



DEVELOPING THE NATIONAL HOUSING AND HOMELESSNESS PLAN

Department of Social Services
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SACRED HEART MISSION

87 Grey Street

St Kilda 3182

PO Box 1284

St Kilda South 3182

ENQUIRIES

(03) 9537 1166

info@sacredheartmission.org

www.sacredheartmission.org

PREPARED BY

Olivia Killeen, Communication and Social Policy Officer

Hang Vo, Chief Executive Officer

Acknowledgement of Country

Sacred Heart Mission acknowledges the Traditional Owners and Custodians of the land on which we operate. We pay our respects to them, their culture and their Elders past and present. We acknowledge that sovereignty was never ceded. Sacred Heart Mission commits to providing accessible and culturally appropriate services to Aboriginal and Torres Strait Islander peoples. We acknowledge the pain, hurt and trauma caused by colonisation.

Statement of Inclusion

Sacred Heart Mission believes that the diversity of abilities, genders, sexualities, relationship identities, bodies and cultures in our community enriches us all and should be celebrated. Everyone is welcome at our table.

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1. INTRODUCTION

Sacred Heart Mission (the Mission) is a Catholic community service organisation based in Melbourne with 40-year history of assisting people experiencing persistent disadvantage and social exclusion. We work with some of the hardest to reach people in our community, those whose experience of trauma starts from a young age and continues throughout their adult lives.

We appreciate the opportunity to contribute to development of the National Housing and Homelessness Plan. We believe that in a wealthy country like Australia, it is possible to end homelessness.

To do this, we must look beyond 'homelessness programs', which are narrow in both definition and scope, and take a 'systems perspective' that considers all policy and programs across all levels of government that have an impact on the level of homelessness.

Demos Helsinki describes a systems perspective as **“a structural and operational shift in the governance of homelessness...from a system that manages homelessness to one that aims to eliminate it.”** (Demos Helsinki 2022).

We, along with our colleagues in the homelessness sector, believe that a National Plan using a systems approach would:

- commit to targets to reduce homelessness by 50 per cent over five years and ending homelessness over ten years
- implement an initial set of policy changes informed by the best current evidence about the changes needed to achieve homelessness reduction targets
- establish a process to monitor and review progress towards the targets each two to three years
- develop a revised action plan each two to three years to tackle the gaps in the system that were revealed by the review process
- include people with lived experience in the processes of review and decision-making

The development of a 10-Year National Housing and Homelessness Plan is the ideal time to bring this approach together and work towards a long-term horizon that spans the different levels of Australian government.

Within our own organisation, Sacred Heart Mission has made a significant shift in service provision through our Continuum of Care (CoC) Demonstration Project, which challenges existing service models. It is creating and building evidence for a sustained systemic change that will support people in the future to end their experience of homelessness, for good. We are proud to share our early findings of the project with the Department of Social Services as part of our contribution to the National Housing and Homelessness Plan. We advocate for our approaches being used on a wider scale to ensure that prolonged and chronic homelessness is prevented, and everyone has the targeted support they need, when they need it to access safe and secure housing, and to sustain it in the long-term.

For those who have experienced long-term homelessness, we advocate to scale up Housing-First programs, such as our Journey to Social Inclusion (J2SI) program in partnership with State/Territory governments and our Evaluation and Learning Centre (ELC).

We also believe the Government must invest in supportive housing models, for people who require housing with on-site support.

1.1 Our evidence

The Mission uses a wide range of data and evidence to support the findings of this submission including:

- Data insights from internal client database
- Interviews with staff members
- Case studies of clients
- Internal survey data from Sacred Heart Central and Women's House clients
- Administrative data from Victorian government agencies to demonstrate sustained housing and reduced cost of hospital bed stays
- Secondary research

1.2 About Sacred Heart Mission

Sacred Heart Mission (the Mission) has been delivering services and programs for people experiencing long-term disadvantage and social exclusion for over 40 years. The Mission is committed to programs that build people's strengths, capabilities, and confidence to participate fully in community life.

Today we are one of Victoria's leading agencies working with people who are experiencing deep, persistent disadvantage and social exclusion, particularly people experiencing long term homelessness. We work with some of the hardest to reach people in our community, those whose experience of trauma starts from a young age and continues throughout their adult lives.

A consistent, trauma informed, and proactive approach is the cornerstone of the Mission's practice expertise. The Mission has further developed this approach to incorporate a therapeutic practice framework. In this framework, we acknowledge underlying trauma and effectively build relationships with people who are excluded from mainstream and specialist services and isolated from the broader community. We start from where people are at.

Embedded in the Mission's model of service delivery are rapid housing principles; a recovery- oriented approach to ending homelessness that centres on quickly moving people experiencing homelessness into permanent housing. It is accompanied by the provision of tailored and individualised supports.

Read more about our work at www.sacredheartmission.org.

2. RECOMMENDATIONS

Addressing income inequality and housing affordability

Recommendation 1: To raise the rate of all income support payments, especially JobSeeker, the Disability Support Pension (DSP) and the Aged Pension.

JobSeeker must be at least \$78 per day and the DSP and the Aged Pensions must be raised by at least \$100 per fortnight.

This is in line with ACOSS' current recommendations (as of September 2023).

Recommendation 2: That income support payments should be reviewed and increased every six months to reflect the fluctuations in the current market and economic drivers once these payments have been raised above the poverty line.

Recommendation 3: Increase Commonwealth Rent Assistance by 50%.

Social housing supply

Recommendation 4: A commitment to build 25,000 new social housing properties per year across Australia, using a range of funding mechanisms to boost social housing growth as quickly as possible to meet current and future demand.

Recommendation 5: That the government provide funding for homelessness service providers to head-lease properties for clients, to support them to exit homelessness as a temporary solution until enough social housing can be built.

Housing and homelessness sector

Recommendation 6: The Government should adequately fund community housing providers so that they can accept tenancy applications from all people on low incomes, including JobSeeker, as is the goal and purpose of social housing.

Sacred Heart Mission delivered solutions

Recommendation 7: Engage with Sacred Heart Mission on the outcomes of our Continuum of Care project and how it could work for the sector and government in the future, such as through payment by results funding.

Recommendation 8: A commitment to support homelessness agencies to replicate J2SI nationally for priority cohorts of people experiencing poverty and at significant risk of chronic homelessness, via State/Territory governments and the J2SI ELC.

Recommendation 9: A commitment to develop more Common Ground models of purpose-built permanent, supportive housing for adults who have experienced chronic homelessness, rough sleeping and are on low incomes.

3. PREVENTION OF HOMELESSNESS

The most effective and important change we can make to end homelessness is preventing people from becoming homeless in the first place. There is now evidence that ending homelessness is possible.

We know this from the interventions made during the Covid-19 pandemic, when the Commonwealth Government briefly lifted the rate of JobSeeker to \$1100 per fortnight. In the six-month period when the 'coronavirus supplement' was in place, poverty in Australia was halved.

Secondly, early in the pandemic, homelessness providers were able to swiftly and efficiently access vacant hotel accommodation to house rough sleepers. Approximately 1,000 people housed in inner Melbourne in the first four weeks of lockdown – effectively briefly ending primary homelessness. When it became clear that the pandemic would continue beyond a few months, the Victorian Government and community organisations implemented what became the Homelessness to Home (H2H) program, which provided 1,845 households with access to stable medium-long term housing and support packages to exit their hotel accommodation. Both of these changes demonstrated how much can change to break the cycle of homelessness when both the investment and the will for change are sufficient.

However, in March 2021 the Commonwealth Government ignored calls from across the community and removed the coronavirus supplement in order to raise the rate of JobSeeker by an inadequate and inconsequential increase of \$3.57 per day – less than the cost of a public transport fare in Melbourne – was not a true increase, especially given rising inflation. Poverty has increased since JobSeeker reverted back to a punitive rate in 2020.

Nationally we are experiencing serious shortage of social housing, and tight rental market which means that re-homing people who have lost their homes is extremely difficult, and thus their experiences of homelessness and housing instability can be prolonged, causing further stress and harm on individuals, couples and families. The demand for homelessness services outweigh capacity to respond. In 2021-22, homelessness services were unable to assist 71,962 people who came seeking help, an average of 288 people per day (AIHW 2022).

To provide people with the help they need, homelessness services need to have less people coming through their door as other parts of the service system should be able to intervene or prevent them from reaching the stage where this kind of assistance is necessary. The need to turn people away from support has devastating consequences for them, as well as system consequences when opportunities to prevent homelessness or re-entry into homelessness are missed. This also creates significant costs and pressures on other service systems, such as acute health, child protection and justice services. Therefore, homelessness response should also be integrated into other service systems, in the way that Orange Door in Victoria has done this for family violence response.

We also have the solutions to prevent the causes of homelessness from occurring in the first place; as well as interventions to prevent further homelessness and support people to recover from homelessness experiences.

The main forms of prevention of homelessness are:

- Universal prevention – policy outside of the homelessness system which benefits society broadly;

- Targeted prevention – other human services systems outside of homelessness that seek to prevent vulnerable groups from experiencing homelessness, or those run by homelessness services for this purpose;
- Crisis prevention – programs outside of homelessness, such as legal services providing tenancy advice and advocacy, as well as programs delivered by homelessness services.
- Emergency prevention – immediate support for those experiencing homelessness, such as crisis accommodation; and
- Recovery prevention – Housing First work to support people to sustain housing in the long-term.

This section will focus on how we believe the National Housing and Homelessness Plan can work across all these domains.

Emergency prevention and recovery prevention are primarily related to the work homelessness services currently do in responding to people who are already experiencing homelessness, to make this experience brief and non-recurring. Sacred Heart Mission's wide range of case management programs that provide housing and long-term support of between 6 months and three years, are examples of this work and how people can be effectively supported along a continuum of need. These programs pair support with rapid access to housing which has resulted in an increase in tenancy sustainment once support ceases.

A system that is aimed at ending homelessness would require greater emphasis and investment into homelessness prevention, shifting homelessness policy away from being crisis-oriented into a system that makes homelessness rare, brief and non-reoccurring (Canadian Homeless Hub, 2023). Preventing homelessness would also be better achieved through collaboration across Australia's different levels of government.

4. UNIVERSAL PREVENTION

When considering universal prevention, we are aiming to reduce the number of people becoming homeless overall through policies that sit outside of homelessness services.

Currently, Australia is experiencing a cost-of-living crisis, and inequality, poverty and disadvantage are growing as a result. A wealthy nation like Australia should not have 3.3 million people (13.4%) and 761,000 children (16.6%) living below the poverty line (Davidson, Bradbury & Wong 2022).

Based on our practice experience, we see the following challenges as contributing to increasing homelessness, poverty and disadvantage within our community:

- An income support system that is not fit for purpose, and traps people in a cycle of poverty and homelessness.
- Rising inequality and widening gap between high and low incomes.
- Slow wage growth and rising inflation, and job insecurity.
- Fragmented service systems that contribute to people experiencing poverty having the added challenges of poor employment, health and educational outcomes.
- A lack of social and affordable housing and minimal protections for renters.
- Structural factors such as racism, sexism and other forms of discrimination, that contribute to marginalised communities experiencing homelessness

- Gendered and family violence, and a lack of support for families to thrive.
- A lack of targeted support to help disadvantaged jobseekers to find employment, and a widening gap between long-term unemployment and the labour market.
- A lack of investment in renewable energy, meaning Australia is heavily reliant on coal and importing energy from overseas, leaving us vulnerable to global shock events that drive up energy prices and contribute to energy poverty.

In our experience, many of our service users receive an income support payment, such as the JobSeeker Payment, Disability Support Pension (DSP), and the Age Pension; and cannot meet their needs without assistance from the Mission and other similar services. It is well known that these payments are severely inadequate and are trapping people in a cycle of poverty.

Further to this, it is particularly concerning that despite one in five Victorians accessing specialist homelessness services in the last financial year having a job, they are still at risk of homelessness. Being employed is no longer enough to prevent homelessness in the current environment.

We have also found that many of our clients are experiencing increased housing stress, they are housed, but in tenuous situations or are struggling to make ends meet and need our support, they are at risk of homelessness. As a result, much of our case management work focuses on supporting clients to sustain their tenancies once their situations are already extremely challenging, in addition to our recovery-focused programs.

Our clients shared the following thoughts with us, about the challenges they are experiencing:

CLIENT QUOTES:

“There are plenty of days a fortnight/week that if it wasn’t for the meals provided at Sacred Heart I would most likely be hungry on those days.”

Tim* Sacred Heart Central client

“By accessing service and meals help me to survive and live on a pension.”

Helen* Sacred Heart Central client

“If I had everything running, I would not have any money. I turn my fridge off, it would eat up a lot if I didn’t. With the way everything costs, you might not have bought much but spent a lot.”

Ken* J2SI participant

4.1 Inadequacy of the social security system – income support payments

Australia’s social security system is outdated and not working to provide the safety net that it should, and it is perpetuating poverty. As part of universal prevention, it is essential that the social security system keeps people out of poverty, homelessness and housing stress.

The main income support payments received by the Mission’s clients are the Jobseeker Payment, the Disability Support Pension and the Age Pension. Current payment rates for single people for all payments are listed below (Services Australia 2023a, 2023b, 2023c):

PAYMENT	FORTNIGHTLY PAYMENT
Jobseeker Payment	\$749.10
Disability Support Pension (DSP)	\$1096.70
Age Pension	\$1096.70

In a wealthy country like Australia, it is completely unacceptable that people need to make choices between basic essentials and keeping a roof over their heads. The decision to keep income support payments below the poverty line is a cruel one and is exacerbating our current social problems and pushing more Australians into the cycle of poverty and homelessness. We believe strongly that all income support payments are grossly inadequate and must be increased.

The Mission is a member of the Raise the Rate For Good campaign, led by the Australian Council of Social Service (ACOSS), which calls for the rate of Jobseeker to be raised, and for payments to be indexed in line with wage movements twice per year as a minimum. ACOSS with support from its 79 member organisations, and bodies across different sectors including the Business Council of Australia have conducted modelling that demonstrates a rise in the JobSeeker rate, alongside other payments will lift people out of poverty.

Recommendation 1: To raise the rate of all income support payments, especially JobSeeker, the Disability Support Pension (DSP) and the Aged Pension.

JobSeeker must be at least \$78 per day, and the DSP and the Aged Pensions must be raised by at least \$100 per fortnight.

This is in line with ACOSS’ current recommendations (as of September 2023).

Recommendation 2: That income support payments should be reviewed and increased every six months to reflect the fluctuations in the current market and economic drivers once these payments have been raised above the poverty line.

4.2 Housing stress and Commonwealth Rent Assistance

Since 1995-1996, just after Newstart (Jobseeker) was last increased in real terms, Australia has undergone a transformative change in the way we live, work and interact with each other

– on an individual level, collectively as Australians and geopolitically as a player in the global economy. At that time, the median weekly cost of private rent was \$139.

The median weekly rent in the 2021 Census was \$375 nationally, was recorded as \$370 per week an increase of 169 per cent, according to the Australian Bureau of Statistics. In major cities with greater employment opportunities, the median rent is far greater than the national average and this gap is even greater, with the median rent per week in metropolitan Melbourne at \$500 in the June 2023 quarter, and \$425 for a one-bedroom flat (Homes Victoria 2023).

Commonwealth Rent Assistance (CRA) is provided to income support recipients on a range of payments who rent privately or from community housing providers. It is paid based on the amount of money an individual is spending on rent, which must be at least \$143.40 per fortnight for a single person; and the maximum payment of CRA is \$184.80 per fortnight for those pay rent more than \$389.80 per fortnight.

At least 40% of people receiving CRA are spending more than 30% of their income on rent, which is the nationally accepted benchmark of housing stress for someone on a low income.

How the inadequacy of income support payments and rental assistance works is illustrated by the image below:

GOVERNMENT ASSISTANCE VS AVERAGE COSTS PER FORTNIGHT FOR 1 ADULT



It is also quite worrying that an increasing number of elderly people are finding themselves in housing stress, with over 250,000 pensioners not owning their own home, and on average only receiving one-third of what is needed to pay their rent (National Seniors Australia 2022).

The Mission supports the recommendation by ACOSS to increase the rate of Commonwealth Rent Assistance by 50 per cent. The Women’s Economic Equality Taskforce (WEET) also recommends an immediate increase, specifically to improve women’s immediate housing security stemming from the lack of affordable, appropriate, and safe housing options (WEET 2023). Broadly, we believe the CRA must be responsive to local housing market conditions and the supplement should reflect movements in rent, and the current six-monthly CPI indexation arrangement should be reviewed in light of this.

Anglicare’s annual Rental Affordability Snapshot has found consistently that there are no homes available for rent in any major city in Australia that would be affordable for a single

person on Jobseeker, based on the housing stress benchmark, with the situation only marginally less dire than for those in receipt of the Disability Support or the Age Pension (Bourke & Foo 2022). It is simply not possible for people to get back on their feet without housing. Social housing has not kept up with Australia's population growth to meet demand - there are currently over 142,500 Australians on the waitlist for social housing - and many of those are already without a home. We know the trauma associated with an experience of homelessness is profound and has lifelong impacts.

Recommendation 3: Increase Commonwealth Rent Assistance by 50%.

5. THE IMPORTANCE OF SOCIAL HOUSING AS UNIVERSAL PREVENTION

Scaled investment in social and affordable housing nation-wide will help address the cost-of-living crisis particularly for those at risk of or experiencing homelessness and ensure everyone has a safe place to call home. Adequate social housing for those who need it should be considered a universal prevention strategy for homelessness.

The government must invest in social housing, alongside other solutions such as co-investment approaches that bring together State Government subsidies, low-cost debt through the Commonwealth Government, investors and philanthropy to work in partnership with the community housing and homelessness providers.

Prior to COVID-19, the housing market, both for purchasers and renters was becoming increasingly unaffordable, with increasing proportions of over-indebted households; as well as slow wage growth (ABS 2019; Department of Treasury 2017). In these types of circumstances, there is greater risk of people experiencing financial difficulty, and more potential for homelessness to occur – caused by rental evictions or not meeting mortgage repayments.

The COVID-19 pandemic added a further layer of complexity to Australia's housing affordability crisis, and it is clear that much of the population have not yet recovered from its impacts. Despite endeavours that have been made over several years by all Commonwealth, State and Territory governments, as well as private businesses, to assist people to prevent financial difficulties as a result of COVID-19, there will inevitably be those for whom that assistance is unable to prevent a financial crisis. The solution is a supply of accessible and appropriate social housing for those who need it and adequate support.

A lack of investment in social housing for many decades, and complex pathways for people to navigate between various systems – such as mental health, justice, hospitals and income support - mean that people are falling through the gaps into homelessness. This problem will be exacerbated by the financial difficulties brought on by COVID-19 and rising inflation, with the investment in, and supply of social housing already severely lacking.

Much of the existing public housing stock is poorly maintained and in disrepair, poorly ventilated and insulated, often unsafe and no longer fit for purpose. The Mission's staff highlight that in some cases they are required to visit clients who live in social housing in pairs due to safety concerns, including those related to the interactions between other residents, or in the vicinity of buildings.

Not all areas are unsafe; some residents of public and community housing mention the positive sense of communities that are formed in their neighbourhoods. However, for others they can be extremely unsafe places to live, and everyone deserves to feel safe in their own home.

Australia has a severe shortfall of 433,000 social housing properties, which is only expected to grow unless there is a concerted strategy to invest in social housing supply. We consider that public housing is a form of social infrastructure that should be viewed as essential in the same way that public transport, roads, schools, hospitals and other forms of infrastructure are considered essential and worthy of long-term and considered investment.

The Australian Government needs to support all states and territories in investing in varied types of social housing that are appropriate for people with different needs – singles, couples, families with children, older people, people with disabilities, people with mental health issues, Aboriginal and Torres Strait Islander peoples and so on. This social housing must be targeted and priorities for specific groups, as it is essential to reducing homelessness and inequality generally, and in these marginalised populations. The returns from the new Housing Australia Future Fund (HAFF) are aiming to deliver 30,000 new social and affordable homes in the next five years; including 4,000 homes for priority groups. This is extremely positive, but the Government must also continue to make social housing a long term and ongoing priority.

Investing in social housing will ultimately save the government money in the long term. Constructing 25,000 new social housing properties per year across Australia, will generate an economic output of \$12.7 billion, create 15,700 jobs and add \$4.7 billion to GDP. Not making this investment is costing \$676.5 million per year.

We also acknowledge the initiatives developed by individual states and territories to increase the supply of social housing. In Victoria, the Social Housing Growth Fund (SHGF), the Public Housing Renewal Program, the Rough Sleeper Action Plan, and the Ground Lease Model as part of the Big Housing Build are all significant investments in the state's future. Victoria's Housing Statement, released in September 2023 has an ambitious target of building 800,000 homes in Victoria over the next decade.

However, these initiatives will not be sufficient to meet the current demand for social housing, let alone the projected demand. We also note that many of these initiatives provide for both social and affordable housing. While it is important to increase the supply of both social and affordable housing, for the Mission and our clients' experiencing homelessness, the need is for increased supply of social housing.

Providing social housing for everyone who needs it would dramatically reduce homelessness across Australia and improve housing affordability. It would also have a positive flow on the demand on the rental market, as there would be less competition if more people have access to social housing. This must be a cross government priority if we hope to address the social housing shortfall.

Recommendation 4: A commitment to build 25,000 new social housing properties per year across Australia, using a range of funding mechanisms to boost social housing growth as quickly as possible to meet current and future demand.

5.1 Head leasing as a temporary lever to boost housing supply

At present, due to the lack of social housing supply, Sacred Heart Mission has worked on innovative short-term solutions to provide our clients with housing quickly, alongside support to break the cycle of homelessness. An example of this is using head leased properties as part of the Journey to Social Inclusion (J2SI) Social Impact Investment (SII), providing access to rapid housing alongside support.

Whilst head leasing is an effective solution for providing immediate access to 'social' housing, it is not a long-term solution, as the rental will return to market at the end of the contracted period. The way head leases are currently used is both unsustainable for organisations and is disruptive to the people being housed there. They are used as a short-term solution while people wait for their public or social housing property to be available. Unfortunately, using this places an undue financial burden on organisations who are working hard to stabilise our most vulnerable people as quickly as possible. Additionally, in the midst of a housing crisis, the wait for permanent units can be lengthy. Despite this, head leasing is a useful tool while other approaches are undertaken to increase the supply of permanent social housing, as the housing itself already exists, and the building of new properties or redeveloping existing public housing has a long lead time. Given the current shortfall in social housing, it is evident that a variety of options must be considered to boost the housing supply in Australia and meet projected demand and reduce homelessness and poverty.

This could potentially be achieved through the implementation of a head leasing strategy funded and delivered by government providing a range of options and choice to people in choosing their forever home. There are examples of this work in Europe, the United States, and Canada.

Recommendation 5: Funding for homelessness service providers to head lease properties for clients, to support them to exit homelessness as a temporary solution until adequate social housing can be built.

5.2 Funding sustainability for community housing providers

Funding in the social housing system are significant barriers to both the person renting and the community housing provider as landlord.

Community housing providers can only charge 30% of a residents' income as rent – most often, a form of income support payment plus CRA. The disparity between JobSeeker and DSP means that the community housing provider will get less rent for one resident than the other providing a perverse incentive to prioritise those on DSP. The most common payments for Sacred Heart Mission clients are the JobSeeker Payment and the DSP. While both of these payments represent low incomes compared to the wider population, the DSP is considerably higher – a difference of \$347.60 per fortnight or 46.4% higher than the JobSeeker Payment. In fact, for community housing providers, receiving 30% of the JobSeeker Payment plus CRA in rent does not cover their costs and in fact makes the program unsustainable.

The Mission has collaborative relationships with community housing providers as part of our supportive case management programs through our Continuum of Care approach (discussed in Section 6). In these cases, we work with housing providers and clients

themselves to get them back on their feet, learn skills that help them sustain their tenancies and ideally, gain employment. However, for the community housing providers there is a limit on the number of properties they can provide. If they were to support all of those on the lowest incomes out of homelessness, community housing providers would not be financially viable.

Secondly, the DSP also has far fewer requirements for demonstrating compliance (meaning it is less likely for recipients to be penalised or lose payments altogether), less restrictive asset testing and greater access to concessions for transport and utilities (Taylor & Johnson 2021). Once someone is accepted onto the DSP, it is far less likely for them to lose access than for someone on JobSeeker to have their payments cancelled thus making DSP recipients more attractive residents.

Put simply, DSP recipients have both more income, and more security than JobSeeker recipients, which makes them more desirable tenants whilst not necessarily having greater need for housing. Unison Housing internal research of their own community housing residents and tenancy sustainment rates found this to be accurate and highlight that the DSP is overall a 'surer bet' for community housing providers who need to be financially sustainable (Taylor & Johnson, 2021). Community housing providers, such as Unison, have identified this as an ethical challenge – while they are financially disincentivised to support prospective residents receiving JobSeeker, a decision not to do so is contrary to the purpose and goal of community housing in the first place and these businesses continue to grapple with these issues.

Broadly, we see the decision to financially disincentivise community housing providers from accepting JobSeeker recipients as tenants to be inherently problematic. This systemic issue further exacerbates homelessness and housing stress, as those on JobSeeker cannot find any sustainable housing options. An increase to JobSeeker itself is an immediate solution to this problem, but in addition, community housing providers should be funded adequately to achieve their goals of providing social housing to those who are most in need.

We are concerned by the decision by governments to invest in more community housing than public housing. We believe that housing is a human right, and more public housing means that people cannot be discriminated against based on their income type.

Recommendation 6: The Government should adequately fund community housing providers so that they can equitably accept tenancy applications from all people on low incomes without compromising their organisation's financial sustainability

6. TARGETED PREVENTION — THE CONTINUUM OF CARE (COC) PROJECT

In our experience, 70% of people who are offered housing lose this housing within the first 12-18 months, because they do not have the support, skills and capabilities to sustain their tenancies. Housing alone is not enough to end homelessness – support is essential. As a result of homelessness, people have higher incidences of trauma and mental health issues and require support to learn to live independently. This is why programs that provide this support are absolutely crucial to proving people with the skills to sustain their housing. Sacred Heart Mission's Continuum of Care (CoC), and the J2SI program (discussed in

Section 7) provide our clients with these skills and effectively break the cycle of homelessness.

Sacred Heart Mission began the Continuum of Care Demonstration Project in 2021 in response to systemic issues that prevented people from accessing appropriate housing and supported services.

6.1 Why did we need the CoC?

Approximately 7,000 people come through our Engagement Hubs each year, with around 900 people engaging with formal support. Our Engagement Hubs offer drop in services, meals program, brief intervention, information and referral, health and wellbeing services. Approximately half of these people come to us at risk of losing their housing and require support to sustain their tenancies. For this group, in 96% of cases we can support these people to maintain their housing and prevent a homelessness experience. For the other half, Sacred Heart Mission can only support 11% to secure their housing. If people finally get housed, having experienced long-term homelessness, the housing breakdown of this cohort without the appropriate levels of support is appallingly high.

We experience this problem in two clear domains, firstly the barriers of the homelessness service system:

1. The system is based on targets that support people for either six or 13 weeks.
2. Our work with people experiencing chronic homelessness shows that we are successful in ending chronic homelessness, but much greater support combined with housing is needed to achieve a positive and long-term outcome.
3. Homelessness funding does not require services to use a framework which addresses and monitors a person sustaining their tenancy.

Secondly, the long-standing severe lack of affordable housing means that:

1. There are an estimated 50,000 people on the Victorian Housing Register.
2. There has been a reduction of 20,000 public housing units in 10 years.
3. It can take multiple years of waiting before community or public housing becomes available for someone on the list.
4. There are a limited number of housing options SHM can access to rapidly house people who require a home.

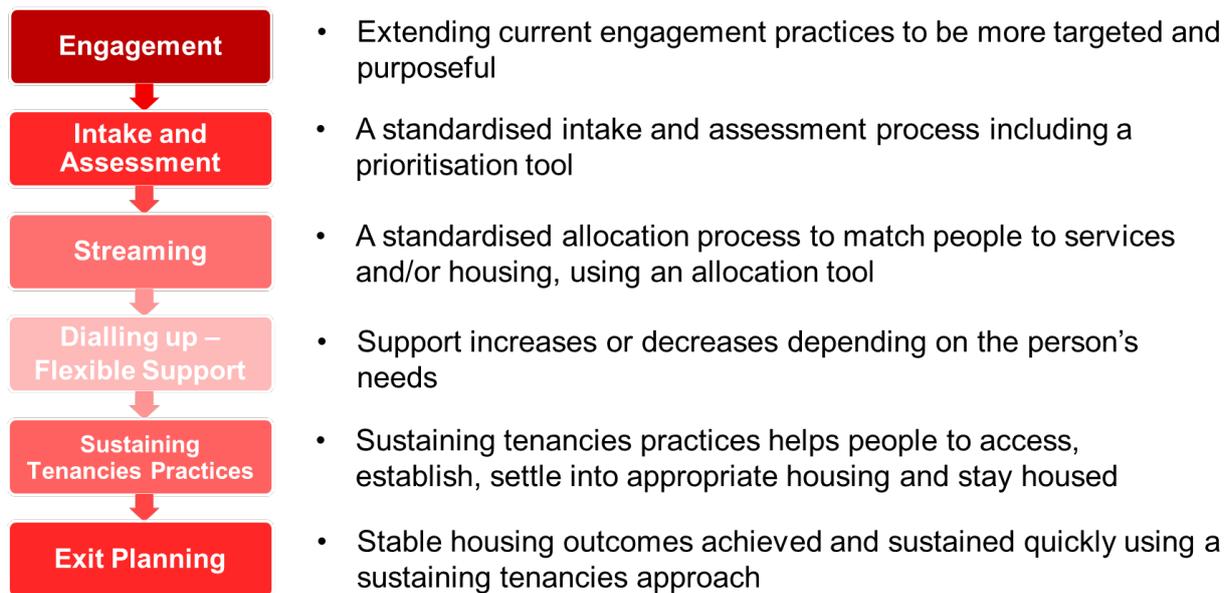
The six or 13 weeks of government funded support does not provide the appropriate time or level of support necessary for a person to access housing (apart from crisis/temporary housing), or address the multiple and complex needs they have in order to build their capacity to sustain their housing.

The majority of the people we work with are in complex and vulnerable situations. Most have been unable to receive the support they require to overcome their, often lifelong chronic homelessness.

The CoC approach ensures that all people who come to Sacred Heart Mission for support are able to get the support and housing they need to keep people out of chronic homelessness. In turn, this prevents people from further interacting with the homelessness service system and can be considered targeted or crisis prevention depending on the exact circumstances of each service user.

To highlight how a client travels through the CoC journey, a diagram is included as an Appendix.

6.2 Key Components of the CoC



In order to stream people into low/medium/high levels of need and complexity at the beginning, we use the use the Vulnerability Assessment Tool (VAT), created by Downtown Emergency Service Center (DESC) in the USA to prioritise housing and support to those most vulnerable.

The VAT entails a structured interview followed by completion of the rating scales across 10 domains and supports us to assess clients for allocation of services and housing, based on eligibility and vulnerability. Though the tool has some limitations, we have found it to be the most effective for streaming our clients.

This means that we can make sure that every person receives the right level and length of support to sustain their housing and the practices which support people to keep their housing are at the core of the support we provide, both before and while a person is housed.

We recognise every person is different and their needs are unique: support and services are therefore tailored to their needs.

We ensure that people supported through CoC are on the appropriate Victorian Housing Register (VHR) priority list and matched with the appropriate support. We have built partnerships with housing providers to secure quality and volume of housing required for the project to be successful.

6.3 Key Objectives of the CoC

1. People who seek support from Sacred Heart Mission's Engagement Hubs are supported to find housing, sustain housing and achieve goals across five key outcome domains of:
 - a. health and wellbeing
 - b. social inclusion
 - c. economic participation
 - d. independence
 - e. sustained housing.

They are able to access the right level and duration of support, which may be dialled up and down depending on each individual's needs;

2. Everyone who seeks support from Sacred Heart Mission is able to be housed as quickly as possible.
3. Providing the appropriate housing and support solution ensures that people are kept out of the cycle of homelessness for good. This means intervening early to prevent homelessness as well as to provide support to maintain stable accommodation. Preventing re-entry into the homelessness system is a key performance indicator.
4. Reducing the use of the crisis and emergency service system, which avoids costs for the government as well as trauma for service users.
5. Sacred Heart Mission demonstrates, through a broad range of indicators how CoC could work for the sector and government.

We are delivering this demonstration project in partnership with community housing providers, acknowledging that we cannot do this in isolation. These partnerships will enable us to deliver rapid housing and tailored support for each CoC client. The funding for the project is made possible through a combination of repurposed government funding and significant philanthropic donations. It does not fit the mould of traditional funding. Our hypothesis is that where we can flexibly support people with the right housing, right supports, right length of time, we will get better outcomes.

Like other Sacred Heart Mission innovations, we will use the evidence to lobby government for long term funding.

6.4 The Priority Allocation Group (PAG)

To identify and more quickly allocate the right level of support for everyone who comes to the Mission, we established a Priority Allocation Group (PAG).

The PAG currently consists of SHM program leaders, frontline staff, and housing providers who meet weekly to allocate housing and support to our clients. The group maintains a list that is updated weekly with people who are seeking housing and support, as well as listing vacancies for both. In this meeting, all vacancies are considered using a standardised approach. We use a vulnerability assessment and utilise the housing providers time to speak to specific aspects of the property on offer (such as high levels of substance use, neighbourhood fatigue, etc). This is unique to the CoC as usually, people are allocated directly from the Victorian Housing Register leaving little room for nuance and suitability assessments. It gives a greater chance of maintaining the tenancy in the long term when we use an approach that considers the unique needs of the individual in conjunction with the property offered.

These vacancies are shared with staff, who then discuss these and share with clients to establish if they are happy to be considered for certain properties. The PAG then collectively allocate clients to these vacancies.

Building partnerships that deliver outcomes to the people we work with is a significant aspect of Both the CoC and the SHM service Model. We recognise that we need to partner with specialist support and housing organisations to ensure that people are able to recover and move forward with their lives. We have partnered with three community housing organisations to provide 100 properties per year for this purpose.

Once a person is in housing via the CoC or any SHM program, a large proportion of support is focused on building the persons skills to sustain their tenancy. We do this by partnering with not

only the housing provider, but a tripartite agreement. This means that we consider the person we are supporting an equal partner in their support and tenancy. We work with them over period of 6 months to 3 years to gain confidence in managing their tenancy independently.

6.5 Success of the CoC so far

The chart below shows how people are supported to achieve the following housing outcomes along a continuum:



As we commenced the CoC, we were not at full capacity in our first year of service delivery due to workforce shortage. However, we have already supported 187 people to either obtain or maintain their housing.

Of those 187:

- 82 people were supported into permanent housing.
- 105 people were supported to maintain their existing tenancy that was at risk.

65% were women, which is consistent with demographic data being released nationally showing that women are increasingly at risk of experiencing homelessness.

The below case study demonstrates how the CoC works effectively to support people into long-term, sustainable housing:

Debra*, late 40s

Sacred Heart Mission client Debra has a long history of homelessness, from rough sleeping to rooming houses and crisis accommodation. Debra was able to live within one of Sacred Heart Mission's supported accommodation programs from February 2022. This was extremely positive for Debra – she had access to case management services and engaged a range of activities and programs while living in supported accommodation, especially the cooking program to build life skills and social inclusion and she persisted with her goals. Debra has continued to volunteer for an organisation that supports others experiencing homelessness, which she finds deeply fulfilling. Debra was also able to access the Disability Support Pension.

As the accommodation service was classified as a community-run rooming house, Debra was removed from the VHR waiting list. However, she was successful in a priority transfer application on the VHR in November 2022. The accommodation program put Debra forward for vacancies via the PAG in January 2023, and she was referred for community housing.

None of this would have been possible without Debra's persistence in reaching her goals, as well as the way she was referred into the CoC and the PAG supported her to find a suitable property that met her needs.

Our early results of the CoC highlight that the new approaches are working effectively. We are working to build the evidence that this streamlined approach is effective at ending homelessness. In the long-term, we want to see the Government adopt an approach like ours and seek opportunities to work with Government on how to nationalise our approach.

Recommendation 7: Engage with Sacred Heart Mission on the outcomes of our Continuum of Care demonstration project and how it could work for the sector and government in the future, such as through payment by results contracts.

7. RECOVERY PREVENTION — HOUSING FIRST

7.1 The Journey to Social Inclusion (J2SI) Program

The Mission's J2SI program is a Housing First approach coupled with three years of intensive support that wraps services around each client. With a strengths-based lens, J2SI places people's needs at the centre of service delivery. It works to end homelessness, rather than simply manage it. Such support programs, alongside social housing provision, are essential to ensure people can sustain their tenancies and exit homelessness for good.

The Mission has taken key learnings and failures from two randomised control trials (RCTs) in 2009-2012 and 2016-20 to build J2SI into an effective Housing First program in Australia. In 2018, the Mission commenced delivering J2SI under Victoria's first Social Impact Investment (SII) with the Victorian Government. Results of the J2SI SII have been outstanding (90% of clients in stable housing and 60% reduction in use of hospital beds) leading the Victorian Government to expand the program in 2021 under a Payment by Results (PbR) structure, again, the first of its kind in Victoria. The Victorian Government is estimated to save \$45.3 million in avoided costs for these 300 clients if the program results continue at the same level.

In Victoria, the average public housing tenancy for people experiencing homelessness is 18 months. The J2SI SII has over 90% of clients in stable housing after two, three or four years depending on the cohort J2SI reduces a person's use of government funded health, homelessness and justice services by empowering them to be economically and personally self-reliant and contributes to better health outcomes.

J2SI achieves these results by taking a sustaining tenancies approach as part of Housing First; a tripartite arrangement between the client, J2SI and the housing provider with support and housing tailored to the clients' requirements. Once their housing is stable, clients are supported to improve their health and wellbeing, and to build the skills, independence and social connections required to experience and maintain a better quality of life.

Intensive support and case management is provided to improve people's lives, including support to:

- get and stay in housing,
- improve mental health and wellbeing,
- resolve drug and alcohol issues,
- build skills,
- increase connection with the community,

- contribute to society through economic participation and social inclusion activities.

This enables people to sustain their housing and get on with their lives – even after a lifetime on the streets. J2SI is a proven program that breaks the cycle of homelessness and has been verified by independent evaluations over 14 years, including “gold standard” RCTs for the Pilot and Phase 2 (Johnson et al. 2014; Seivwright et al. 2020).

Our vision is to have the J2SI program delivered by local partner service providers, under license, across Australia. To support homelessness agencies to replicate J2SI with other State and Territory Governments, in 2018 the Mission established a subsidiary, the J2SI Evaluation & Learning Centre (J2SI ELC), to provide homelessness service providers with tools, training and consultancy to obtain funding for and to deliver a J2SI program in their region.

We know that J2SI works and has the ability to support other target groups of people at risk of and experiencing homelessness and poverty. We have identified modifications to extend service delivery from single adults in capital cities to:

- families with young children
- young adults
- regional Australia
- First Nations Australians

The funding of the Mission’s J2SI program by the Victorian Government as a SII and a PbR is solid evidence this is a program guaranteed to deliver strong social outcomes and economic value.

Recommendation 8: A commitment to support homelessness agencies to replicate J2SI nationally for priority cohorts of people experiencing poverty and at significant risk of chronic homelessness, via State/Territory governments and the J2SI ELC.

7.2 The Rooming House Plus Program (RHPP)

People with histories of homelessness must be offered different models of housing and support – we cannot apply a one size fits all. While some clients sustain their housing with outreach support, others require onsite, 24-hour accessible support. Parsell and others (2015) discuss the benefits of supportive housing to meet the housing and recovery needs of people who have experienced chronic homelessness and trauma, as well as mental illness and alcohol and drug issues.

The most prominent example of congregate housing with onsite support and social services in Australia is *Common Ground* (Parsell & Moutou 2014), which now exists in most Australian states and territories. This type of housing is long-term, and the support provided is determined by the tenant and can vary in intensity over time. A key feature is that while tenancy and support services are integrated, access to housing is not contingent on accessing support, or compliance with service providers (Parsell et al. 2015).

Communal housing is frequently criticised for not promoting social integration, contributing to institutionalisation, being stigmatising, and exposing people seeking to abstain from drugs and alcohol to these substances more readily and therefore scattered site housing should

always be preferred. However, there are examples of where communal housing has been very successful and high housing retention rates have been maintained in Finland. (Benjaminsen & Knutagård 2016). In these cases, service providers built relationships with the local neighbourhoods, particularly connecting with local businesses and community groups, and developing interrelationships between the surrounding communities and the communal Housing First projects, which reduced stigmatisation for service users (Pleace et al. 2015).

We consider these types of models as being an important aspect of the housing continuum, and essential in supporting people with complex needs to recover from their experiences of homelessness.

SHM has experience in providing single-site housing with onsite support, in the form of the Rooming House Plus Program (RHPP) since 2005. In our experience, the program enables people with histories of chronic homelessness to break their cycle of disadvantage through the provision of long-term accommodation and the support needed to maintain housing. RHPP is a partnership with Community Housing Limited (CHL) which is a not-for-profit housing provider that is owner and tenancy manager of the property at 69 Queens Rd, Melbourne.

The property provides self-contained accommodation for 67 single adults over 18 years of age. A communal dining room, laundry facilities, gym, art studio and vegetable garden are also available on site. Nine of the units cater for people with a physical disability. The people who live at RHPP have a range of complex needs including mental illness, substance use, and histories of long-term homelessness and trauma.

Parsell and others' (2015) AHURI report found that tenants of permanent supportive housing are considered as highly vulnerable, and supportive housing allows them to overcome disadvantages, become 'good tenants', empower them to create positive changes and improve their independence and day-to-day functioning. The evidence from the United States on supportive housing models highlights that for people with mental illness and substance use issues, permanent supportive housing reduced homelessness, improved sustainment of tenancies over time, and resulted in fewer hospital presentations and stays (Rog et al. 2014). It also found that consumers consistently prefer these models over other, more restrictive forms of care, and that when support is voluntary and tenant-directed, quality of life also improves (Rog et al. 2014).

This is reflective of our experience at RHPP, where tenants guide the development of our social inclusion program, as well as the extent they engage with more formal case management support. SHM employs an Art Therapist/Social Inclusion Worker, who evolves the program with feedback from residents, so it is reflective of their interests, and further assistance is provided by volunteers. Examples include (but are not limited to): community meetings and discussion groups, health and wellbeing sessions, including managing mental illness, gardening, arts and crafts, music, education and training, employment and volunteer work support and life skills training (accessing government services, travel etc.).

The provision of day-to-day support, including case management, cleaning and the provision of meals in a communal setting, as well as medication support is extremely beneficial for residents. Many have bounced around unstable housing, such as rooming houses or couch surfing, as well as periods of rough sleeping for several years and are reluctant to trust service providers or other people. It can take time to build the relationships between tenants and support workers as a result. Having a safe environment that is staffed, as well as the security of an ongoing tenancy encourages residents to build a home for themselves with the support of staff. The supports available are flexible enough to allow for low to high intensity when needed and provides a level of autonomy and control - essentially for people who have often experienced very little of this in the past. Some of our residents have also experienced

time in psychiatric care, or within the prison system and therefore require support to build life skills and live independently.

Supportive housing models such as RHPP can be viewed as a stepping-stone into more independent living, such as a private residence with outreach support. However, other tenants find that they are achieving their goals in a supported environment and seek to stay in this context in the long-term. For people with complex mental illness who require ongoing support, and often medication support, it may be beneficial to live in a supported environment for an extensive period if it maintains and improves wellbeing and functionality. Staff in Common Ground models are trained to manage and respond to complex needs and behaviours. For example, RHPP applies a harm minimisation policy rather than zero tolerance.

We believe that more of these models are required to meet the demand of people within this cohort and should be considered as part of 'recovery prevention' in a Housing First framework.

Recommendation 9: A commitment to develop more Common Ground models of purpose-built permanent, supportive housing for adults who have experienced chronic homelessness, rough sleeping and are on low incomes.

8. CONCLUSION

Sacred Heart Mission has a long history of providing innovative service responses to homelessness, and in ending chronic homelessness.

The Commonwealth Government, through the National Housing and Homelessness Plan, has a unique ability to move away from an emergency and crisis focused system to one that actively prevents homelessness, as well as seeking to end homelessness by ensuring that it is brief and non-recurring.

To do this, we must be ambitious in setting targets to end homelessness. We must also invest in social housing and ensure that our social safety net does not trap people in poverty.

In conclusion, we believe that genuine reform across housing and homelessness in Australia requires a systems and whole of government approach that addresses the drivers of housing instability and homelessness.

- Lift the rate of JobSeeker and CRA to address poverty and income inequality.
- Reform the funding model to ensure community housing providers can support all low income residents and be financial sustainable.
- Continue to increase housing supply for the long term, however, in the short term, use flexible models to enable homelessness agencies to access the rental market such as head-leasing.
- Ensure housing is provided alongside flexible supports ranging from outreach to onsite models.

Sacred Heart Mission is highly experienced in models that help people sustain tenancies and end chronic homelessness. We stand ready to work with the government and our sector partners to address the housing crisis in Australia.

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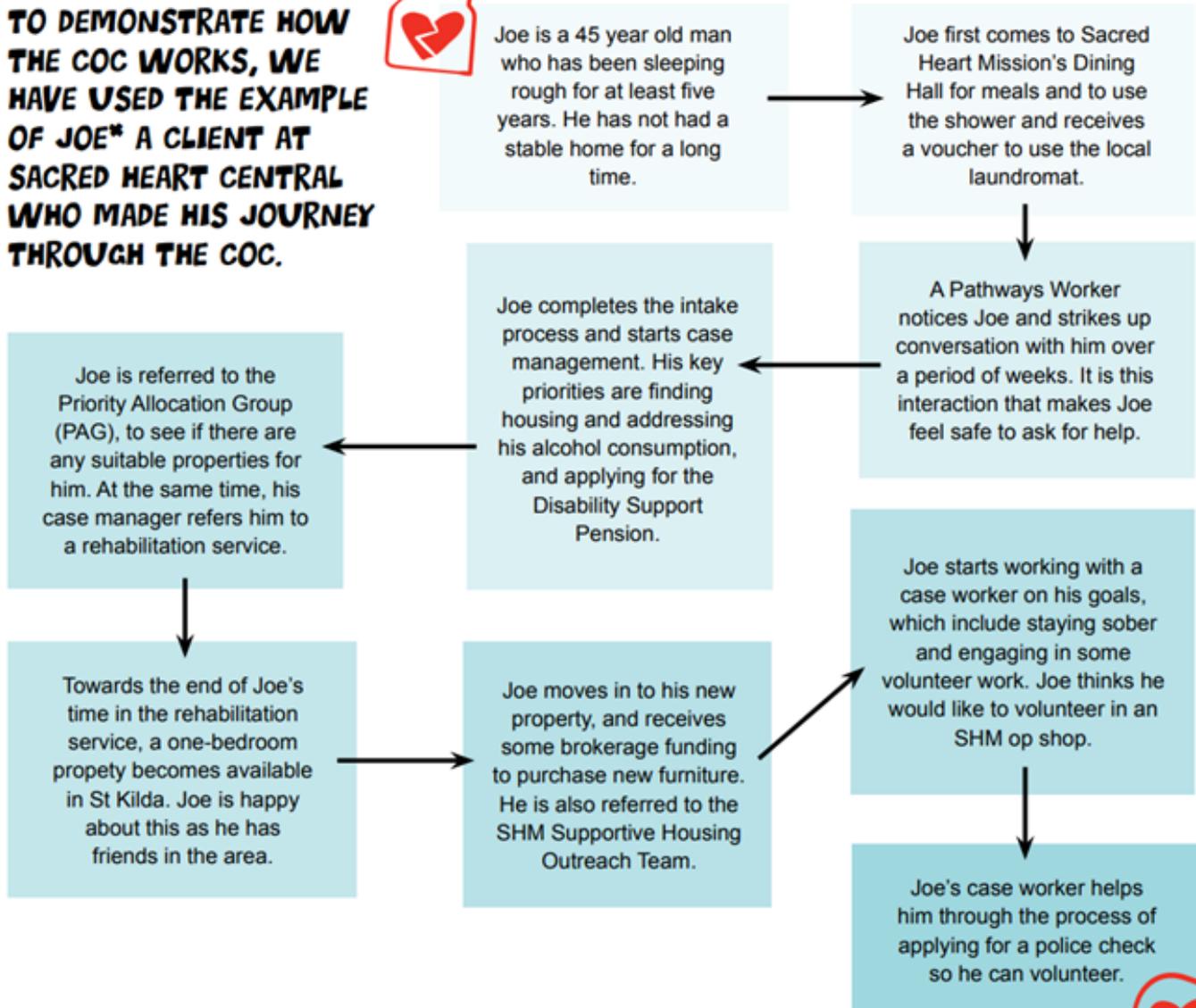
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A NOTE ON CLIENT CASE STUDIES

In order to protect the safety and privacy of our clients, all case studies and quotes have been de-identified and names changed.

APPENDIX: DIAGRAM OF THE CONTINUUM OF CARE

TO DEMONSTRATE HOW THE COC WORKS, WE HAVE USED THE EXAMPLE OF JOE* A CLIENT AT SACRED HEART CENTRAL WHO MADE HIS JOURNEY THROUGH THE COC.





CONTACT US

A: 87 Grey Street, St Kilda 3182

T: 03 9537 1166

E: info@sacredheartmission.org

W: www.sacredheartmission.org

ABN 62 843 874 179