrelink income available to them. They are having to choose between adequate shelter and food, transport costs and other essential living costs.

**Tony Nicholson, Rough sleeping in Victoria report 2017**

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<sup>1</sup> Homelessness in Victoria increased by 11.6% between the 2011 and 2016 Census.

<sup>2</sup> The single rate of Youth Allowance (plus Rent Assistance and Energy Supplement) is \$168 per week below the poverty line; the single rate of Newstart is \$117 per week below the poverty line; and the single rate of the Age Pension is \$10 per week below the poverty line. See P Davidson, P Saunders, B Bradbury & M Wong 2020, *Poverty in Australia, 2020, Part 1: overview of poverty*, ACOSS & UNSW, Sydney.

experiencing or at risk of homelessness, with some effectively pushed off income support.<sup>3</sup>

- Rising underemployment and increasing employment precarity, which are likely to spike as Victoria copes with the fallout from summer bushfires and the coronavirus (COVID-19).

## Victoria's homelessness support system is in crisis

Victoria's homelessness support system is unable to keep pace with demand. Despite spending much more than other states on specialist homelessness services, Victoria has the highest proportion of churn of repeat users.<sup>4</sup>

Failure to address homelessness has direct economic and social impact on the community through lost productivity and social participation as well as personal consequences for individuals and families. Governments do not save money by failing to address homelessness. Rather, it merely shifts costs to other levels of government, to different public agencies, to the community sector, and to employers.

Major challenges include:

- **The most common pathway into homelessness is from private rental.**

Victoria's private rental accommodation is increasingly unaffordable for low-income households.<sup>5</sup> Competition is fierce for the few properties that are affordable, with vulnerable households often at the end of the agents'/landlords' list of preferred tenants.

Three out of every five low-income households are currently in housing stress or crisis. This means that 60% of households that sit in the bottom 40% of income distribution are paying more than 30% of their income on housing

High housing prices mean renting is not a transitional arrangement for low income earners. Most are renting for the long haul; many will rent for their entire lives. Long-term private renters now outnumber tenants in public and community housing, and include a rising number of older people and people with disability.

Over one million low-income Victorians are living in rental stress<sup>6</sup>. After housing costs they are left short on covering other essentials. We know this may mean going without food, not using the heating or cooling, withdrawing from social and sporting opportunities; and also makes it harder to secure and sustain employment. These Victorians also face unplanned moves and the consequent interruptions to education, employment and community

<sup>3</sup> CHP submission to this inquiry states over 7% of homelessness service users 2018–19 reported having no income, up from less than 3% in 2011–12.

<sup>4</sup> Productivity Commission 2020, *Report of Government Services 2020 Part G: Housing & Homelessness*

<sup>5</sup> Department of Health and Human Services Victoria 2019, *Rental report December quarter*

<sup>6</sup> A renter household is in rental stress with its housing costs are more than 30% of the gross household income.

connections. These renters are often more vulnerable to life shocks and at greater risk of poorer health and social isolation.<sup>7</sup>

- The **situation is acute for households reliant on social security payments**. Melbourne rentals are now ten times less affordable (for a single person on Newstart) than they were ten years ago. Regional rentals are four times less affordable.<sup>8</sup> Findings from the latest National Rental Affordability Index (November 2019)<sup>9</sup> reveal that a single person on Newstart Allowance faces severely to extremely unaffordable rents for a one-bedroom dwelling in all states, and the situation is only marginally better for a single person on a full pension.
- In search of affordable housing, people are gravitating to the outskirts of cities and to smaller regional areas **remote from jobs, transport, social and civic infrastructure**. This is amplifying place-based disadvantage. Melbourne's productivity, sustainability and liveability are suffering.
- **There is a dire shortage of social housing** with impossibly long waiting lists, even for those with priority access. Many low-income and vulnerable households, despite being eligible, will never enjoy the relative security and affordability of social housing. The **decreasing turnover of public housing residents**, reflecting their complex disadvantage and the lack of affordable alternatives to transition into, exacerbates this pressure. Relegated to the status of a lower order political issue, social housing has not fared well against competing state budget demands.<sup>10</sup>

- **Homelessness services are ill-equipped to address the underlying causes of homelessness.** The view that the specialist homelessness service system alone has the solutions to homelessness is fundamentally flawed and key to the unfolding crisis. Homelessness is a multi-level problem, with multiple drivers. Design of policy and programmatic responses often sits in the housing portfolio and with specialist homelessness services. They have limited capacity and authority to leverage critical contributions from other portfolios (e.g. education, employment, regional infrastructure) or other sectors (e.g. employers).

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In the face of rapid growth in the number of people experiencing homelessness, a service user profile with increasingly complex needs ... Specialist Homelessness Services have had to focus effort on people in immediate crisis, resulting in less resources being available for post-housing support.

**Council to Homeless Persons,  
Submission to Victorian Parliamentary  
Inquiry into Homelessness 2020**

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Housing crisis is the main reason people seek help, yet the severe shortage of affordable dwellings means providers can rarely offer a pathway into sustainable, secure housing. Short-

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<sup>7</sup> A Morris & A Verdasco 2019, ' "I really have thought this can't go on": loneliness looms for rising numbers of older private renters', *The Conversation*, 12 June.

<sup>8</sup> Department of Health and Human Services Victoria 2019, *Rental report December quarter*

<sup>9</sup> Produced by SGS Economics & Planning in partnership with National Shelter, Community Sector Banking and the Brotherhood of St Laurence.

<sup>10</sup> 'Efficiency dividends' and repayments of earlier Commonwealth housing loans have depleted the housing budget.

term accommodation (shelters; motels, caravan parks etc) does not address the underlying cause(s) of a person's homelessness.

Providing a tenured dwelling by itself is insufficient if the household does not have the core capabilities and social supports to sustain independent living. Victoria faces significant unmet demand for case management. Support, where available, often cuts out too early to build the necessary capabilities to sustain tenancies and avoid recurrent homelessness.

- Evidence from effective innovations is not being used to drive substantive reforms to the specialist homelessness service system. Despite a range of promising and innovative service models<sup>11</sup>, evidence from such innovations is not being utilised to make substantive reforms to the specialist homelessness service system.
- **Known groups at high risk of homelessness continue to have very poor outcomes – there is little or no accountability for this:**
  - A massive one in six Aboriginal and Torres Strait Islander Victorians face homelessness each year (Victoria's Aboriginal Housing Strategy, as yet unfunded, could provide a promising way forward.)
  - Homelessness and justice systems remain major destinations for young people leaving care
  - Around half of ex-prisoners use homelessness services in the year of their release. Those exiting prison into homelessness are more likely to reoffend. The scale of this challenge is growing with increasing rates of incarceration
  - There is a strong relationship between chronic mental ill health and homelessness (which we trust will be addressed in the final report of Victoria's Mental Health Royal Commission)
  - People impacted by family violence continue to flow into the homelessness system (while noting significant advances in approaches flowing from implementation of the Family Violence Royal Commission recommendations).

Delivering the well-located, affordable housing Victoria needs together with support for at-risk groups to sustain secure housing requires coordinated, sustained investment from state, federal and local governments. It will also take partnerships with private sector, super funds, not-for-profits and community groups.

Our submission intentionally does not address key levers for change that are exclusively in the domain of federal government, such as tax incentives (negative gearing, capital gains, rental affordability incentives) and social security payments. Nor does it look at the National Housing and Homelessness Agreement (NHHA) – although we are mindful that the positions Victoria takes into future national partnership agreement negotiations are critical.

Instead, we focus here on reforms that the Victorian Parliament has direct scope to influence. While we appreciate that effecting change is complicated by the division of key policy

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<sup>11</sup> For example: Education First Youth Foyers; J2SI; Common Ground; Street2Home and more recently Housing First approaches

responsibilities across different levels of government, we believe Victoria itself can make significant advances.

To this end, we acknowledge recent Victorian initiatives, including measures to address rough sleeping, rental law reforms, establishment of the Social Housing Growth Fund and investment in additional social housing stock. We also acknowledge initiatives spearheaded by local governments, as well as efforts by the corporate and not-for-profit sectors to advance solutions.

## Victoria needs sustained and bipartisan action

### **Victoria's critical shortage of affordable rentals must be addressed**

Affordable housing is essential economic and social infrastructure. Clear and measurable affordable housing targets across the state are needed to drive strategic change. We call for the establishment of a strategic organising mechanism—such as a Victorian Housing Supply Council—to align and mobilise efforts and a dedicated Housing Affordability Fund to underpin sustained investment. Victoria must progress a major expansion of social housing stock and cannot afford to waste any more time without mandatory inclusionary zoning.

### **We need to build the capabilities of systems, organisations and people to prevent and address churn through homelessness services**

A fundamental shift in mindset is required to disrupt our collective thinking and actions about the causes of homelessness, its impacts and who is accountable for developing and implementing solutions. The specialist homelessness service system is like a hamster on a wheel, exhausted but pedalling ever faster to keep up. Expecting it can solve homelessness is fundamentally flawed.

Inspiration can be drawn from the systemic reform process underway in Tasmania, which is bringing together key players to realign scarce resources and leverage mainstream services and opportunities. A principled approach – including a focus on prevention and early intervention, evidence-driven approaches and collaboration is eminently transferable to Victoria.

Investing in the capabilities of people – such as education and employment focused housing support (e.g. Education First Youth Foyer) and tailored employment assistance (e.g. Victoria's Work & Learning Centres) should be core to Victoria's offer. Equally important is investment in the capabilities of organisations and systems – through evidence-informed service models, practice approaches (e.g. use of Advantaged Thinking) and shared mechanisms for learning and workforce development.

We trust this Inquiry will put a spotlight on Victoria's real and escalating affordable housing crisis and drive urgent bipartisan action.



## Increase the supply of affordable housing

### Victoria needs a planned approach to delivering affordable housing

Affordable housing supply is an integral component of Australian social and economic infrastructure: it directly impacts liveability and productivity. Yet, missing from the refreshed Plan Melbourne and Victoria's 30 Year Infrastructure Strategy are measurable, mandated targets for the net supply of affordable housing.

Quantified targets for affordable housing ought to be set at stat, regional and municipal levels. These should consider price points, tenure types, dwelling type and locations (e.g. alignment with National Employment Clusters and major transport corridors to better connect affordable housing to economic and community participation). Specific annual targets would demonstrate commitment to this infrastructure goal, provide guidance to local governments in responding to this strategy, and inform 'City Deal' type arrangements with the Commonwealth Government. Victoria's Regional and Metropolitan Partnership could help to achieve these targets.

#### **Recommendation: Affordable housing targets**

- 1. Set affordable housing targets at state, regional and municipal levels. Measure and report on progress.**

### A sustained and dedicated funding stream is needed to deliver Victoria's affordable housing targets

These targets need to be backed by sustained funding. State revenues have benefited from rising property prices over an extended period. There is a strong case to quarantine and hypothecate a fixed percentage of stamp duty and/or land tax revenue into a dedicated fund (larger than the current Victorian Property Fund) to support ongoing investment in affordable housing measures. Mandatory inclusionary zoning (discussed below) could also deliver a stream of funding to accelerate affordable housing initiatives.

While the cost of improving housing for vulnerable Victorians will be significant, not acting will come at even greater costs to society and the economy, which will be felt by generations to come'.

**Victoria's Infrastructure Strategy 2020–2050, Infrastructure Victoria**

#### **Recommendation: Affordable Housing Fund**

- 2. Establish a dedicated Affordable Housing Fund to deliver Victoria's affordable housing targets.**

### Efforts and resources need to be aligned across sectors

It is difficult to drive a coherent, strategic response to Victoria's affordable housing shortage across sectors without a central point of coordination. It is timely for Victoria to establish an

Affordable Housing Supply Council to align and mobilise efforts. It would bring government together with major banks, institutional investors, housing peaks (e.g. Council to Homeless Persons, National Shelter, Community Housing Vic.) and AHURI to track supply, develop and implement solutions, and monitor and report on progress against targets. Inspiration can be drawn from the former National Housing Supply Council<sup>12</sup> and the Housing Supply Expert Council established by the Queensland Government in 2018.<sup>13</sup>

**Recommendation: Affordable Housing Supply Council**

- 3. Establish a Victorian Affordable Housing Supply Council to mobilise efforts of key stakeholders.**

### Much more social housing is needed in the mix

Strong population growth has not been matched by increases to Victoria's social housing stock. Expenditure on acquisition and renewal has fallen dramatically over recent decades. Social housing makes up just 3.4% of the state's housing stock, compared with the national average of around 4.5%. The current waiting list of over 80,000 means that vulnerable people left waiting for years are forced into private rental, crisis accommodation or homelessness. The turnover of tenants has declined by almost 30% over the last decade.

The Victorian Government's Social Housing Growth Fund (anticipated to deliver 2200 homes over five years) and its commitment to fund an additional 1000 social housing units (between 2019 and 2022) are welcome, but investment of much greater scale and intensity is needed. Sector researchers have estimated that to meet the needs of those eligible for the Priority List of the Victorian Housing Register, Victoria would need 3,540 dwellings per year; and to provide for households eligible for the 'Register of Interest' part of that register, 6,700 dwellings per year would be needed.<sup>14</sup>

New funding approaches will be needed to deliver such volumes. They could include joint ventures between the state and community housing providers, developments with properties at different price points, and leveraging institutional investors, particularly super funds.

**Recommendation: Social housing**

- 4. Undertake a sustained program of investment to lift the Victoria's social housing stock by at least 60,000 dwellings over the next decade.**

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<sup>12</sup> Dismantled in 2013 by the Abbott government.

<sup>13</sup> See <<http://statements.qld.gov.au/Statement/2018/7/8/new-housing-supply-expert-panel-appointed-for-south-east-queensland>>

<sup>14</sup> See T Burke 2016, *Quantifying the shortfall of social and affordable housing*, CHAI, Vic.; and Transforming Housing & Launch Housing 2017, *Submission to the Parliamentary Inquiry into the Victorian Government's Public Housing Renewal Program*.

## Inclusionary zoning must be introduced

Victoria's planning system must play a stronger role in delivering affordable housing. Current measures to include affordable housing in developments are either voluntary (made easier by recent changes to the *Planning and Environment Act 1987 (Vic.)*) or small-scale pilots on government land. They are not delivering anything like the amount of housing needed at the lower end of the market.

Opportunities are being missed as prime sites close to jobs and transport are developed with little or no housing affordable for low-income households and key workers. Even the 6% social housing target for Fishermen's Bend is at risk of not being realised because it is not mandated.

Affordable housing is infrastructure that should be factored into any development. Just as developers are required to contribute to road access, open space and parking; they should also be required to contribute to affordable housing. Inclusionary zoning would make it clear (and predictable) that development rights are contingent on an affordable housing contribution.

Policy and planning certainty would enable key stakeholders—including developers, local councils, community housing providers and institutional funders/super funds—to collaborate (as they are elsewhere e.g. USA and Sydney) to deliver affordable housing at scale. With the right planning framework, this is both possible and practicable in Victoria.<sup>15</sup>

### Ultimo Pyrmont development and City West Housing

Redevelopment of Ultimo Pyrmont in central Sydney is an example of effective inclusionary zoning in a major urban redevelopment. The planning scheme (operating from 1994) requires developers to provide affordable housing—or pay an in-lieu contribution. Targets for affordable rental dwellings for this project have been exceeded.

A special purpose not for dividend company (City West Housing) was created by the NSW Government to own, operate and where necessary build affordable housing in Ultimo/Pyrmont. City West's mandate has since been extended to other areas across central Sydney. Development contributions have enabled them to invest in affordable rentals in new sites. They have delivered over 1000 affordable dwellings, with the aim of another 1000 by 2026.

The NSW Government has recently extended the Ultimo/Pyrmont approach to further inner-city suburbs, enabling councils to prepare schemes requiring developer contributions to provide affordable rental housing. The City of Sydney has a target to make 7.5% of all housing affordable by 2030.

Supporting low-income workers to live close to jobs is a priority: 70% of households renting from City West are in some form of employment. Tenants are a mix of very low, low and moderate-income households who pay rents of 25–30% of their incomes.

<sup>15</sup> M Spiller, L Mackevicius, L & A Spencer 2018, *Development contributions for affordable housing; theory and implementation*, SGS Economics & Planning, [Canberra].

Affordable housing contributions should apply to every multi-dwelling and commercial development. Mandatory inclusionary zoning could be commenced with a low requirement that ramps up over time. Ultimately, the Brotherhood recommends a social housing target of at least 10%, based on data of housing need, coupled with a target for affordable housing for key workers.

State contributions will be needed to support mandatory inclusionary zoning—through reduced value for government land sales; planning incentives; and in some circumstances, direct capital investment or ongoing rental subsidies (viability gap payments or concessions). Ideally contributions would come from both the state and federal governments, but Victoria could proceed alone (as have NSW and SA).

Community housing providers are well placed to manage social and other affordable housing enabled under inclusionary zoning requirements and to garner additional investment. This would ensure stock is preserved for affordable housing in perpetuity, is well targeted, and fosters a social mix. It would also create capacity for cross-subsidies given varying rents paid by households with different incomes. Such design would help avoid some of the implementation problems experienced with the (expiring) National Rental Affordability Scheme.

Additionally, we need mechanisms to capture value uplift to fund affordable housing (as indicated in Plan Melbourne). Massive increases in land values (often after public infrastructure investment and rezoning) are being reaped by land owners/speculators, instead of benefiting the Victorian community.

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Consideration needs to be given to developing a new requirement that when land is rezoned to allow for higher value uses, a proportion of the value uplift should be contributed to the delivery of broader public benefit outcomes such as social and affordable housing.

**Plan Melbourne (Refresh) 2017**

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- Recommendations: A planning system to deliver affordable housing**
- 5. Introduce mandatory inclusionary zoning measures to obtain affordable housing contributions from future property developments.**
  - 6. Capture part of the value uplift flowing from land rezoning for investment in affordable housing measures.**

## Build capabilities to prevent and address homelessness

### Victoria needs a principled and coherent homelessness response

Victoria does not currently have the necessary conditions for deep and lasting homelessness system reform. While we recognise significant advances (e.g. streamlined entry points; assertive outreach for rough sleepers; and new approaches for young people transitioning from care,

discussed below), changes around the edges will not deliver the quantum shift required. We need to move intentionally beyond piecemeal agendas, often captured by vested interests on all sides (government, academia, service providers), linked to narrow funding bids and a focus on crisis responses.<sup>16</sup>

A fundamental shift in mindset is required to disrupt our collective thinking about the problem and its solutions as well as who is accountable for system reform. The view that the specialist homelessness service system alone, or even primarily, has the solutions to homelessness is flawed; it perpetuates rather than arrests the unfolding crisis. The specialist homelessness service system is like a hamster on a wheel, exhausted but pedalling ever faster to keep up.

Homelessness is a multi-level problem (shaped by community attitudes, policy, program design service delivery and practices) and requires a multi-level solution. An integrated government and community response is critical. Genuine reform will require all stakeholders—government, communities, service delivery agencies, employers, education and training providers, health and disability services and people experiencing homelessness—to be invested in and accountable for the solution.

The scale of the problem and the solution exceeds current government investment. Other solutions are required to complement and enhance this investment. It will mean a recommissioning process that will have financial and strategic impacts, including realignment of scarce resources and making use of mainstream and other resources and opportunities.

Tasmania is at the front end of such a journey. The Brotherhood is currently working with the Tasmanian Government, service providers and key stakeholders to their homelessness response through the Housing Connect Reform Project. These co-designed reforms are guided by a coherent conceptual framework (Capabilities/ Advantage Thinking approach), agreed principles and governance. The phased reform is driving concurrent and complementary changes to commissioning, service design and practice.

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<sup>16</sup> Examples are the bids for more crisis accommodation in inner cities, additional dollars to pay for 'last resort' beds for a few nights, or funds to temporarily use commercial building space to respond to rough sleeping. A consequence of government failure to lead and refocus efforts has been the growth of well-meaning but misguided philanthropic efforts, such as mobile laundries, swags and showers to ameliorate the plight of those left to sleep rough.

The approach provides important learnings and key direction for systems reform, which are potentially translatable to the Victorian context. These include:

- **Shared principles** to guide commissioning, service design and delivery across the state. These are critical to a coherent and strategic approach. Below are the principles guiding the Tasmanian reforms (see Figure):



- **A focus on prevention and early intervention** – Government investment in responses to address homelessness should be directed to prevention, early and timely intervention policy, program and practices. This would require a staged transition that shifts resources away from ineffective crisis service delivery to evidence-informed models that ‘turn off the tap’ of multiple episodic crisis. Focus on the mid and up-stream structural drivers of homelessness is critical, including:

- tenancy support, such as expansion of Victoria’s current Private Rental Assistance
- tailored support to build participation in work, education and community Such as delivered through Victoria’s Work & Learning Centres (see below)
- evidence-informed triage at homelessness front doors
- support to build financial capability

Much more can be done proactively to prevent homelessness among high-risk groups, including Aboriginal Victorians, young people leaving care, people connected with the justice system and those leaving prison, people experiencing chronic mental health issues and those impacted by family violence. Targeted practice strategies, including preventative screening, are needed for each of these groups.

- **Well-directed resources that connect with mainstream services in employment, education and health.** Homelessness services cannot themselves offer the access to networks and opportunities that other sectors can provide. Accordingly, homelessness services must necessarily be community facing; they must intentionally develop deep networks in the community (with employers, service clubs, community groups, schools, pre-education providers, accredited and non-accredited training providers, universal service platforms such

as health) that can be activated to meet the specific needs of service users. The Education First Youth Foyer and Work & learning Centres (profiled below) illustrate this approach – which has the potential for broad application across the sector.

- **Building capabilities** among people using homelessness services. The capabilities approach<sup>17</sup> identifies and implements ways to address the structural as well as individual drivers of homelessness in policy and practice. While these structural drivers of homelessness are well known, they are rarely systematically addressed in the design of the homelessness system response.
- **Person-centred system reform** will be critical to achieve strong positive outcomes for people experiencing homelessness. This must begin by a service model and practice approach that enable people experiencing homelessness to identify their needs, goals and aspirations and matches these with the supports and opportunities required to achieve these. Inspiration can be drawn from the maxim amplified in the disability sector: ‘nothing about us without us’.
- **Workforce development** including through a commitment to ongoing training and practice support and a community of practice (outlined below).
- **A life-course, key transition approach** would deliver tailored strategies for distinct groups (e.g. children, young people, families, older people) and at key transition risk points (home to school, school to work; in and out of work; ageing and retirement). These responses would recognise and attend to key domains—for example children require a focus on engagement in early learning and school, developmental health and social needs.

Significant efficiencies could be achieved by different agencies specialising in distinct cohorts with approaches tailored to address the distinctive circumstances of each group.

- **Place-based alignment** of responses to homelessness that adapts to, and also shapes, community dynamics, infrastructure and organising mechanisms. Local area coordinators can play a key role in supporting people’s access to community resources and driving integrated responses to homelessness in place
- **Evidence-informed** – drawing from effective program and intervention models with data and action research to guide models and practice.
- **A community of practice** to share learnings, implement common and connected approaches, support innovation and grow effective practices. Harnessing the diverse expertise of people experiencing homelessness, service providers, community members, employers and educators will build investment and accountability.

In Tasmania, the Brotherhood is enabling a Community of Practice that brings together service providers, government and other stakeholders.

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<sup>17</sup> Proposed by Nobel Laureate economist Amartya Sen and advanced by political philosopher Martha Nussbaum, the capabilities approach has been widely adopted as an approach to wellbeing, including in addressing homelessness.

**Recommendation: Strategic approach to homelessness system reform**

**7. Develop a coherent, place-based, evidence-driven homelessness response across Victoria. This would be underpinned by:**

- **shared principles to guide commissioning, service design and delivery**
- **a focus on prevention and early intervention rather than crisis-driven approaches**
- **a life-course approach with a tailored response for distinct groups**
- **embedded connections with employment, education, health services**
- **workforce development**
- **co-governance/a community of practice.**

The following parts of this submission dive deeper into some of these themes, drawing directly from the Brotherhood's experience. We do not attempt to comprehensively address the strengths and challenges of Victoria's homelessness response – recognising other submissions made to this inquiry—including Council to Homeless Persons – do this.

### **Education-focused housing support is game-changing for young people experiencing housing insecurity/homelessness**

For young people, homelessness or housing insecurity often means their education is severely disrupted or ended. Only one-third of young people aged 15–24 who seek Specialist Homelessness Services are enrolled in education.<sup>18</sup> Some of this age group might already be employed but others are looking for work with limited formal qualifications. Consequently, their chances of building a sustainable livelihood are greatly diminished.

The dominant model of homelessness support tends to respond to the young person's immediate crisis rather than getting them back on track completing their education, gaining employment and achieving long-term housing stability. There is an urgent need to recast the way youth homelessness is tackled, to focus on the key activities pertinent to this life stage: the supported transition from school to post-secondary-education, training and employment; access to secure and affordable accommodation; and access to social connections that create value and belonging.

While there are a range of current approaches, we draw the Committee's attention to the learnings from Education First Youth Foyers. The model and practice approach was developed by the Brotherhood in partnership with Hanover (now Launch Housing) with support from the Victorian Government. All aspects of the model are extensively documented in practice guides

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<sup>18</sup> AIHW 2018, Specialist homelessness services 2017–18: supplementary tables – national, Cat. no. HOU 299, AIHW, Canberra, Table Clients 11.



and research reports<sup>19</sup> and the practice approach has been applied in other sectors (Justice, VET, OOHC).

Education First Youth Foyers are operating successfully on three TAFE college sites in Victoria: Holmesglen Institute in Glen Waverley, Kangan Institute in Broadmeadows and Goulburn Ovens Institute in Shepparton.

They provide supported student accommodation for young people experiencing or at risk of homelessness. The model invests in building young people's strengths and capabilities so that they have the resilience and the resources to become active, independent adults. Foyer students are supported to access mainstream education, training and employment opportunities, backed by community, government and business partnerships.

#### **Education First Youth Foyers are changing lives**

Results from the five-year longitudinal study of EFYFs<sup>20</sup> provide evidence of significant improved outcomes that are sustained over time, while informing real-time development of the model.

Young people moving out of the Foyer:

- have higher rates of Year 12 completion. Year 12 completions increased from 42% at entry to 67% at exit and rising to 75% a year after exit
- have higher educational qualifications. By exit about 30% of participants had completed an education qualification higher than at entry, rising to 46% a year later
- have better housing situations (7% lived in their own place at entry, rising to 43% at exit and 51% a year later; and use of crisis accommodation plummeted from 32% at entry to 2% a year after exit) and are more confident in navigating housing systems
- have better mental health, better social connections and more confidence in their ability to manage work, housing and finances.

KPMG modelling shows EFYF is cost-effective delivering better economies than other foyer-style models and delivering greater impact on education, housing and health outcomes.<sup>21</sup>

While Education First Youth Foyers were developed to provide student accommodation for young people experiencing homelessness, they also had a broader ambition to demonstrate the effectiveness of the Capabilities/Advantaged Thinking approach for achieving successful outcomes

<sup>19</sup> See, for example, M Coddou, J Borlagdan & S Mallett 2019, *Starting a future that means something to you: outcomes from a longitudinal study of Education First Youth Foyers*, Brotherhood of St Laurence, Fitzroy, Vic.; and S Mallett, S James, N McTiernan & J Buick 2014, *Education First Youth Foyer practice framework*, Hanover Welfare Services and Brotherhood of St Laurence, Melbourne.

<sup>20</sup> M Coddou, J Borlagdan & S Mallett 2019, *Starting a future that means something to you: outcomes from a longitudinal study of Education First Youth Foyers*, Brotherhood of St Laurence, Fitzroy, Vic.

<sup>21</sup> KPMG 2019, *Education First Youth Foyers: economic evaluation*

of young people in the service system. Learnings from Education First Youth Foyers could inform systemic reform of Victoria's response to youth homelessness:

- As a demonstration project, BSL and Launch have refined the EFYF model – deepening its design and practice through action research and a community of practice.
- The Brotherhood is working with several youth homelessness providers (e.g. Anchor and Brophy in Victoria and Anglicare in the Northern Territory) to embed aspects of the model into their practices.
- Learning and practice are being shared across the country through the Foyer Foundation and this is informing design of their impact framework
- The model represents a positive shift in how we think about young people's capabilities – which can be applied more broadly. With Advantaged Thinking practice as the backbone, the EFYF shows us the benefits of designing systems and supports that recognise young people's capacities, talents and potential and create the opportunities to realise them.

The approach is also being rolled out in Tasmania with supported youth accommodation facilities being converted into Education First Youth Foyers, and establishment of a new EFYF in Burnie. There is widespread interest in establishing further EFYFs from prospective partners at other TAFEs in Victoria and around Australia.

**Recommendation: Education, training and employment focused housing support**

- 8. Recast support for young people experiencing/at risk of homelessness to include a primary focus on engagement with education and training.**

## Young people need to be well prepared when leaving care

Through our youth programs we meet many young people with experiences in Care Services (formerly Out of Home Care) who are ill-equipped for the transition to independence. For this reason, the Brotherhood has been working with government and the sector on different approaches to enable service-connected young people to build the skills, networks and capabilities (of individuals, organisations and systems) needed for independence in adulthood.

Victoria's approach to assisting young people transitioning from care is undergoing significant reform. Better Futures started rolling out across Victoria in November 2019, following pilots in Barwon, Goulburn and Southern areas. This leaving care program was developed by DHHS in collaboration with the BSL, following extensive consultation across the sector. It represents a different approach, bringing together a system that was previously split between leaving care and post care support to provide young people with a continuum of transitional support from

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**Better Futures' vision for young people:**

- to become independent yet connected adults
  - to determine who they are and what they want to do in the future
  - to establish a sustainable livelihood (secure housing, a liveable income, manage health and wellbeing, key living skills)
  - to develop the capacity to thrive
-

age 16 to 21. It uses Advantaged Thinking<sup>22</sup> practices to combine individual and structural approaches to change. This involves building the skills and talents of young people (rather than starting with their deficits and problems) while at the same time investing in sourcing the opportunities, networks and resources that young people need to use their skills and talents effectively.

#### **Better Futures core elements**

**An Advantaged Thinking practice approach:** This focuses on working with young people to develop and invest in their talents and aspirations, enabling them to thrive, rather than having to focus only on their immediate survival needs. Advantaged Thinking promotes the creation of opportunities and works to break down any structural barriers that may be limiting those opportunities for service-connected young people.

**Holistic, self-directed planning across five domains of livelihood:** Person-centred and directed planning and support focused on the five offers of Education, Employment, Housing and Living Skills, Health and Wellbeing, and Connections (social, family, civic, cultural, religious).

**Streamlined service and flexible support:** Simplified access to services enhanced by an automatic referral system. This is reinforced by stronger tracking and assertive outreach practices, with levels of support that flex to match each participant's circumstances, motivations and challenges.

**Early engagement and 'stick-with' support:** Early engagement with participants prior to their transitioning from Care. This enables our development coaches to 'stick with' young people on their journey to adulthood by offering coaching, guidance and support over a sustained period.

**Harnessing community effort:** Connecting with community members and leveraging key partnerships across local communities, businesses, services, government and philanthropic organisations to provide young people with the opportunities, networks and resources they need to build sustainable livelihoods.

**Community of practice for collaborative learning and continuous improvement:** Bringing practitioners and partners together to share and build knowledge; to review, improve and refine practice; to identify systemic challenges; and to enhance sectoral capacity for innovative service development and design.

**Culturally informed:** Built on a culturally informed approach and delivered by Aboriginal Community Controlled Organisations that support young people's specific cultural development

While still in its infancy, early implementation issues for Better Futures include adequate resourcing to meet anticipated demand—particularly for the Aboriginal Community Controlled sector. And a lack of affordable and suitable housing alternatives for young people to move into

<sup>22</sup> Originally developed by Colin Falconer for the UK Foyer Movement see <<http://www.inspirechilli.com>>; and <<http://foyer.net/>>.

represents a major challenge. While providing support to navigate housing options, Better Futures does not include financial assistance for housing.

Over the next five years, around 250 young people (around 10% of care leavers) aged 18–21 will participate in the new Home Stretch offer which extends the period of support until a young person turns 21. It comprises an allowance, case work support and flexible funding to facilitate access to housing, education, education, health and wellbeing support and community connections. For young people seeking to live independently, the Home Stretch allowance contributes to housing costs (rent, utilities, etc).

Home Stretch is being delivered together with Better Futures. For young people able to access both offers, this ought to be game-changing.

The Brotherhood supports the current Bill before the Victorian Parliament to extend eligibility to Home Stretch to all young people leaving care. The case for doing so is well understood<sup>23</sup>—and reflected in the second reading speech made by the Chair of this Inquiry. Any extension of Home Stretch must be properly resourced and run in tandem with the Better Futures model.

**Recommendation: Equipping young people in care to transition to independence**

- 9. Extend access to the Home Stretch program to all young people leaving care. Ensure it is properly resourced and aligned with the Better Futures program.**

## Strengthening the economic and social participation of people receiving state housing support gives them options

Victorians receiving state housing assistance are among the most disadvantaged and marginalised in our community. While the state’s public housing was originally built to cater for working families, decades of disinvestment has seen the system become highly targeted. Many residents having complex needs: very low incomes (around 90% receive a Centrelink payment), experiences of homelessness and mental ill health. Not surprisingly, labour market participation is low, and unemployment and underemployment are very high; around 20% of working-age residents receiving income from employment. Early childhood outcomes and educational outcomes are poor. Significant numbers fall out of public housing into homelessness.

The former Neighbourhood Renewal program, and more recently the BSL-led **Work & Learning Centre** program (delivered in five locations), demonstrate the potential of moving beyond the dominant ‘housing only’ model and assisting social housing residents to strengthen their social and economic participation and wellbeing. Current moves by the state government to introduce a ‘social landlord framework’ for public housing are a promising development.

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<sup>23</sup> See Home Stretch Campaign <<http://thehomestretch.org.au/>>

A recent evaluation<sup>24</sup> of Work & Learning Centres confirmed the effectiveness of the model and reaffirmed the strong need for intensive employment support for public housing residents and other highly disadvantaged jobseekers. Most clients are successfully engaging with training and securing employment. They are exiting the centres with higher incomes, reduced reliance on income support, improved skills and abilities, improved life satisfaction and more positive mental health and vitality.<sup>25</sup> We are also achieving strong outcomes in our state-funded Jobs Victoria Network

program. Public housing residents make up over 30% of the caseload at our Flemington/North Melbourne site of the Brotherhood's JVEN program. In the last quarter, 70% of job placements at that site have been public tenants—mostly young people of African backgrounds.

Our **Community Safety and Information Service (CSIS)** is also delivering strong results with public housing residents (see Box) and demonstrating transformative change through investment in strengthening capabilities.

#### **Community Safety and Information Service**

Funded by the Department of Health and Human Services and delivered by the Brotherhood, the Community Safety and Information Service has a record of success in employing public housing tenants as trainees to provide security and concierge services in the City of Yarra's high-rise estates. Last year, 91% of program graduates secured employment or went on to further training or education. The program enables participants to combine training to Certificate III level in Security Operations with real employment experience over 12 months. The Brotherhood also supports participants' subsequent transition into sustained employment in the open labour market. Recent graduates have been placed with MSS, Wilson's Security, SecureCorp, David Jones and Southern Cross Protection providing security services in sites including the State Library of Victoria.

CSIS is delivered at similar costs to engaging a private security company for the same task, yet it adds significant value by improving safety, empowering communities and providing pathways into employment for disadvantaged jobseekers.

A recent evaluation of Work & Learning Centres found a strong need remains for intensive employment support for public housing residents and other highly disadvantaged jobseekers. The report noted the increasing concentrations of disadvantage in and around public housing, the high demand and long waitlists, the low economic participation and high unemployment among tenants and the fact that low education and training and lack of work experience continue to be major barriers to employment.

#### **W&LC evaluation 2019**

<sup>24</sup> Grosvenor Public Sector Advisory 2019 (unpublished), Evaluation of Work & learning Centres, conducted for Jobs Victoria.

<sup>25</sup> E Bodsworth 2011 *What's the difference? Jobseeker perspectives on employment assistance: insights from Victoria's Work and Learning Centres*, Brotherhood of St Laurence, Fitzroy, Vic.

In addition to generating employment benefits, these programs also raise aspirations among public housing residents—as neighbour sees neighbour taking up opportunities. When they lead to employment they also increase housing mobility. Increased income from secure work creates housing choices including the options to move out of public housing (subject to the availability of affordable options elsewhere), making room for others.

In future, there is opportunity to integrate housing assistance (whether it be social housing or other housing support packages e.g. for family violence survivors) with support to build economic participation.

**Recommendation: Integrated housing and employment assistance**

**10. Extend initiatives that strengthen the social and economic participation of people receiving state housing assistance (including public housing).**