



11 June 2020

Ms Fiona Patten MLC  
Chair  
Legislative Council, Legal and Social Issues Committee  
Parliament House, Spring Street  
EAST MELBOURNE VIC 3002

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Dear Ms Patten, MLC

**RE: VICTORIAN PARLIAMENTARY INQUIRY INTO HOMELESSNESS**

On behalf of Launch Housing, I provide this submission to complement verbal advice to the Legal and Social Issues Committee (the Committee) on 20 May 2020.

This written submission provides fuller details about our work in the context of the COVID-19 emergency. It also highlights actions by government to provide an enduring outcome for people sleeping rough and to strengthening the capacity of specialist homelessness services by ensuring funding equity with other community services.

**Prior to the COVID-19 pandemic homelessness in Australia was already at troubling levels**

Homelessness has its roots in a flawed housing market and an inadequate income support system that don't cater well to people who experience bad luck and trauma. The inaugural [Australian Homelessness Monitor](#), commissioned by Launch Housing, highlighted the broader drivers of homelessness nationally. Fuller details of the extent, cause and remedies to homelessness and provided in our original submission last year.

**COVID-19 has had a particular effect on people experiencing homelessness including those sleeping rough**

Homelessness is not only a serious housing issue, it is also a serious health inequity. This is reflected in the overall level and pattern of morbidity with many health issues are interconnected. For example, tri-morbidity is pervasive for people who have been sleeping rough for long periods of time. Many have significant mental health difficulties (consistent with childhood trauma) and substance abuse problems as well as acute and chronic physical health difficulties. People experiencing homelessness typically also experience other forms of disadvantage, such as alcohol or substance dependence, mental health problems, cognitive impairments, poverty, low educational attainment and histories of trauma and victimisation. Substance misuse is a coping response to the fear and physical hardship of being homeless and mental ill health arises because homelessness is stressful.

**Since early April, Launch Housing has directly assisted over 1,000 people into purchased emergency accommodation in the form of hotels and motels**

As discussed at the recent public hearing of the Committee, at the onset of the COVID-19 crisis, Launch Housing took immediate steps to provide assistance to rough sleepers to ensure their safety and to reduce the risk of infection for people experiencing homelessness and to ensure safety for the general public. Our mobile outreach teams, crisis centres and her services remained open and continue to assist people experiencing homelessness and rough sleeping in Melbourne.

As stated in my verbal evidence to the Committee, formal assessments of people now placed in emergency accommodation reveals an alarming picture:

- 72% assessed as high housing need (i.e. were previously sleeping rough, in a car, or squatting)
- 50% assessed as high support needs (i.e. needs multiple supports for major physical or mental health issues)
- 46% assessed as high vulnerability (i.e. is experiencing a significant level of crisis, at risk of standover/abuse, is at high risk of harm to self or others)
- A further 40% have medium vulnerability (no access to support safety net and the situation is unlikely to improve without support and will likely escalate)

To make such assessments, Launch Housing utilises the Vulnerability Index Service Prioritisation Decision Assistance Tool (VI-SPDAT). This is an evidence-based pre-screening, or triage tool, that assesses the health and social needs of clients, identify the ‘acuity’ of their support need, and explores a person’s history of homelessness, contact with emergency services, risk of harm and exploitation, legal issues, socialisation and daily functioning, physical and mental health, substance use and medications.

This high level of complexity and need is not new for Launch Housing, however the scale of people we are holding in a small number of locations is unprecedented. In some instances, we are managing 30, 40, 50 and over 100 people in the various hotels around the city and inner suburbs.

**We strongly encourage the State Governments to stay the course and implement plans to provide ongoing housing for the many Victorians currently in short-stay emergency accommodation.**

There is an immediate opportunity to solve homelessness for the over 1,000 people currently in hotels and motels. It is not acceptable that people are returned to the streets. Many of these people already have a long history of homelessness and rough sleeping. We know from our practice experience that their experience of rough sleeping is episodic and interspersed with bursts of temporary stays in crisis accommodation and/or short-term emergency accommodation, such as hotels, motels or rooming houses. For some, here has been no respite from rough sleeping until now, having experiencing it as an ongoing ordeal.

The challenges to find homes for rough sleepers is not unique to Melbourne or other capital cities around Australia. Internationally, many countries are looking to develop responses. For example, [NZ](#) will spend more than \$100 million on housing the homeless in motels until it can put them up in more long-term housing. [British Columbia](#) has promised that temporary accommodation will be used until it can provide more permanent housing options to keep people supported beyond the pandemic.

**There is also a need to invest adequately in the supply of affordable and social housing in Melbourne and across Victoria**

Launch Housing supports measures that deliver short, medium- and-long term solutions for new supply of social and affordable housing that leverages the strengths of the community housing and homelessness sector, private industry and government.

We bring to the attention of the Committee the following policy proposals that would be highly effective in stimulating housing supply growth. For example, the Community Housing Industry Association (CHIA), along with Homelessness Australia (HA), National Shelter and Everybody’s Home announced the Social Housing Acceleration and Renovation Program (SHARP). This proposal calls for an investment to expand urgently needed social housing by 30,000 homes as the country experiences a wave of job losses due to COVID-19. Launch Housing supports [SHARP](#) proposal.

A further approach for consideration by the Committee is the [Affordable Housing Infrastructure Booster](#). This is a tax credit blueprint designed by Swinburne University on behalf of CHIA NSW, which affordable housing developers could use to raise capital from investors and form equity partnerships. The tax credit would be variable and responsive to project-specific financial characteristics such as land value, rent revenue, borrowings and related factors.

## **It's cheaper to solve rather than to manage homelessness**

There are demonstrable cost savings to governments by getting people experiencing homelessness housed. People using homeless services like Launch Housing tend to have greater use of health, justice and welfare services compared with the Australian population on average due to their homelessness. If you address homelessness you will also see a reduction in these other costs too.

For example, [Australian research](#) suggest a potential annual cost offset per homeless client that ranges from \$14,712 per client/year to \$44, 137 per client/year for single men, when you take the health, justice and welfare costs into account. Likewise, an independent evaluation of [Common Ground Brisbane](#) showed that although the cost of providing the housing and support was about \$35,000 per annum per formerly homeless person, this still represented a cost avoided to government of almost \$15,000 per person per year. It achieved this by reducing homelessness, and decreasing emergency room visits and hospitalisation.

For instance, there is unnecessary use of ambulance services and admissions to the Emergency Department. As shown in a [project](#) between Launch Housing and an inner city hospital showed that Emergency Department presentations for chronic homeless people was an average of 9.1 ED presentations per client compared to the overall mean of 1.8 ED presentations per client during the period 2013-17. Similarly, for this same group ambulance usage was also substantially higher for this group with an average of 4.6 ambulance arrivals per person compared to the overall mean of 1.6 ambulance arrivals per person in this period.

A reduction in stays in hospital because a person has a permanent home to go. The [current cost](#) of an acute bed is over \$2,000 per day [average stay of 2.43 days] and the average costs for an admission for mental health is over \$12K per admission. However, the chronic shortage of affordable housing in Victoria results in more than [500 people](#) being discharged from acute mental health care into rooming houses, motels and other homeless situations each year.

## **Stigma and negative perceptions needed to countered**

In my verbal advice to the Committee, I mentioned the role of stigma and negative perceptions. Often, the stigma surrounding homelessness often inhibits effective large-scale action. [Typically stereotypes prevail with people often](#) understanding homelessness to be rough sleeping, with the typical profile of someone experiencing homelessness as a single older male with mental health and substance use issues. Encouragingly, people increasingly see the causes of homelessness as being a mix of individual trauma suffered by people through random acts of violence and bad luck and broader factors such as unemployment, economic problems and a shortage of affordable housing.

There is an important role for government. People see governments and the public service as the main agents responsible for solving homelessness. But most do not believe that governments are doing enough to address homelessness and want more done. There is, therefore, an opportunity for the Committee to capitalise on this sentiment and provide clear recommendations for the State Government to consider and implement.

## **Strengthen the capacity of homelessness services by ensuring funding equity**

A serious problem inhibiting the response to homelessness that I did not raise at in my verbal advice to the Committee, is inequitable funding. Government funding for specialist homelessness services is much lower (the lowest) than for other comparable government funded services. I urge the Committee to seek ways to strengthen the capacity of specialist homelessness services by ensuring funding equity with other community services.

The Australian Services Union (ASU) have written to the Hon Tim Pallas, Treasurer, on this same matter. A copy is attached. The letter states that State Government funding for specialist homelessness services is much lower than for other comparable government funded services, in some instances by a margin of over 30%.

Significant inequities in the input price for labour in government service contracts is causing unfair and undue stress for staff and organisations trying to deliver effective services. In comparison with other sectors, the specialist homelessness service sector is languishing with attitudes that presuppose it to be a low skill undertaking, and perhaps one the wider community does not particularly care for.

As the level and complexity of people experiencing homelessness has increased; so too has the skills required of professional staff employed by specialist homelessness services. For example, an appropriate response to everyone experiencing homelessness requires staff skilled to adequately assess the health and social needs of clients, identify the 'acuity' of their support needs, and therefore match them with the most appropriate support and housing interventions that are available.

Staff working with the same clients in different sectors are being paid quite differently without adequate government justification. This arises by design but is not fair.

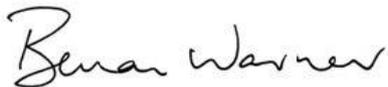
**The COVID-19 pandemic has reminded us that housing is good health care**

[Housing](#) is the front line defence against the COVID-19 outbreak and that any failure to address COVID-19 outbreak among people experiencing homelessness can contribute to broader health challenges). The persistence and continued growth of homelessness is unacceptable and unforgivable but it is eminently solvable, given the right policies, programs and attendant political leadership to make this happen.

It also underscores the importance of shelter for good mental health especially for the cohort we are working with who typically present with higher acuity and mental ill-health. It strikes us as contradictory to seek [improvements in mental well-being](#) through the auspice of the current Royal Commission into Victoria's Mental Health System and to miss the time critical opportunity to finally house most, if not all, of the people Launch Housing is currently supporting.

I look forward to the deliberations of the Committee and can provide further information as required.

Yours sincerely



**BEVAN WARNER**  
Chief Executive Officer

Attachment 1: Letter to the Treasurer from the Australian Services Union re: State Government Funding for Specialist Homelessness Services

7 April 2020

The Hon Tim Pallas  
Treasurer  
Parliament House  
Level 4, 1 Treasury Place  
EAST MELBOURNE VIC 3002



By your side

***Via email: [tim.pallas@parliament.vic.gov.au](mailto:tim.pallas@parliament.vic.gov.au)***

Dear Treasurer,

**Re: State Government Funding for Specialist Homelessness Services**

Members of the Australian Services Union who work for specialist homelessness services provide a vital service to some of the most vulnerable Victorians every day. This work is specialised, increasingly complex in nature and ultimately life-saving. Indeed, these services have been deemed an essential service under recent state of emergency laws.

Workers in specialist homelessness services are not only required to have a deep understanding of the practical issues to assist their clients receive housing services but also an understanding about the reason their clients are homeless. This means that specialist homelessness service workers need to have an understanding of and the capacity to deal with issues as diverse as mental health challenges, family violence and alcohol and other drugs. Furthermore, the majority of staff in specialist homelessness services are now recruited having at least an under graduate qualification.

It is of great concern to the ASU that the widely held view across the sector is that state government funding for specialist homelessness services is much lower if not the lowest, than for other comparable government funded services. Indeed, it seems that there is up to a 32% variation in the lowest and highest input price for labour, or for full time equivalent staff members (FTE), in a government service contract for specialist homelessness services as compared with the other programs mentioned above.

This inequity results in lower wages than comparable roles that are funded through Child First, Family Violence, Alcohol and Drug and Community Mental Health funding programs. All of these programs are funded and coordinated by the Department of Health and Human Services. However, we understand the allowable input price for labour, that perpetuates this inequity is something controlled by the Department of Treasury and Finance, which is why we are writing to you.

Underfunding within specialist homelessness services makes it very difficult to attract and retain experienced staff as they seek work in more highly remunerated sections of the community services sector. High turnover is costly and wasteful for all concerned and disturbing when it arises from structural factors outside our member's control.

The COVID-19 pandemic has only highlighted the essential services provided by the homelessness sector for the most vulnerable, the wider community and the invaluable work provided each day by frontline staff as first responders in this public health crisis.

We ask that you respond to the ASU about the concerns raised by our members in specialist homelessness services, that they are indeed the lowest funded part of the community services sector in terms of the input price for labour and explain why you believe this to be a satisfactory state of affairs.

Please respond to ASU Assistant Branch Secretary Leon Wiegard via email at [lwiegard@asuvictas.com.au](mailto:lwiegard@asuvictas.com.au) or alternatively on 0438 060 298.

Yours faithfully,



Lisa Darmanin  
ASU Branch Secretary

*Cc. Minister Martin Foley*