# Preventing re-occurring homelessness: Increasing housing retention rates among formerly homeless persons.

A submission prepared for the House of Representatives Standing Committee on Social Policy and Legal Affairs inquiry into homelessness in Australia.

**Professor Guy Johnson**

Director, Unison Housing Research Lab, RMIT University

**Dr Sarah Taylor**

Postdoctoral Research Fellow

Unison Housing Research Lab, RMIT University

June 2020

**Unison Housing**

Unison is a not-for-profit organisation that provides a range of services to foster strong communities. We develop, own and manage social, transitional and affordable housing; and we provide commercial property management, owners corporation management, and cleaning and grounds services. In addition, we provide homelessness services in Melbourne's West. We connect people to safe and affordable short and medium-term accommodation combined with support to address any issues that may have contributed to their tenuous housing situation. We also help people re-establish and maintain a secure home in the private rental market. The people for whom Unison provides services come from many different walks of life, but they all want to live in a safe, welcoming and thriving community. They want to feel supported and connected to their community and be proud of where they live

Unison currently manages 2,550 properties – 1,717 are social housing properties, 402 affordable housing properties, 152 private rental and 279 transitional properties. These properties include rooming houses, stand-alone units and apartments in multi-storey buildings. In addition, Unison provide assistance to 3,500 households who are homeless or at risk of homelessness each year.

**Unison Housing Research Lab**

The Union Housing Research Lab (the 'Lab') is a unique education and research collaboration between RMIT University and Unison Housing. The Lab is situated in the Social Global Studies Centre in the School of Global, Urban and Social Studies (GUSS) and is Chaired by the Unison Professor of Urban Housing and Homelessness. The Lab was established in 2017 and is funded for five years to undertake an innovative research and education program informed by the experiences of service users and providers, as well as making a substantial contribution to Australia's social housing and homelessness research capacity.

The Lab has two aims. The first is to undertake a multi-disciplinary research program focused on *creating new empirical and conceptual knowledge* about:

- What actions can be taken to develop social housing that creates vibrant communities, improves tenancy sustainability and satisfaction, and maximises their impact on tenants' social, economic, and health outcomes.
- The effectiveness of homelessness program interventions.
- Approaches that help translate research into policy and practice.

The second aim is to *develop and deliver a program of integrated teaching* that provides RMIT students with Australia's first dedicated course on homelessness and housing. The course offers a multi-disciplinary approach to education that integrates homelessness and housing theory, policy, and practice. The course provides students with the knowledge and resources to support careers in the homelessness and housing sector.

The Lab's researchers come from a variety of disciplinary backgrounds and bring with them strong quantitative and qualitative skills with specific interests in temporal and spatial analysis

**Submission**

**Information on the homeless population**

As soon as homelessness became a political issue people started to ask *why* people became homeless and they wanted to know *how many* people were homeless. This is for a good reason. Without information on the causes of homelessness and the size of the homeless population it is difficult to determine the appropriate policy responses.
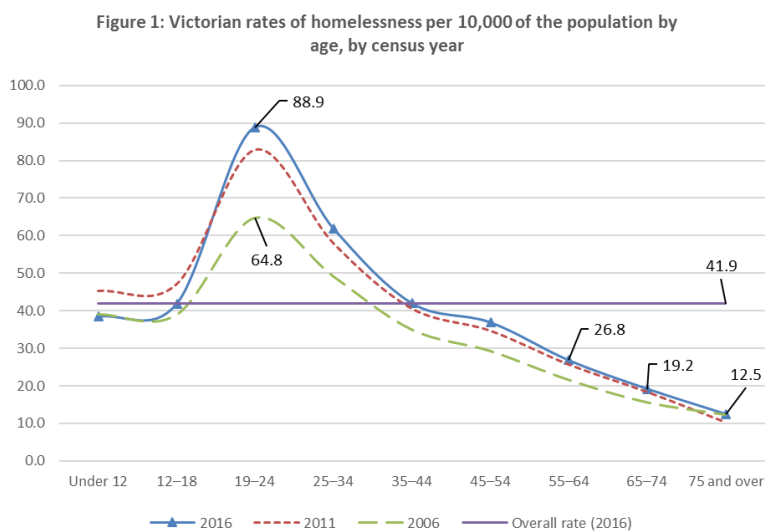
In Australia, the two most commonly cited sources of information about homelessness are the Australian Bureau of Statistics (ABS) and data from Specialist Homelessness Service (SHS), which is administered by the Australian Institute of Health and Welfare (AIHW). Both institutions collect much useful information. However, the first point we want to make is that there is a pressing need to be more mindful of the strengths and the limitations of existing data. In the following section we use several examples from both the ABS and AIHW to illustrate our point.

Counting the number of people who are homeless is a challenging activity. The best-known number comes from the Australian Bureau of Statistics (ABS, 2018) who estimated that on Census night 2016 there were 24,815 homeless Victorians. Although the ABS figure undoubtably under-estimates some groups such a rough-sleepers, it also includes people living in severely overcrowded dwellings who are not counted as homeless by <u>any other</u> country in the world.

Despite significant methodological and definitional issues with the ABS estimate, the number of people experiencing homelessness has risen at each successive Census – up 14% from 2011 to 2016, and 30% in the decade between 2006 and 2016. However, these 'large' increases need to be understood in the context that Victoria's population has also increased. From a policy perspective the critical measure is not the number of homeless people *per se,* or the percentage increase, but rather the **rate of homelessness**, because rates take into account population growth. In Victoria the rate of homelessness in 2016 was 41.9 per 10,000, slightly higher than 2011 (41.7) but lower than the National rate (49.8) and substantially lower than similar states such as NSW (50.4) and Queensland (46.1).

Rates also take into account demographic shifts. For instance, there has been much attention on the emerging homelessness crisis among older Australians, a particularly salient issue given Australia's ageing population. Census results show that people aged 65 and older are the fastest growing age cohort, increasing by over 30% from the 2011 Census. However, focusing on the percentage increase is potentially misleading for two reasons. First, the actual number of homeless Victorians over 65 is very low, and any increase to a low baseline figure presents an amplified percentage change. Second, and more important from a policy perspective, a look at rates of

homelessness by age reveals a very clear pattern. Figure 1 (below) shows a bulge in the rate of homelessness among people aged 19-24 where the rate is more than double the overall rate (88.9 vs 41.9). Further, among people aged 19-24 years the rate of homelessness has increased the most since 2006, is over three times the rate of people aged 55-64, and well over four times the rate of those between 65-74 years of age. By examining rates of homelessness we see that **younger people are over-represented** in the homeless population, while **older people are not**.

**Figure 1: Victorian rates of homelessness per 10,000 of the population by age, by census year**



Another important source of information is data collected by Specialist Homelessness Services (SHS). SHS data is often used as a proxy measure of homelessness, both its prevalence and characteristics. However, there are several compelling reasons to treat claims relying on SHS data with some caution. First, most of the people who access homelessness services are housed when they first present – indeed in Victoria nearly two thirds (62%) are. Second, SHS data captures only those that use homelessness services and many homeless people, possibly nearly half, do not (ABS, 2014). Third, homelessness agencies collect information on the main reasons people seek assistance and this information has been erroneously used to explain the causes of homelessness (FaHCSIA 2008). Cause **cannot** be inferred from SHS data because presenting reasons often mask underlying problems. Finally, while the number of people accessing homelessness services has consistently increased over the last 10 years, the increase is very strongly correlated with funding increases.

While SHS data and Census estimates are commonly used to evoke public sympathy and policy action these examples are illustrative of the general point that the use of ABS and SHS data can reflect political and organisational imperatives as much as anything else.

**Homelessness programs and housing market conditions**

While we may not know the precise number of people experiencing homelessness in Victoria, there is little doubt Victoria has a persistent problem with homelessness. For nearly two decades Victorian governments have undertaken a string of reforms and reviews designed to reduce the number of homeless people. These reforms have almost exclusively focused on improving program coverage

and quality at the exclusion of increasing the supply of affordable housing. Further, whether these reforms have had a positive impact is unclear. This is because Victorian governments, from both the right and the left, have displayed a marked reluctance to implement robust program evaluations that produce reliable evidence of what works, what does not, and for whom. Thus, despite operating for decades the Department of Health and Human Services (DHHS) has produced little evidence on whether the programs its funds are effective at resolving homelessness, and/or represent value for money. More concerning still is that policy frameworks in Victoria continue to promote individualistic, remedial notions of homelessness. These policy frameworks ignore strong empirical evidence that the best way to prevent homelessness happening, and the most effective way of resolving it when it does, is through the provision of affordable housing.

Indeed, the most significant factor contributing to the persistent increase in homelessness across Victoria can be traced to the limited supply of affordable rental, both private and social. Victoria has the lowest proportion of social housing per capita, where it constitutes approximately 3.5 per cent of occupied units (Parliament of Victoria: Legal and Social Issues Committee 2018, p.25). Moreover, the amount of public housing stock being constructed as a proportion of all housing is at an historic low, both nationally and in Victoria. This occurs at a time when demand has never been higher. An estimated 850,000 households nationally meet the income eligibility criteria for social housing but choose not to apply (Productivity Commission, 2018, p. 172). A further 190,000 households are on wait-lists nationally with 82,499 people (44,028 households) currently waiting for social housing in Victoria alone (Australian Institute of Health and Welfare 2018; Parliament of Victoria: Legal and Social Issues Committee 2018).

The situation in the private market is not much better. Across the state, vacancy rates are tight and median rental costs have increased. Declining affordability and limited public housing stock has put increasing pressure of the private rental market. In Melbourne, there is limited supply of safe rental properties that are affordable to people on low incomes, a problem that is further exacerbated by competition for low rent stock by higher income households (Yates and Wulff, 2000). The Private Rental Access Program (PRAP), while not yet evaluated, is likely to be effective but only in regions where private rental is affordable. In regions where there is affordable private rental it is generally only larger properties suitable for families. For single people households there is virtually no affordable private rental across the state.

**Adopting a systems approach**

Many submissions will call for the Inquiry to support an increase in the supply of social housing. We endorse this position. Without an increase in social housing, significant reductions in the incidence

and prevalence of homelessness across the state are unlikely. In addition to bi-partisan support for a sustained increase in social housing, meaningful impacts on the aggregate level of homelessness can be achieved by targeting policy attention on areas where practical, properly resourced strategies will have the greatest impact.

Before offering specific suggestions below, we wish to emphasise a broader argument: that policies to reduce homelessness should prioritise a *systems approach*. A systems approach means viewing a problem "as a whole rather than its individual component parts" and "taking into account behaviour of systems over time rather than static 'snapshots'" (Atun, 2012). We argue that attempts to solve a systematic problem such as homelessness should consider this *as a system*. Focusing on individual, point-in-time data is an understandable response when this is the way services are most often operated: that is, finding out many details about individuals, at particular points in time. But a predominance of this type of information can encourage the perception that homelessness is attributable only to individual characteristics. At the other extreme, aggregate statistics (such as total numbers in Australia) can disguise the fact that homelessness is *not* equally distributed, and that there are significant variations between, for example, different age groups and different geographical locations. These different distributions can point to the interrelating factors influencing homelessness, even if they don't mean that homelessness is *caused by* age or geography. Ultimately, viewing homelessness only in one level of detail, either individualised or in aggregate, tends to fall short of a systems approach, and can lead to measures in which "well-intentioned actions lead to nonobvious counter-intuitive results" (Atun, 2012).
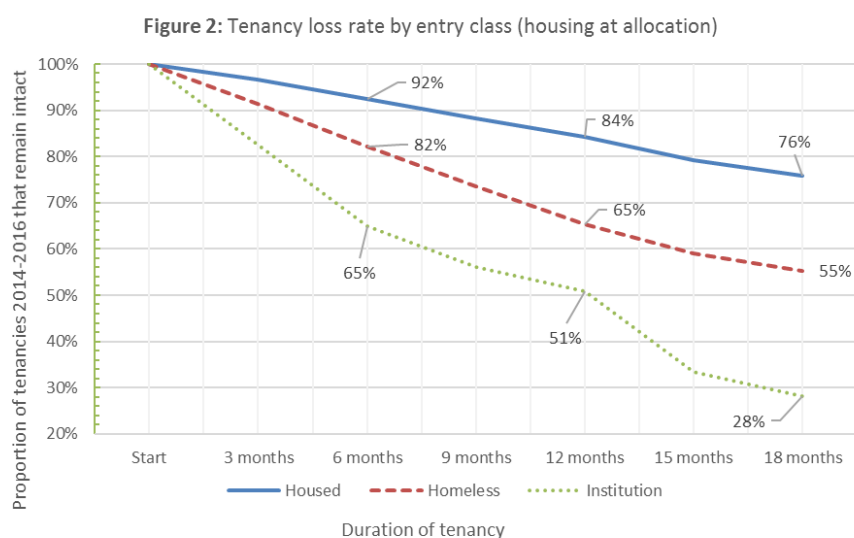
Our first suggestion is that the primary orientation of the SHS needs to shift from 'supporting' individuals to 'housing' them and 'keeping' them housed (Johnson *et al.*, 2008, p.218). Based on local and overseas evidence it is clear that Housing First policies such as Permanent Supportive Housing, Rapid Rehousing, and ongoing housing subsidies are the most effective approaches at resolving homelessness. Making 'permanent housing' the policy and practice lynchpin of the SHS in Victoria would not only improve housing outcomes, it would make support agencies more accountable.

Our second suggestion is that reducing the number of homeless people requires thinking not only about the prevalence at a point in time (the ABS estimate of 24,815 for instance) but also movement into and out of homelessness over time. The movement of people into and out of homelessness is known as a *flow*. With respect to homelessness there are flows into homelessness (inflows) and flows out of homelessness (outflows). **Inward flows are made up of two groups – the first time or newly homeless, and those who return (re-entries).** It is important to differentiate and to take account of both these flows.

A sustained and substantial increase in social housing is the key to preventing first time homelessness – the evidence clearly shows that social housing is, by many orders of magnitude, the strongest protective factor against homelessness (Johnson *et al*, 2018). However, increased policy attention and funding targeting the second flow – those who have been previously been homeless but subsequently lost their housing – would also yield significant benefits.

Researchers have long been aware many people experience numerous episodes of homeless over long periods of time interspersed with housing. This pattern of episodic homelessness has been documented in many western countries, including Australia. There is also policy recognition of episodic homelessness. For instance, policies that aim to 'break the cycle' and/or reduce 'recurrent homelessness' implicitly if not explicitly aim to reduce the flow of re-entries, and for good reason. Housing homeless people is often a costly and complex process yet relatively little is spent ensuring they maintain their housing. We urge the Inquiry to consider recommendations that change this.

The flow of people out of social housing and into homelessness is a serious issue simply because high turnover has significant social and economic costs. For households and individuals, the costs of tenancy breakdown can include poor health and well-being, as well as poor educational and employment outcomes, more so if they subsequently experience chronic residential instability or homelessness (Downing 2016; Wiesel, 2014). In February last year the Unison Housing Research Lab released a report on tenancy turnover at Unison, *Who stays, who leaves and why?* The report looked at the proportion of tenancies that remained intact or that exited within the first 18 months of tenancy commencement. This is often called the decay rate. The report examined decay rates among 967 tenancies that commenced in 2014, 2015 and 2016. It found that just under half (43 per cent) of tenancies ended within 18 months, but there was also substantial variation in the decay rate depending on the housing circumstances of households prior to entering Unison Housing (Figure 2). More specifically, among those who were <u>homeless prior</u> to entering Unison Housing just under half (45 per cent) of tenancies had ended after 18 months. In contrast, just over a quarter (26 per cent) of those who were housed prior to entry had exited. Among those who were in some form of institutional accommodation (e.g.

**Figure 2:** Tenancy loss rate by entry class (housing at allocation)

prison, hospital) prior to entering Unison, nearly three quarters (72 per cent) were no longer housed after 18 months. That is, both the formerly homeless and those who were formerly in institutional accommodation, were at a substantially greater risk of flowing back into homelessness again. This pattern needs to be addressed as a separate but key element of the wider homelessness system.

The report also looked at the reasons why people left social housing. It found that Unison residents left their housing for both positive reasons (pull factors) and negative reasons (push factors). Most exits (59 per cent) were due to negative reasons, such as rent arrears or conflict with neighbours. However, reasons for leaving vary according to the duration of the tenancy, with positive exits increasing with longer tenures. Among those that left within 11 months of their tenancy commencing, 64 per cent left for negative reasons, while among those that had been housed for 24 months or more 49 per cent left for negative reasons. Newman and Samiloff (2005), in their study of public housing tenancies in Victoria, reported similar findings.

Reducing the number of formerly homeless people re-entering homelessness is the area where direct government intervention has the greatest capacity to deliver strong results. Our view is that, coupled with structural reform in the housing market, a policy focus on **reducing to zero re-entries into homelessness by targeting formerly homeless households in social housing** makes sense. It makes sense because the target population is easy to identify. It makes sense because the economic and social benefits are substantial. And, it makes sense because the impact of any intervention designed to reduce re-entries would be relatively easy to measure, and hence contribute to a more accountable sector.

This is not a new issue. Indeed, policies aimed at reducing cycling in and out of social housing have been in the minds of Australian policy makers for a decade or more. There are existing programs that work to stabilise high risk tenancies (e.g. Green Light and Tenancy Plus). However, they are insufficiently scaled to reduce the flow in any meaningful way. Further, they are poorly integrated with social housing providers and often only work with specific, narrowly defined sub-populations. Finally, the way the SHS is configured and funded in Victoria, with a focus on remedial action, means that effective post settlement support is not a viable option for most support agencies.

Assisting formerly homeless people to retain their social housing tenancies requires several measures. First, better coordination between support providers and landlords. This can be achieved by co-locating support agencies within Housing Associations. Assistance would be targeted to new tenants with a past history of protracted homelessness and tenancy breakdown, who could be identified at sign up. Tenancies where signs of breakdown emerge should also be targeted.

Second, policy makers need to encourage a housing focused culture in support agencies, particularly agencies from a clinical / health background who often consider the procurement and maintenance of housing outside of their role.

Third, to ensure social housing providers don't pick less risky tenancies, Housing Associations should be incentivised to continue to work with high risk groups. Presently, it is entirely logical for individual social housing providers to preference low risk groups[1]. This is not beneficial to the system as a whole, but on a case-by-case basis, there are few incentives to do otherwise.

**Summary**

In summary, to address homelessness in Victoria we urge the committee to consider:

1.  Recommending a **significant and sustained investment** in increasing the supply of social housing.

2.  Encouraging the Victorian Government to adopt a **systems driven approach** that plans for both a) limiting first time homelessness, and b) reducing re-entry into homelessness.

3.  Endorsing a shift in the Specialist Homelessness Service system from '**supporting'** individuals to 'housing' them and '**keeping' them housed**. Such a shift would require an explicit policy goal of **reducing to zero re-entries into homelessness by targeting formerly homeless households in social housing.**

4.  **To achieve a zero re-entries goal,** effort needs to be directed towards ensuring adequate support to social housing tenants, particularly tenants with a history of episodic homelessness.

5.  Making support agencies **more accountable** for the **housing outcomes** of the homeless households they work with.

6.  Finally, social housing providers need to be **incentivised** to take on high risk groups. Otherwise they will be entirely logical to not do so.

Putting in place these ideas will finally lay a solid foundation on which the subsequent work required to end homelessness can build.

---

[1] Although social housing providers report a high and increasing percentage of 'greatest need' tenants, the definition of greatest need is so blunt as to render it virtually meaningless. Housing a formerly chronically homeless individual is likely to bring different tenancy challenges than housing someone at risk of homelessness because of high rental costs. Both are defined as 'greatest need'.

**References**

Atun, R. (2012). Health systems, systems thinking and innovation. *Health policy and planning*, 27, iv4-iv8.

Australian Bureau of Statistics (2014). *4159.0 General Social Survey: Summary Results, Australia*, 2014 Canberra: Australian Bureau of Statistics.

Australian Bureau of Statistics (2018). *Census of Population and Housing: Estimating homelessness*, 2016 Canberra: Australian Bureau of Statistics.

Australian Institute of Health and Welfare. (2018). *Housing assistance in Australia 2018*. Retrieved 31 August 2018, from https://www.aihw.gov.au/reports/housing-assistance/housing-assistance-in-australia-2018/contents/housing-in-australia

Bermingham, S. and Y. Park (2013). NSW public housing and AHO - Tenancy exits and subsequent assistance. National Housing Conference. Adelaide, 30 Oct - 3 Nov.

Downing, J. (2016). The health effects of the foreclosure crisis and unaffordable housing: A systematic review and explanation of evidence. *Social Science & Medicine*, 162, 88–96. https://doi.org/10.1016/j.socscimed.2016.06.014

Johnson, G., Gronda, H. & & Coutts, S. (2008). *On the Outside: Pathways in and out of homelessness*. Melbourne, Australian Scholarly Press

Johnson, G., Scutella, R., Tseng, Y. & Wood, G. (2018). How do housing and labour markets affect individual homelessness? *Housing Studies,* 34**,** 1089-1116.

Johnson, G, McCallum, S & Watson, J (2019). *Who stays, who leaves, and why? Occupancy attens at Unison Housing between 2014 and 2016*. Unison Housing, Melbourne.

Newman., T. & Samoiloff, J. (2005). Sustaining tenancies. National Housing Conference, 2005 Perth.

Parliament of Victoria: Legal and Social Issues Committee (2018). *Inquiry into the Public Housing Renewal Program*. Melbourne, Victorian Goivernment Printer.

Productivity Commission. (2018). *Introducing Competition and Informed User Choice into Human Services: Reforms to Human Services - Productivity Commission Inquiry Report*. Retrieved 12 April 2018, from http://www.pc.gov.au/inquiries/completed/human-services/reforms/report

Seelig, T., M. O'Flaherty, M. Haynes and J. Han (2008). *Housing consumption patterns and earning behaviour of income support recipients over time*. Melbourne, Australian Housing and Urban Research Institute.

Wiesel, I., H. Pawson, W. Stone, S. Herath and S. Mcnelis (2014). *Social housing exits: incidence, motivations and consequences*. Melbourne, Australian Housing and Urban Research Institute.