

wellways



Submission to Department Social Services

National Housing and Homelessness Plan 2023

Wellways Australia submission – October 2023



October 2023

National Housing and Homelessness Plan team

E: HousingandHomelessnessPlan@dss.gov.au

To the Department of Social Services- National Housing and Homelessness Team,

Re: Submission to Upper House Committee re developing the National Housing and Homelessness Plan

Wellways Australia welcomes the decision to develop a National Housing and Homelessness plan.

I attach a submission from Wellways Australia to the Department of Social Services.

As one of Australia's leading community-managed mental health organisations, we have combined our experience, practice wisdom and insight to respond to this review.

I trust this submission will assist the development of the National Housing and Homelessness Plan.

Yours sincerely,

[Redacted]

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Wellways Australia

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Introduction

Wellways Australia hold a multifaceted position on housing. Firstly, that safe and secure housing is a **human right** that should be afforded to everybody, without exception. Moreover, that housing is healthcare; providing the foundation for people to fulfill and maintain physical, emotional, and social well-being, therefore, vital for people to live a good life.

Wellways believes 'housing' encapsulates a greater purpose than 'shelter'. We want all Australians to have a home; a home of their choice that meets their needs. Such self-agency is shown to reap multiple benefits, including greater tenure success and improved well-being outcomes. (Nous, 2014)

Wellways asserts that intergovernmental, service, lived experience collaboration and reform is salient to improving housing quality and supply for all Australians. Governments cannot address these issues in silos; thus, a national approach is required.



Wellways welcomes the National Cabinet agreement that will see a comprehensive package of reforms that recognise the housing challenges faced by all levels of government to support a national approach to the growth of Australia's cities, towns, and suburbs. Also increasing the supply of rental housing and reducing pressure on rental prices by improving the tax treatment of new build-to-rent projects where construction commenced after the Budget of 9 May 2023.

The private rental market is a crucial piece of the puzzle to ending homelessness.

People on low incomes need a variety of housing solutions to support their individual needs and although public and community housing is the typical response to people experiencing homelessness, the private rental market has to date been an under-utilised housing option. There is a direct correlation between a lack of affordable private rental options and increasing demand in social and community housing. However, there are sophisticated housing and support models currently delivered that are working to reduce the barriers for marginalised population groups to access mainstream housing options.

Wellways delivers services in urban, regional, and rural areas across Victoria, New South Wales, Tasmania, Australian Capital Territory and Queensland. Wellways' experience in delivering housing and homelessness services is demonstrated through our successful Doorway Program. Doorway is a Housing First program that supports people experiencing severe mental illness and homelessness to find a safe, secure home in the private rental market whilst simultaneously providing recovery work to maintain a successful tenancy and exit homelessness and the service system. This program has 13 years' experience of service delivery and evaluations and is an example of how the non-homeless sector can deliver sustainable housing outcomes.

Housing Accommodation and Support Initiative (HASI) is also delivered by Wellways across New South Wales (NSW). Recent evaluations demonstrate HASI's efficacy in supporting people's tenure in housing, further evidencing the value of specialist mental health organisations delivering housing and support programs in the community.

1. Governments and community service providers working together to reduce homelessness and supporting people who may be at risk of becoming homeless in Australia.

Issues

Wellways Australia's approach to housing is based on the premise that all individuals have the right to safe, secure housing and a place to call home. Having a home provides the foundations from which all can improve their physical and mental health, while also building community connections. The existing system is at breaking point. Despite new housing and homelessness funding, the system is not able to keep up with service demand resulting from social and economic factors such as

- housing affordability,
- domestic violence and substance misuse,
- as well as complications associated with mental health issues.

In addition, sustainable housing options are limited, particularly for those on a low income. While there is a need for increased affordable housing for people experiencing homelessness, such an increase is only part of the solution.

Wellways believes that there is a need to embrace new options for housing such as affordable private rentals or working with developers and industry to provide quality homes for individuals on low incomes that are in scattered locations. An essential element to housing satisfaction and sustainability is choice about a person's needs in a home. Such fundamental needs may include location, size, ability to have pets, proximity to services and employment opportunities.

Homelessness services

While many people are well supported by homelessness services, the sector is experiencing increased demand for service. Resourcing has not kept pace with increased demand on homelessness services. In addition, there is limited affordable and safe housing options for individuals experiencing homelessness. As a result, many people cycle in and out of homelessness and poor-quality accommodation, such as motels and rooming houses.

The emergency (crisis) housing system functions as a 'safety net' of the housing system; whilst it can support people for a brief period of time, it is characterised by a variety of holes through which people continue to slip.

For those who are homeless who present for emergency accommodation, one in five people sleeping rough were shown to re-present for these services at a later stage, suggesting they were experiencing repeated homelessness. This is evidence that crisis models do not provide nor act as a steppingstone to more sustainable housing options.

Rather, crisis services are providing a reactive solution to what is a greater issue of limited housing options when people need it most.

Moreover, emergency housing is expensive, particularly for those on a low income. People stay in unsafe or inappropriate housing situations (such as staying in violent situations and sleeping rough or in cars) because they cannot access support and accommodation. People often do not receive support until they are homeless. This results in more expensive support and poorer outcomes.

Others who receive support are not being supported 'out of homelessness' because suitable permanent housing is not available. One service provider reported giving tents to clients because no suitable permanent housing was available (Productivity Commission, 2022).

Public and community housing stock is already in high demand, partly due to the current crisis forcing people into the social housing system but also because these housing streams have not kept pace with the increase in the social determinants of housing instability and homelessness over the years:

- The increase in family violence experienced in the Victorian community.
- Intergenerational experiences of racism, family violence and poverty
- Income support payments have not increased.

Whilst these social issues have increased dramatically over the last few decades, housing investment has not and as such has created a massive shortfall in housing stock, both public and private.

Solutions/response required.

A responsive and coordinated service system.

Whilst Australia is experiencing a housing affordability crisis, it is important that we do not create a crisis response to address this. Rather, we must take a considered approach which supports on-going investments and progressive planning into housing solutions. This approach must align with environmental and social determinants of housing instability and homelessness. This approach would need to take a holistic view of the housing system and its integration with other Governmental departments that benefit from people having access to stable and secure housing. An investment in this approach would return less costs in homelessness and health-based services particularly if it includes support systems for people on low incomes such as rental subsidies and evidence-based Housing First models.

Better outcomes for people experiencing homelessness or at risk of homelessness are achieved if specialist and mainstream services work together. This improves information sharing and referral pathways, working to mitigate the risk of people cascading further into the homelessness system. Moreover, to provide a more holistic service response to those who have become homeless. A more coordinated service system would allow improved access, engagement, and better health outcomes for people accessing services. Moreover, greater service coordination could ensure the service response meets the needs of diverse community and reflects the diverse experiences of homelessness. The Commission suggests the Australian, State and Territory Governments commit to reducing homelessness, expanding early and prevention interventions and Housing First-type responses.

Collaborative systemic approach is required

Wellways would recommend expanding on existing capacity building projects that can unite the housing, health, mental health, disability, alcohol and other drug and justice systems on matters of housing risk and homelessness. By supporting a cross-sector approach to identify risk and increase referral pathways for people experiencing homelessness or housing risk, we would be developing our communities' capacity to intervene early and prevent a person entering homelessness. An example of this was provided through [The Way Home](#), a program delivered by Wellways in collaboration with the Department of Health as part of an Information, Linkages and Capacity Building Project to design and develop resources that can support NDIS (National Disability Insurance Scheme) service providers to understand, identify and provide a response to participants experiencing a psychosocial disability who were also experiencing homelessness. This project directly supported the non-homeless sector to better understand what their role and responsibility was when providing services to people experiencing homelessness. Projects like this one promote cross-sector collaboration at an operational level.

A collective response from health, housing and homelessness and community services is required to overcome the issue of homelessness. Whilst such collaboration is essential for efficacious service delivery, the current funding streams for these programs sit separately, creating silos within the system. Operationally, this means that people who are already experiencing significant disadvantage and increased stress are then having to navigate a myriad of systems to access appropriate services.

This separation of service delivery also limits the ability to share information between services as agencies from different service streams work with different data-collection and reporting systems. This means that services may miss valuable information to be able to best support people experiencing homelessness, and often having individuals 're-tell their story', a common frustration expressed by people accessing health-based services. A more thoughtful and productive approach would be to fund community agencies to deliver housing and support programs and the service system to work in partnership as per their specialty to deliver a Housing First approach, with the individual being at the centre of this support. Such an approach would have a positive impact for the service user and create greater cohesion in the service system.

Housing is a health care intervention. Through strategic interagency partnerships, the discourse can begin to shift towards housing being the intervention that all other systems of support can be built upon and around. This form of collaboration for alternative funding models will provide community agencies who deliver the housing and support service, the direction required to support multi-faceted approach to ending homelessness. Doorway is a Housing First program designed and delivered by Wellways and funded by the Department of Health. This model is an example of how different funding streams can support housing and homelessness outcomes to facilitate better healthcare access.

Intervening early is key

Intervening early for someone experiencing or at risk of homelessness can prevent their situation from getting worse and improve long term outcomes. This is particularly so for young people who experience youth homelessness, who are more at risk of experiencing disadvantage and homelessness over their lifetime. Intervening early and stabilising a young person's housing situation improves their level of engagement with family education, training, employment, and community.

For support services to intervene early in housing risk, they need the skills to identify ‘housing risk’ and how it may present for people accessing the service. Support services are more likely to come from the non-homeless sectors where the focus of engagement is typically in their area of expertise due to the siloed nature of funding agreements. We cannot ignore the importance of delivering training and professional development that supports all sectors to recognise and identify housing risk and build their capacity to engage in this conversation within the scope of their roles.

Wellways’ Sustainable Tenancies Training offers this by supporting staff to better identify the various faces of homelessness, including those often hidden and minimised in statistics (e.g., couch surfing, caravans on friends’ property). The training also explores the skills needed to approach the conversation with a housing first approach, a responsibility shared across various sectors regardless of their siloed focus. Namely, allowing choice and self-advocacy, exploring avenues to social connections in current and alternative housing options, and what would make this sustainable long-term for them. With the confidence to begin these conversations so that individuals can continue them with services they already have established and have built rapport with, rather than being directed to a specialised housing service that has been overwhelmed for years. The importance of non-housing services being able to have these conversations could alleviate the strain on homelessness services and provide meaningful and long-term intervention to those experiencing homelessness or risk thereof.

Cross sector collaboration and Housing First: Doorway model

The Government should incorporate Housing First principles into the design and funding of social and affordable housing and supports to reflect best practice and achieve better outcomes for Australians. The Government, by providing additional funding to expand the [Doorway](#) housing and recovery program across Australia will promote cross sector collaboration through partnerships between clinical and community mental health services, as well as the public and private housing sectors. Whilst currently operating solely in the private rental market, the Doorway model, underpinned by Housing First principles and delivered by a specialised mental health organisation such as Wellways, could be replicated to better establish sustainable tenancies within social housing to prevent reoccurring homelessness.

Mental Health

The relationship between mental ill health and homelessness is intricately linked (Brackertz et al, 2019). Evidence purports a strong reciprocal relationship between these complex issues, the experience of homelessness presenting risks to greater decline in a person’s well-being, and mental ill health is a strong predictor for homelessness or tenancy risk (Brackertz et al, 2018). These issues are commonly seen in health and homelessness services, as evidenced by homelessness services data indicating that mental health represents one of the highest ‘unmet needs’ when people present to their services. In 2021–22, 31% of total SHS (Specialist Homelessness Services) clients had a current mental health issue. Up from 19% in 2011-12. The appropriate and evidence-based intervention for this population is Housing First.

Recommendations:

1. Design effective and evidence-based incentives to exit social housing and encourage upward mobility, in consultation with experts from community organizations and people with a lived experience.

2. Partnerships with the private sector, builders and landlords, to provide low-income housing options for individuals.
3. Innovative and evidence-based models such as Doorway and HASI to be expanded.
4. Implement Housing First as the Australia's strategy to ending homelessness, ensuring funding for housing and support services to enable fidelity to the model.
5. National strategy to break service silos and adopt a collaborative funding model that includes both health and housing, highlighting that housing is an effective healthcare intervention i
6. Consultation should be conducted with people with lived experience of homelessness, health-based services, and community members to shape an effective policy.
7. Capacity building projects specifically aimed at developing a cross-sectoral approach to addressing homelessness and housing risk such as The Way Home to be expanded.

2. Main cultural, social, and economic factors that must be considered by governments and providers when considering how to improve housing outcomes for Aboriginal and Torres Strait Islander people.

Issues

Housing outcomes for Aboriginal and Torres Strait Islander people, on average, are poorer than those for non-Indigenous Australians. While many of the housing issues faced by Aboriginal and Torres Strait Islander people are like those faced by other Australians, some of the additional challenges (and factors that contribute to some Aboriginal and Torres Strait Islander people needing higher levels of housing support) include:

- socioeconomic disadvantage,
- discrimination in the private rental market,
- difficulty accessing mainstream financial services,
- limited opportunities to strengthen financial literacy and build credit and rental histories,
- geographic location (households living in remote areas) and
- overcrowded conditions.

Home ownership remains low among Indigenous Australians, with the majority renting their homes and remoteness influences housing tenure (AIHW, 2022).

Several factors influence household size and contribute to overcrowding in Aboriginal and Torres Strait Islander households, including:

- the greater prevalence of multi-generational and multi-family households in Aboriginal and Torres Strait Islander communities
- limited supply of housing in many Aboriginal and Torres Strait Islander communities, with housing often priced so it is out of reach of many Aboriginal and Torres Strait Islander people, which leads to increased house-sharing arrangements.
- temporary and semi-permanent visitors, including people who would otherwise be homeless.
- seasonal and cultural movements by family members and strong family obligations.

Wellways Australia's HASI program have identified an increased need for Aboriginal and Torres Strait Islander Peoples in their region to access culturally responsive housing and support services. The Aboriginal Housing services in the Murrumbidgee experience high demand with a finite amount of resourcing to provide support in the community.

Solutions/response required.

“Mainstream housing providers are grounded in Western cultural norms, and their incompatibility with Aboriginal worldviews leads to Aboriginal people being coerced into cultural compromises within the housing sector, either to be offered housing or to remain in their current house. For housing and support to be effective, culture must be front and centre of design and delivery and be valued as a birthright by the western system” (Harben, 2021).

The Noongar Housing First principles are an example of how housing services and support can embed culturally appropriate responses into their practice. The principles provide cultural guidance about how our Western housing system can shift and adapt to provide holistic and culturally safe housing outcomes for Aboriginal and Torres Islander communities. Whilst the principles acknowledge that Aboriginal culture is not monolithic and that the principles have been contextualized to Noongar country, it also recognises the shared experiences of colonisation, displacement, and dispossession across all First Nation's communities.

These principles highlight exactly how the existing Western Housing system fails to provide housing outcomes for these communities. Furthermore, they demonstrate what needs to change to shift from a Western system to an inclusive Australian system that better reflects the rich cultures that embody this country.

People tend to get the best health and housing outcomes when they receive wrap around services that are delivered by a client centred, collaborative team. Programs that include indigenous workers especially those with lived experience, achieve better engagement with indigenous clients. Programs that provide strengths based, trauma informed recovery oriented and culturally responsive holistic case management are more effective (AIHW, 2022).

It is important that where possible, First Nation people/elders lead any housing programs and set goals, yarning sessions are client led, trust and relationships between family and programs are built and cultural connections to programs.

Overarching approaches and best practice

Indigenous mental Health, housing and homeless paper (AIHW, 2022) suggests the following points are critical to program success:

- Housing provision in urban settings predominantly take a Housing First approach, where housing is prioritised, backed up by voluntary, secondary supporting services that aim to improve mental health, physical health, and psychosocial participation (ARTD Consultants 2013a, 2013b; NOUS Group 2014b; Vallesi et al. 2020a).
- Wrap-around support—through client-centric multidisciplinary teams that focus on housing, health, and psychosocial factors—tends to generate the best overall client outcomes (Spicer et al. 2015; Vallesi et al. 2020a). Direct client participation in multidisciplinary team meetings and decisions can be empowering and generate buy-in (NOUS Group 2014a, 2014b).
- Client needs are best addressed through assertive case management, innovation, and flexibility (Spicer et al. 2015).
- Capacity and capability building is essential, especially for Indigenous Australian workers (Vallesi et al. 2020a, 2020b). This will go some way to building a sector workforce that can provide a high standard of culturally appropriate care to Indigenous Australian clients.
- Include people who have lived experience of homelessness and mental health issues in program design and delivery (Vallesi et al. 2020a, 2020b).
- Collaboration between organisations within the housing and mental health sectors and beyond is essential (ARTD Consultants 2013a, 2013b; NOUS Group 2014a, 2014b; Parsell et al. 2015; Perrens and Fildes 2019; Vallesi et al. 2020a). Program clients tend to have a smoother and quicker journey out of homelessness and towards improved mental health when they are receiving consistent, informed, messaging. Decolonising housing policy, planning and improved decision-making processes to meaningfully engage

Indigenous communities and stakeholders, can shift mainstream thinking to an empowerment model that benefits Indigenous Australians (Habibis et al. 2019; AIHW, 2022).

Recommendations:

- 1) Provision of housing options which meet cultural and family needs – review the definition of overcrowding as it does not relate to the family connections of Aboriginal Torres Strait Islander communities.
- 2) First Nations people to be at the centre of the design and delivery of all housing developments related to their community.
- 3) An articulation of the housing needs and priorities of Aboriginal and Torres Strait Islander people
- 4) Principles to guide housing assistance for Aboriginal and Torres Strait Islander people
- 5) Effective state and territory housing and homelessness strategies for Aboriginal and Torres Strait Islander people
- 6) Clearly defined roles and responsibilities for remote Aboriginal and Torres Strait Islander housing
- 7) Identifying the unmet housing needs of Aboriginal and Torres Strait Islander people and undertaking stock takes of the supply and quality of social and affordable housing for Aboriginal and Torres Strait Islander people
- 8) Commitment to self-determination and increasing the proportion of services delivered by Aboriginal and Torres Strait Islander housing organisations

3. How can all levels of government, along with housing organisations, institutional investors, not-for-profits, and private industry, improve access to social housing, which includes public housing and community housing?

Issues

Improving access to social housing, which includes public housing and community housing.

Housing affordability is one of the most pressing policy issues facing Australia. With rises in house prices and rents in recent years, many Australians are concerned about the lack of rental properties that are affordable for low-income earners, the increasing demand for homelessness services and social housing, and the prospect of younger Australians being locked out of home ownership. Social housing is an important part of the affordable housing solution.

Faced with fewer affordable private rental options, renters are more likely to seek social housing (the income-based rents in social housing mean very few tenants face rental stress). Almost 40 per cent of households on the waiting list in 2021 were assessed as being in 'greatest need'. Once a tenant is in social housing, rental unaffordability can be a barrier to transitioning to the private rental market, because social housing assistance is more valuable when market rents are higher.

Insecure tenure in the private market can prevent tenants from considering it as an alternative to social housing. This is especially the case for people with long-term needs, or who require modifications to their home. A lack of affordable and appropriate private rental accommodation also affects the cost and effectiveness of Nationally

funded services. For example, service providers are less able to help people experiencing homelessness move out of crisis or transitional accommodation if affordable private rental properties are not available.

Wellways welcomes the Government's objective to improve housing outcomes across the housing spectrum from homelessness to home ownership. Including the housing spectrum in the objective recognises that the different segments of the housing spectrum are connected —an important driver of demand for homelessness services and social housing is the extent to which people can afford suitable housing in the private rental market. A well-functioning housing market overall should be the goal.

For people who can access social housing it provides affordable rent (tenants typically pay 25 per cent of their income as rent) and secure tenancy. Secure tenure is an important benefit, as are tenancy support services. But social housing has many shortcomings.

- Waiting times are long, especially for people not in a priority category, which constrains timely housing support to people who most need it.
- The income eligibility varies between states as well as between being eligible for a priority access or general wait list, creating little incentive for people to work and systemically keeping them in poverty.
- Tenants have little choice about where they live and are not always matched to a suitable property. It is not equitable between people who have access to the system and people with similar characteristics who rent privately and receive other forms of housing assistance.
- It can create work disincentives, because a tenant's rent rises when their income rises (until the market rate rent cap is reached). Tenants may lose eligibility if their income increases.
- There are few incentives for people to leave social housing as rents are below market rates and tenure is often long term, if not lifetime. This also leads to people residing in a home type which may be beyond their needs (e.g., Elderly parent residing alone in a family-sized public housing property).
- Housing providers have little incentive to respond to tenants' needs and preferences. This can result in homes not meeting tenants' requirements on size, location and accessibility, underutilisation and overcrowding.

More tailored and time-limited assistance could be provided to people who may only need short-term support, such as young people who are homeless or at risk of homelessness, and families affected by domestic and family violence.

Whilst the cost of living and housing crisis affects the entire country, accessibility to public housing varies in different states from income eligibility limits, asset limits and priority access processes. Differing approaches to housing allocation becomes apparent also. For example, NSW requires applicants to prove they are ready for independent living whilst Victoria utilises a Housing First approach ensuring that the most vulnerable people can access housing and work towards ending the cycle of homelessness.

Solutions/response required.

A National commitment to developing future housing policy underpinned by a Housing First framework would be welcomed and ensure each state aligns with this human rights-based direction. Utilising a principle driven

framework, States would remain accountable to ensuring their adherence and fidelity to this model. This direction would:

- Develop policy to create a 'best fit' housing allocation process where location, suitability and cultural needs are considered when offering tenancies to applicants, supporting sustainable tenancies.
- Require cross-sectoral collaboration to ensure the non-homelessness sectors can support people in public housing tenancies and understand their role and responsibility in addressing housing instability and risk to ensure early interventions can be applied to prevent homelessness.
- Develop a workforce that recognises community connection and inclusion. This is key to sustaining tenancies which, in turn, supports people to actively participate in their community.

Homes Victoria is transforming the way social housing is provided and is aligning with the recommendations from the Royal Commission into Victoria's mental health system. It has committed to deliver supported housing to more people experiencing mental ill health or psychological distress via Victoria's big build. Of the planned 12,000 homes to be built over the next four years, 2000 will support houses for Victorians living with mental health challenges. Ten per cent will be designed for Aboriginal Victorians. Homes Victoria has been established to work across government, industry, and the housing sector to deliver this additional housing.

The Government should employ specialist trained lived-experience staff to consult with community members to make this plan representative of the people who need or use social and affordable housing. The Royal Commission emphasised the vital role that people with lived experience can play in planning and delivering a mental health system that meets societal needs. Genuine partnerships alongside people with lived experience at every stage of this process is vital. That is, consultation with lived experience at the planning, designing, and delivery of these homes, as well as the service model design to support the Victorians who will live in these homes. Supported housing homes should be delivered in a range of housing configurations including stand-alone units, self-contained units, and various forms of clustered independent units on a single site property and must reflect contemporary physical designs.

According to Mental health Supported housing codesign initiative interim report (Homes Victoria, 2022)

- Housing preferences for people with mental health challenges notes a consistent preference for independent living. Which entails a private bedroom, bathroom, kitchen and living space
- Key concerns voiced for single site living include high recognisability of the site and associated stigma which could act as a barrier to broader community integration and cases of tension and exclusion in poorly designed common spaces especially ones with resources that could be depleted and with limited flexibility.

Stronger coordination between housing and support service providers, alongside conducive funding structures governed by clear guidelines, will be crucial to provide effective delivery of care for people experiencing mental health challenges residing in supported housing.

According to Mental health supported housing codesign initiative the key learnings from lived experience and service provider engagement included:

- Building workforce capacity and capability
- Stronger coordination through policy and governance

- Privacy and information sharing

Governments could trial a housing assistance model that provides equivalent assistance to people in need regardless of whether they live in public, community, or privately-owned housing. It could also test innovative ways to help people at risk of homelessness sustain tenancies in the private market and assist social housing tenants move to the private rental market. These changes will help more low-income households in the private rental market and reduce the number of people who experience homelessness or need social housing.

Eligibility for social housing varies from state to state and there are examples across the country where people who are trying hard to improve their situation by gaining casual or part time employment who are no longer deemed eligible yet cannot afford private rental.

Wellways is proposing the implementation of an independent review panel that can reassess eligibility on a case-by-case basis. This panel will take into consideration a person's history but also consider factors such as income and assets in a manner that will not impede their capacity to access affordable housing. This is not to be confused with an appeals process that focuses on procedural adherence but rather a panel that has the authority to override procedural decisions on a case-by-case scenario.

Recommendations:

- There must be greater choice in features of affordable housing, including size, location, proximity to services and employment opportunities, complemented by individualised support to build tenancy literacy and social connection.
- Social and affordable housing must not concentrate disadvantage and should be scattered throughout communities to encourage inclusive communities and foster connection.
- The Government should explore subsidised housing models, delivered in conjunction with the private rental market, to encourage growth and increase access to social and affordable housing, such as Doorway
- The Government should partner with peak bodies, private housing bodies, infrastructure bodies, government departments, and other relevant services to provide a well-functioning housing system which supports people to secure and sustain a home.
- Address the inequality in poverty by raising the Job Seeker allowance, Disability and Aged pension to levels above the poverty line and reassess the eligibility criteria for social housing accordingly.
- Ensure States create an independent review panel that can assess eligibility for social housing on a case-by-case scenario.
- Rental subsidy in addition to Commonwealth Rent Assistance (CRA) to enable greater access and use of the private rental market
- Increase social housing stock

4. What should governments, private industries, the not-for-profit and community sectors focus on to help improve access to housing and housing affordability in the private market?

Issues

Affordability & accessibility (insecurity)

We are currently living in a classed housing system. Low-income individuals or families are referred to the public housing system and higher income earners are preferred in the private rental market. The current crisis has exacerbated this further with rental inflation pushing people on low incomes completely out of the private market.

The most recent Anglicare Rental Affordability Snapshot (2023) highlights how ‘affordability has crashed to record lows’ with only 0.8% of suitable properties across the country were affordable to people receiving full time minimum wage. Only 0.1% was affordable for people receiving Disability Support Pension and 0% for people receiving Jobseeker or Youth Allowance. This is evidence of exactly how large the gap is between the private and public housing system and only adds to the existing pressures on social housing waiting lists as well as health and homelessness services.

CRA has fallen behind rental inflation (Productivity Commission, 2019) further limiting people on a low income to access mainstream housing. This was identified alongside other barriers in the *Fairer Safer Housing Review*. An attempt to address these barriers can be seen in amendments to the *Residential Tenancies Act 1997*. However, it is evident, in practice, that these changes are not effectively regulated therefore remain barriers for people on low incomes:

1. Ban on inviting rental bidding. Whilst this practice is no longer advertised; it still occurs in practice.
2. Rental providers must also permit payments via Centrepay. Agents still do not adhere to this and even if Centrepay is agreed to, the rental agreement often stipulates rent to be paid monthly which does not align with a fortnightly Centrepay arrangement leaving the renter either overpaying each fortnightly to meet the monthly amount or receiving informal notifications that they are in arrears.

These issues are difficult for renters to challenge as they occur at the start of the application process with renters fearing that landlords/agents will favour higher income earners over their application if they challenge these issues. The power imbalance continues to benefit landlords placing people on low incomes at disadvantage.

Poverty

People who experience homelessness are some of the most marginalised people in Australia (Australian Bureau of Statistics, 2012). Similarly, people who depend on the ‘safety net’ of social security welfare payments are almost guaranteed to be submerged into poverty with payments falling well below the poverty line. The rate of Youth Allowance falls \$168pw below the poverty line and the Newstart Allowance only marginally better at \$117 pw below the poverty line (ACOSS, 2020). Social housing is individually and systemically the only viable option for people putting ever-increasing pressure on an already pressured housing system. These poor incomes, the immense and consistently growing waiting lists for public housing across the country and limited private rental options for low-income earners places these people in a state of reoccurring homelessness.

The Federal Government’s response to Job Seeker payments during the current COVID 19 pandemic was encouraging and provided temporary relief to those living well below the poverty line. Although these ‘top up’ payments have ceased, the current payments need to be immediately increased to reflect the current market.

These increases will have a direct and positive impact on local economies whilst simultaneously preventing further housing risks for these vulnerable groups.

Solutions/response required

Housing affordability is a function of both income and housing costs. Tackling housing affordability from both the cost and income angles is important for ensuring that the private rental market is accessible to low-income households. This, in turn, will help to reduce the number of people who experience homelessness or need social housing.

Housing will also be more affordable if more homes are built. Housing supply (including the level and responsiveness of supply) is a key determinant of rents and house prices. There are many reasons why housing in Australia has become more expensive, including record low interest rates. But, holding these factors in constant, housing would be more affordable if more homes had been built and the supply of housing responded more quickly to demand.

The private rental market is a crucial part of the puzzle to end homelessness. It is important to consider that not everyone on a low income wants to live in social housing due to the limited choice involved, high density living and high concentration of disadvantage and poverty. The private rental market is an alternative solution to social housing and if made accessible to people on low incomes would ease the pressure on existing wait lists around the country.

Evidence of the private rental market being utilised effectively to end the cycle of homelessness can be seen in the Doorway Program as mentioned previously in this submission. The Doorway program supports individuals who are homeless with serious and persistent mental health issues to secure a private rental in the community and assist them in their mental health recovery. Built upon a Housing First Model, the Doorway Program works alongside clinical mental health services and real estate agencies in the community to assist people to secure a home and sustain this.

A key component that the private rental market offers is choice. Having choice about the home and community where you live provides individuals greater opportunities to build a sense of community and natural support networks, seek and secure employment and maintain a sense of 'ownership' which in turn supports successful tenancies. Combined with individualised support to build tenancy literacy and mental health recovery, and links to health services and community, more long-standing health and housing outcomes can be achieved. Integrated and collaborative care is essential for people experiencing mental health issues and homelessness. Where this is achieved, mental health and physical health outcomes are seen to improve.

Through this approach, people are provided a better opportunity to secure and sustain a home in the community where support is provided to walk beside individuals in learning to how to maintain sustainable tenancy. Developing natural supports and a sense of belonging is a key component of long-term mental health and tenancy sustainability. These principles are the foundation upon which Wellways Doorway program is based.

Whilst one of the objectives of Doorway is to support people to have immediate access to secure housing, it recognises and embraces that this alone does not support sustainable tenancies. The Housing and Recovery worker (HRW) is an intentional role that balances housing and tenancy assistance with recovery focussed support on a weekly basis, areas which have traditionally been approached separately (Dunt et al, 2022). The HRW role has

been an integral part of delivering outcomes. Intentionally designing a role that combines tenancy and mental health support into one specialist role allows for a holistic approach to delivering support (Nous Group, 2014).

Rental subsidies are provided to participants of Doorway to support access to the private market. In line with the guidance of what constitutes affordable housing, participants of Doorway pay 30% of their income and all of participant CRA and Doorway subsidises the rest. Subsidies are crucial, particularly for people wanting to access the private market in the metro and surrounding areas. The CRA has failed to keep up with the market and only offering a fixed amount does not make tenancies in the private market affordable for people on low incomes. Providing rental subsidies in addition to CRA will make private rental more accessible and affordable for the community.

Recommendations:

- Additional funding to expand the Doorway program across the country to support people to access the private rental market as a viable option to exit homelessness.
- Address the inequality in poverty by raising the Job Seeker allowance, Disability and Aged pension to levels above the poverty line.
- Rental subsidy in addition to CRA to enable greater access and use of the private rental market.
- Landlord incentives to support longer leases and availability of stock to people on low incomes, such as the National Rental Affordability Scheme (NRAS) which is due to end in 2026

5. How could governments work better with industry, community services and other organisations to improve housing outcomes for all Australians?

Issues

Working better to improve housing outcomes for all Australians.

Improving the capacity of low-income renters to pay for housing and removing constraints on new housing supply are key to making housing more affordable. The Australian Government

- should review CRA as a priority. There is a compelling case for changes to improve its adequacy and targeting.
- should direct the \$16 billion governments spend each year on housing assistance could achieve more if it were better targeted to people in greatest need.
- spend the nearly \$3 billion given to first home buyers works against improving affordability and redirect it to preventing homelessness.

State and Territory Governments should commit to firm targets for new housing supply, facilitated by planning reforms and better co-ordination of infrastructure. Including the housing spectrum in the objective recognises that the different segments of the housing spectrum are connected — including, as discussed earlier, that an important driver of demand for homelessness services and social housing is the extent to which people can afford suitable housing in the private rental market.

Given the rental affordability challenges faced by many low-income Australians, the next Agreement should have a greater focus on improving housing affordability. Housing affordability is a function of both income and housing costs. Tackling housing affordability from both the cost and income side will be important for ensuring that the private rental market is accessible to low-income households. This, in turn, will help to reduce the number of people who experience homelessness or need social housing.

Improving access to housing that is affordable to low-income households, including social housing, would help to prevent people becoming homeless and help people transition into long-term and secure housing faster. In addition, making improvements to the private rental market, including better access and security of tenure, and improving CRA, would help people to sustain their tenancies. It would also help individuals to successfully transition from social housing or homelessness services to the private rental market (when private rental is suitable to their needs).

More tailored and time-limited assistance could be provided to people who may only require short-term support, such as young people who are homeless or at risk of homelessness, and families affected by domestic and family violence. For people who can access private rental properties, financial support and tenancy support services, and reforms that improve the functionality of the private rental market, may improve their outcomes and, in turn, reduce the pressure on the social housing system.

The Housing and Homelessness Plan should support innovation in providing housing assistance. Better information on people needing support with housing can help to tailor housing assistance to people's needs and better target housing assistance. Undertaking evaluations of alternative approaches will be critical to understanding what works and for whom. Trials of alternative approaches, if effective, could be scaled up and adopted in other jurisdictions.

Recommendations:

- 1) Expand evidence-based programs which support housing and support and build in service pathways for ongoing supports, as needed, such as Doorway and HASI
- 2) Support pathways to access services that prioritise all Australians – and housing needs (i.e. single fathers to have 2 Bedroom properties)

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