

TRANSCRIPT

LEGISLATIVE COUNCIL LEGAL AND SOCIAL ISSUES COMMITTEE

Inquiry into Homelessness in Victoria

Melbourne—Friday, 22 November 2019

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WITNESS

Professor Guy Johnson, Inaugural Unison Chair of Urban Housing and Homelessness, RMIT University.

The CHAIR: I will declare open the Standing Committee on Legal and Social Issues public hearing. I am assuming everyone has got their phones on silent or off.

I would like to begin by respectfully acknowledging the Aboriginal people, the traditional custodians of this land where we are meeting today and pay my respects to their ancestors, elders and families. I particularly want to welcome any elders or community members who are here today to impart their knowledge on this issue.

Welcome, everyone. I am sure you know, Professor, but this is being recorded and it will be available. We are hearing evidence today in relation to our Inquiry into Homelessness in Victoria.

All evidence taken at this hearing is protected by parliamentary privilege as provided by the *Constitution Act 1975* and further subject to the provisions of the Legislative Council standing orders. Therefore the information you give today is protected by law. However, any comment repeated outside the hearing may not be protected. Any deliberately false evidence or misleading of the Committee may be considered a contempt of Parliament.

All evidence is being recorded. You will be provided with a proof version of the transcript in the next few days. The transcripts will ultimately be made public and posted on our website.

Thank you very much, and thank you for sending the slides beforehand. If you would like to make a few comments, then we can turn to questions. Thank you.

Prof. JOHNSON: Sure. Firstly, thank you for the opportunity to speak today. My name is Guy Johnson. I am Professor of Urban Housing and Homelessness at RMIT University. I am also the director of the Unison Housing Research Lab as well. I have been involved in this area for over 30 years, first as a practitioner and then as a researcher. My research focuses on what is known as the dynamics of homelessness, and this involves examining two fundamental questions. The first question is: why do some people become homeless when others in very similar social and economic circumstances do not? And why do some people get trapped in the homeless population when others get out relatively quickly?

I know time is limited, but I want to give you a very short history. Starting in the 1970s the homeless population changed. A number of studies noted that the homeless population was no longer confined to destitute men and women on skid row but started to include women, families and young people. This is often understood as a shift from skid row to mass or new homelessness. This is important to know. Some of you might recall the 1970s was an era characterised by rising prices and rising unemployment. In short, when mass homelessness first emerged economic conditions were extremely poor. Yet in the last two decades we have enjoyed relatively strong economic growth, so the obvious question is why has homelessness not only persisted but increased? It would seem that fundamental changes in the housing market are the key here. Rising levels of housing unaffordability coupled with declining investment in social housing are now the primary drivers of housing insecurity and homelessness.

Why might this be important for you to know? Well, commentators from around the world are talking about an economic slowdown. Australia has weathered economic challenges before and it might well do so again, but if unemployment rises and housing market conditions remain much the same, we will be confronted by a situation we have never faced before. Two structural drivers that have such powerful independent effects may converge, and the result could well be unprecedented levels of housing insecurity across the country. I will make the point, though, social scientists are hopeless at prediction, and so I hope I am wrong. But it does add some further urgency to a situation that has required urgent, nonpartisan political attention for a number of years.

Before I talk about homelessness and how to end it, I would like to offer a word of caution. Most likely you will be flooded with many facts and figures in the coming months. Some of the work will be very good, some of it will be excellent and some of it will not stand up to critical scrutiny. Indeed, key sources of information such as

the ABS and data from the Australian Institute of Health and Welfare have serious limitations. Sorting through the evidence will be one of the biggest challenges you face.

Let me just start with some general observations about the homeless population. We have strong evidence that it is a heterogeneous population. It includes single people and families, young and old people, migrants and Australian-born people, and Indigenous people as well. They are all affected by homelessness. We know that homelessness is now a highly gendered phenomenon and that women's experience of homelessness is very different to men's. We know that levels of psychological distress rise significantly with the onset of homelessness. We know that pathways into homelessness vary but that people's biographies—what has happened to them in the past—influence the trajectory they follow. We know that some people's circumstances are extremely complex but most people's are not. We know that a small number of people spend a lot of time in the homeless population but most people do not, and we find this sort of variation across every group, be it by age, by gender or by household type.

We have clear evidence that poverty is the common denominator. We are not all one pay cheque away from homelessness—homelessness typically affects those in the community with the least social, economic and cultural capital. For disadvantaged households, homelessness is often precipitated by a shock, a sudden, unexpected change in circumstances. These include financial shocks, relationship shocks, housing shocks and health shocks. The key point here is shocks are unpredictable; we cannot predict when someone will experience a shock. We have some evidence that issues thought to be a precursor to homelessness, such as mental illness and substance abuse, often emerge afterwards. We have good evidence that duration matters: the longer people are homeless, the more complex and costly it is to resolve their situation.

We also know that some groups are disproportionately represented in the population: Indigenous people, people who have experienced adverse childhood experiences, including time in state care, and people who have been incarcerated, to name three high-rate groups. We have evidence that the spatial distribution of homelessness is much broader than in the past. While rates are still highest in the cities, suburban, country and remote areas are all affected by homelessness as well, and homelessness outside of cities presents unique challenges often not fully understood by our policymakers.

We know that many people who experience homelessness will sleep rough, but only a few do on a more or less permanent basis. The most common pattern is one of residential instability where people move from one form of temporary accommodation to another. This shatters connections to place and to people. We know that the long-term homeless often travel an institutional circuit which involves repeated spells in crisis facilities, boarding houses, emergency and psych wards, and the justice system. The cost is very high.

Finally and perhaps most crucially, homelessness is a highly stigmatising experience that structures interactions between individuals and between institutions. The stigma of homelessness is hard to shake. It follows people well after they exit homelessness.

It all begs the question: what have we tried to do? Since the 1980s there has been a nationwide response to homelessness. Australia is one of the only countries to do this, and Victoria has often led the way. But the basic building blocks of the current system were designed in the 1980s and 1990s, when housing market conditions were much more benign. At the time short-term interventions such as crisis accommodation made sense, but their relevance today is questionable.

What is most concerning to me is that here in Victoria there has never been a rigorous evaluation of our flagship programs, the transitional housing management program or the crisis accommodation program. This means that even after decades of operation we have no reliable data on the efficacy of these systems or whether they represent good value for money. What we do know about the specialist homeless service system is disconcerting. Data from the Australian Institute of Health and Welfare shows that across the country six out of every 10 people experiencing homelessness that are supported by specialist homeless services are still homeless when that support ends.

The institutional response has been to periodically launch homeless strategies ostensibly designed to reduce homelessness. In 2000 we had the *Victorian Homelessness Strategy*, in 2001 the *National Homelessness Strategy*, in 2008 another national homelessness strategy, in 2010 another Victorian homelessness strategy, in

2013 the *Victorian Homelessness Action Plan*, in 2018 the *Victorian Homelessness and Rough Sleeping Action Plan*, and I think another strategy is imminent. What did they achieve? These strategies have resulted in some increases in funding and some refocusing of attention, but they have never addressed the root causes of homelessness in a substantive or meaningful way.

Visual presentation.

Prof. JOHNSON: If I turn your attention to the slide, we can see, based on data from the Productivity Commission—if we look at that blue line—net recurrent funding, the blue line, has consistently increased since 2001. So have the number of people who use specialist homeless services—the orange line that cuts through it and below it at times. But so too has the number of homeless people as counted by the ABS—the bottom set of pillars. We are spending more than ever, but we are going backwards. This is not to say agencies and workers are not doing their best, rather a poorly designed system, combined with external factors such as increasing rents, declining affordability and the dismantling of the safety net, means the homeless service system as it is currently configured can never—and I must stress this, never—achieve the goal of reducing homelessness.

If you think you can end homelessness by tinkering with our homeless service system, thereby increasing funding or refocusing on some new priority, you will be disappointed with the results. So this logically leads to the question: how do we end homelessness? You can only end homelessness by preventing it, so let me start with prevention. To quote a colleague from the US, prevention is hard. It is hard because the onset of homelessness is inherently unpredictable. But in Australia we have some good data, arguably some of the best in the world. This data gives us some idea of what we might do to prevent homelessness. Drawing on data from this Journeys Home study, three colleagues and I estimated the effects of individual characteristics and housing and labour market conditions on the probability of entering homelessness.

I will bring up the next slide. If you have a look at the slide, we estimate various characteristics that increase the probability of entering homelessness include people who identify as an Aboriginal or Torres Strait Islander background, if they have ever been in state care, if they have ever slept rough, if they have recently lost their job, if they have experienced violence recently and alcohol and drug consumption. I do not think anyone would be surprised by that list. What is surprising, though, is the statistical significance of these issues is much weaker than previously thought. This draws attention to the vulnerability induced by disadvantage and poverty, the vulnerability of low-income households to unpredictable shocks outside of their control. And it is also worth pointing out these factors interact with structural conditions. We find that the significance of various risk factors is higher in areas where housing market conditions are tight.

We also examined what factors reduce the probability of entering homelessness—what we call preventative factors. I can show you what came up. Education—education matters. Time employed—if you have spent more time employed recently, you are more likely to pull yourself out. An interesting one is the third one. People who are diagnosed with bipolar or schizophrenia are less likely to fall than other people in similar economic circumstances who did not have that. People who had children. People who had good, strong social support and community housing. Community housing was very important. People who are in community housing are less likely to fall into the population. But what stood out was public housing. The magnitude of its effect was many times greater than anything else. This is not to say that public housing is inherently better than community housing. Rather it draws attention to the fact the financial model underpinning community housing is inappropriate and that deeper subsidies are required. Social housing providers are effectively being punished for doing the right thing. They wear more risk of arrears and of damage. Public housing authorities wear this, but they are going broke. Housing associations cannot. In the context of a policy pushing Victoria to grow housing associations and a push for them to house the most disadvantaged, there is a serious risk that if this is not sorted out, there will be an inevitable drift to tenancies that ensure housing associations can remain financially viable. This will exacerbate the problem.

So back to the point: the best empirical evidence we have shows quite unequivocally that affordable housing is the best way to prevent homelessness. Along with a clear and urgent need to increase the supply of affordable housing, a relatively straightforward and productive strategy would be to focus on blocking institutional pathways into homelessness. There has been some attention to this. Rudd's 'No Exits into Homelessness' policy is a starting point, but saying something and doing something is another matter. The four key institutional pathways you might look at are state out-of-home care, hospitals, social housing and the justice

system. There has been policy and program work in all of these areas, but it does not go anywhere near deep enough.

Let me provide two examples to you. Drawing on data from Unison Housing, we looked at groups which were most likely to lose their housing. We looked at what sort of housing they were in a prior to entering social housing. The next slide shows the percentage of tenancies that remained intact over an 18-month period, and we see marked differences based on entry type. Fully three-quarters of those who were housed prior to allocation were still housed after 18 months—the top line, the orange line. But just over half of the homeless retained their tenancies, and amongst those who were in an institution prior to moving into Unison Housing just over a quarter retained their tenancies after 18 months. What is the point in spending all of that energy in getting someone into housing if we do not support them to keep it?

We also know more about the relationship between incarceration and homelessness. In a recent study we found that homelessness does not lead to incarceration but incarceration leads to homelessness. Existing programs focus on discharge, and that makes sense. Our data showed that the risk level on discharge was moderately significant. But we found that when people do leave prison and get housing, the honeymoon period often ends after six months. Then the risk of homelessness emerges and remains for another 12 months—that is, we found a delayed and extended period of risk. Existing programs by and large do not go long enough or deep enough to mitigate this risk fully.

Finally, we know properly funded and designed housing first approaches can provide a pathway out of homelessness for the chronically homeless. Chronically homeless people can maintain housing if they are given the right level of support and access to appropriate, affordable, quality housing. But if we move towards a housing first approach, we need to remember that most of the evidence comes from North America, where social and economic conditions are very different. And despite the results consistently showing high rates of housing retention, the evidence for cost savings and improvements in other areas of people's lives is uneven.

Most importantly, permanent supportive housing and housing first do not block the pathway to chronic homelessness. They are not about prevention. What politicians and the public need to understand is that a lack of affordable housing is not only a key factor associated with the onset of homelessness, it is a major contributor to systemic blockages. With no housing for people to exit to, they stay in our system for longer or they are exited into inappropriate housing or homelessness in order for agencies to meet dubious performance indicators. Remember, this was a system designed when housing market conditions were much more benign.

Over the years various governments have tried to reform the homeless service system but without growing the supply of affordable housing stock, the inflows into the system continue to exceed the outflows. This is why the numbers continue to rise and why the homeless service system remains blocked, broken and dysfunctional. In short, ending homelessness by definition requires that the outflows from homelessness exceed inflows for a period long enough to reduce the pool of currently homeless people to zero. You cannot achieve this by funding more support programs but you can by increasing the supply of affordable housing.

When you think about what government might do, I would ask that you bear in mind one question: does the response we propose grow the homeless service system or does it grow the solution? Only if it is the latter, can we claim we are moving down a path towards ending homelessness. Thank you.

The CHAIR: I almost want to clap after that. Thank you. That was really informative and you managed to get an awful lot in there in that small time. I would like to ask the first question. Looking at the slide where you looked at the tenancy loss rate. We have seen this in a lot of the submissions: that if someone is in housing, the success of keeping them in housing is much higher. What are the reasons why those that are homeless or those that come out of institutions are not able to stay in housing?

Prof. JOHNSON: There is probably a range of issues. I can think of a few examples we have found through research for instance. Often we see the cessation of support, so they are without any support of any kind. What we have found is often people do not need intensive support at that stage, they need what we can call a light touch. That is where a string of small problems which can be easily resolved by a support worker all pile up and they create a bigger crisis, and responses to crises in the past historically have not necessarily been productive

in terms of maintaining housing. So it is not necessarily complex problems that emerge; it is a string of small problems.

Remember as well for a lot of the long-term homeless, they have not managed a house for a long, long time. Maintaining a house is in fact quite a complex and challenging activity. Another thing that happens is some of the social networks that emerge, particularly amongst the longer term homeless, can tend to follow them, and unless we see a break with those homeless networks, they can compromise their housing stability along the way.

Another issue—and it is a particularly tricky issue—is drugs and alcohol, and it is not necessarily about their drug and alcohol use, it can be their neighbour's drug and alcohol use. So when we see this concentration of people with complex issues, you do see the transmission—you see the problems affecting everyone, not only those with those problems. So there are a range of things, and my point would be that for some people they will need ongoing and quite intensive support. For some people, they will need just a light touch, but for most people who have a very short experience of homelessness, they will not need anything at all.

One of the things that we know from ABS data is that about 40 per cent of the people who ever experience homelessness in their lives never use the homeless service system at all. They do not need to—pure economic conditions. They are fully functional, capable and so forth, and most of the people that actually use the homeless service system do not have that level of complex needs.

So we have got to be careful, when we talk about the homeless, which segment of the population we are talking about. Those that are going into social housing, there has been a focus on the most disadvantaged. So they are often those people who do have long-term and sometimes quite complex needs. So the issue there is about making sure the right sort of support is available at the right time. One of the things that we do not know and no-one around the world knows—and they use a terrible term; they use the term 'dosage'—is how much support do people use. It is a classic medical term. We do not know. And when we have inflexible funding guidelines which say that you have to give client X this much support, client X may need that much support, they made need more and they may need less.

I will move on. I can give you a good example from when we did an evaluation of a program called the Journey to Social Inclusion. It was a randomised control trial. It was a pretty solid study. That was three years of intensive support for people at the very, very sharp end of the population, and a pattern emerged. About a third did not need that three years, about a third did, and about a third are going to need support for the rest of their lives. That is very hard for policymakers. Now remember, this is the sharp end of a sharp spear. Nevertheless, it shows variation even amongst the chronically homeless.

The CHAIR: I have got another question, but I will pass over to Dr Kieu.

Dr KIEU: Thank you, Professor Johnson, very comprehensive and a lot of data. So the data comes from the US, not from Australia?

Prof. JOHNSON: No, no, it is Australian. It was one of the most bizarre things. When Kevin Rudd came into power they put about \$11 million into research. They took \$5 million out and they funded—which was run by Melbourne Uni, the Institute of Applied Economic and Social Research—a study called Journeys Home. It is the only study in the world which is longitudinal and it has at-risk, vulnerable and currently homeless. It is the only study in the world where you can actually estimate and model the likelihood of people falling into the population, because the bottom line is that homelessness is in fact quite a rare event. If we took a big sample of what we thought were people who were vulnerable, most of them are not going to fall in. So this, by its relationship with Centrelink and so forth, I strongly urge the panel to look closely at Journeys Home and also the work that has come out of it. It is held by, as I say, Melbourne Uni, the institute up there.

Dr KIEU: Just to follow-on with the support, you reached the conclusion that the supply of affordable housing is the key ingredient to resolve homelessness or to help the homeless people. With the people who have been supported for shorter terms like six months or 12 months, what do you think about the support available, particularly in this state of Victoria? Because there are some concerns that there are different agencies—they could be not-for-profit organisations, they could be state—but they are not providing the right

support, that they are not providing the length of time required for the support and they may not be coordinating together in the right way, and this may make the situation become more complicated for people who would like to search for some support if they come to that point. As you just mentioned, 40 per cent of homeless people would not be seeking any help at all.

Prof. JOHNSON: Okay. A couple of points. Most people who come into the homeless service system in Victoria do not get support. Most of them come through high-volume services and are given a very short intervention. It could be a Housing Establishment Fund or something along those lines. These are very short, almost meaningless, interventions, okay? For those that do get into support, we have never done a rigorous study around support agencies. There appears to be considerable variation based upon organisational funding, based upon organisational design, based upon organisational ideology and based upon organisational history. We do not know much about what support agencies are actually doing in terms of why some appear to be getting reasonable outcomes and others do not. It has been a big black box which no-one has sought to investigate as far as I am aware. So what we have got in the main is anecdotal evidence that there are good services out there and that there are bad services out there. Why are some good and why are some bad? No-one can tell me. I do not have the evidence, I do not think anyone does. It is an issue that needs some investigation.

Ms LOVELL: If we had been re-elected after the election in 2014, after the election we were to look at all of those services that you mentioned before, like the transitional housing model and even possibly re-tendering to make sure that the money that is available is focused on actually delivering outcomes rather than just throughput. You have told us about a lot of the problems with the system, and I am very aware that there are a lot of problems, but just bearing in mind that governments have limited budgets—so I am not asking for a pie-in-the-sky answer—what would be your priorities? If you were the minister tomorrow, what would be your three priorities to address?

Prof. JOHNSON: I mean, I have been asked that question before and I do always struggle a little bit in some ways. Clearly, I made the point it is about affordable housing. You are not going to get any traction anywhere around this problem; it is going to get worse for you. I have been around for a long time. I know there are lots of claims and so forth, but it is now a visible issue. It has never been a visible issue in my entire time of dealing with it. I worry about some of the estimates. I think there is some overclaiming in terms of some of the estimates of homelessness.

Ms LOVELL: Yes.

Prof. JOHNSON: I think that ultimately undermines issue. I think we have a serious problem, and I do not think we need to overinflate the size of the problem. So apart from housing, which I just say is just head and shoulders above the rest: unless you do something about that, the rest is tinkering, and I have said that.

I would start paying attention to some of the work that has been done in other countries. There is a fascinating study: a large randomised controlled trial from America called the housing options study. It showed that rapid rehousing was much cheaper and more effective than transitional housing. We have put a lot of money into transitional housing, and yet here was a cheaper and more effective option. What it also found, very clearly, was very effective was housing vouchers—housing subsidies. One of the things that I have talked about is the housing market. One of the things I have not talked about is the fact that our welfare structure has declined over the years. It is been pulled apart. It is interesting when you look at other countries that are doing well. You find that they often have a much higher supply of affordable housing in terms of social housing, but some countries do not, and I give the example of Norway. It has about the same level of affordable housing as we do, and it has a high rate of home ownership as we do. But it has a much more extensive safety net, and people can then survive in the private rental market. So it is a bit of a balancing act in some ways. You have got to have a look at how these sorts of levers work in different ways. So I would look to other studies because there are other ways of doing it.

But one of the things that came clearly out of the housing options study was that people wanted vouchers, and the reason they wanted vouchers was that they were an ongoing subsidy and they knew that they were going to be poor for a long time and that a short-term intervention—be it a rapid rehousing intervention or a transitional housing intervention—was not going to last, so they wanted something that would provide the long-term security.

I want you to come back to this idea that these are economic shocks, or some form of shock that sort of imperils people. The classic, when we have done interviews, story that people will say is, 'I suddenly got a big bill, and I made a decision to pay that bill rather than the rent', and the rent falls behind and so forth and it spirals down. People are right on the margins and it does not take much to push them in. They do not have mental health problems, they do not have substance use problems; they are simply poor. So we need to do more to insulate people who are on the edges or on the margins of our society to make sure that they do not tip over. So housing, and then I would have a look program design.

This homeless service system is just a accumulation funding initiatives over 20 or 30 years. My understanding is that we now have people funded that are called service navigators: they help people navigate the system. If that says anything to me, it says that we have a complex, confusing system, okay?

Mr BARTON: There is a problem with the system.

Prof. JOHNSON: How do you pull apart a system is probably the bigger question that I think that people face. How do you pull it apart fairly and equitably to retain the good parts and get rid of the bad parts? That is a much more challenging issue that you face.

Ms LOVELL: Yes, I agree with you on that definition of homelessness. I was staggered when I was first a minister to find out that I had been homeless twice in my life: once when my parents built a new house and we moved back in with my grandparents and once when I renovated and moved back in with my parents. We need to really focus on what the homeless numbers truly are rather than that broader sector.

You talked about housing vouchers. How do they differ to rental subsidies? Obviously anyone who is on a low income has access to rental subsidies here in Australia, and they are long term. What other models around the world could you point us to? There are things like in New York they have rent-controlled apartments. What are the good models?

Prof. JOHNSON: I am talking about the voucher system in the States called HUD-VASH, or section 8 vouchers, and they are tied to local market conditions. The biggest issue that we have in Australia is we have a fixed rate for rental assistance and it is not tied to local conditions. So someone in one area where housing is relatively cheap will be getting essentially the same subsidy as someone who is trying to afford to live on a low income in a single unit in the city. HUD-VASH seems to work, and they put a lot of money into that. Mind you, the American system is very different. Sorry, there was another question.

Ms LOVELL: Other models in the world that work well.

Prof. JOHNSON: I would spend some time looking at that because it has been extensively researched. You will find some good data on that. It will not solve everything, but it is certainly a move forward from the rather inflexible model that we currently have with RA.

Can I just raise one other issue that has come up which a number of studies in the States have looked at, and it is around this complementary policy action. Often we work around homelessness in its own silo. A number of really strong studies have found that if you increase homeless funding, the rate of homelessness goes up as well.

The CHAIR: Well, your slide seems to indicate that as well.

Prof. JOHNSON: Yes. Mind you, nearly half of the people who are using the homeless service system are not homeless, and that is an important point to bear in mind. Complementary policy—a number of researchers have looked into this and they have found that if you increase funding just solely in homelessness, the rate of homelessness goes up. But if you increase funding for homelessness along with housing—they are talking about low-income housing tax credits with premiums attached to those who do permanent supportive housing—if you increase funding for that at the same time and make sure they are targeted and linked, you actually do get declines in homelessness. So there is no point putting in homelessness funding in and of itself, but if you can tie it in with these quite innovative methods to attract investors, like low-income tax credits, you may start to get some traction.

You have got the whole infrastructure out there. You have got these networks—I do not know what they do. But trying to tie this and coordinate this so that housing comes on board, where there is sufficient supply of support agencies you could build a very strong permanent supportive housing system using existing resources and then these new initiatives around low-income tax credits.

Ms VAGHELA: Thank you, Professor Johnson, for providing us the research-based information. You have provided us with a lot of information today. You also mentioned what I understood was that we have not been able to tackle homelessness because we are not basically addressing the root cause of what the problem is. I understand you were established in 2017, and you must have had a lot of data. How often do you provide this data? Because you have got so much information. To whom do you provide it? Do you wait? Because if the funding is for five years, do you wait for five years and then provide the information to someone, or on an annual basis? So how often do you provide it and to whom do you provide it? And once you have provided it, have you seen that some sort of action has been taken on the information that you have provided?

Prof. JOHNSON: It is a good question because the issue there is an issue that universities love to focus on these days: what impact in the real world do you have? One of the problems we have with Journeys Home is that a lot of the studies have been undertaken by economists who are simply interested in publishing in high-quality academic journals that no-one reads. So we have got a whole body of knowledge out there around duration, around risk, around violence and around food security and all those things that no-one reads, and that is a real problem.

The work that we do we try to release publicly as soon as it is available, whether it is peer reviewed or not. Peer review is important. I can write an article and make any claim in the world and because I am a professor some people may believe it. If it is peer reviewed, you should believe it—well, at least have more faith in it than something that is just written up. This comes back to a question of what constitutes good evidence in this game, and that is a very, very challenging issue. I have been around in the game for 30 years. I have always tried to make sure that the work is available and of relevance to policymakers. Whether policymakers or politicians read it is another question altogether.

I came in. I left the system with a view that research was a way to move social change and to engage around social change. I was a little bit naive in some ways. There are a lot of mechanisms that drive policy, and research is but one of them. I recognise that. But nevertheless, sound policy needs sound evidence. I am not saying my work is perfect and I am not saying that there is not other good work out there, but there is a lot of noise out there as well, and sorting through that is hard.

Mr BARTON: Thank you, Professor. My question is similar but slightly different. In terms of subtle policy or philosophical changes, what would make the biggest difference in preventing homelessness? For example, keeping people in their homes before they get kicked out. There must be some studies around that, the cost of keeping people in their homes rather than when they drop the ball and things go pear-shaped for them.

Prof. JOHNSON: Sure. Understanding prevention is hard because how can you tell you have prevented something that does not happen? It is one of those metalogical challenges that really means, 'Okay, we're going to say we're going to prevent homelessness for this group. None of them became homeless'. But how many of them would have become homeless anyway? That makes it very hard.

One of the things that we know about prevention is that it is potentially very costly because you have to go broad. Even in those high-risk groups—state care—which you target, some of the people who are going to get services were never going to become homeless anyway. We can identify populations, but we cannot identify individuals. No-one can. No-one ever will. If anyone comes in here talking about the capacity to predict anything, they are telling you chook feed. That is the challenge that we have. That means that from a policy perspective you have got to be careful because it potentially is very, very costly. But clearly having some of those broader, how shall I say, structural drivers—having more sensitivity to the issues that people at the bottom end of the ladder face around affordability and around having a lack of income—they are really important. They are the things that seem to matter.

Additionally, we start to see things like social support. That is really important. When you have a look at the single population, they often have no family—they have no family support at all—and that really, really matters. We see in the long term education matters. Governments know that.

They are the sorts of things we need to focus on. You are not going to solve this in the short term—this is a long-term issue—but you need to get the building blocks right. The first building block is to shift the system away from a support base system—that is, people need support because they have got some sort of problem—to a housing-led situation. That is the way they are doing it in other countries: not housing first, housing-led. Housing sits at the centre of solving this problem. Some people will need support, some do not, but housing sits at the centre, and that is how you build a new system that will work.

The CHAIR: Just finally, adding on to that, so why have governments not done this? Is there an economic driver to governments choosing not to? We know housing is head and shoulders above everything else.

Prof. JOHNSON: We are privileged: the private market is a solution in terms of housing. It works very well for most of the population. There is no issues with that at all. But the private market does not want to go in the lower end of the market—the yield is too small. There is a role for the state, and if we push too far and forget the state has a role, then we get these problems. Now I am not saying that we are going to shift back and become 40 per cent social housing like some countries, but we need to recognise the limitations of the market. We have either got to encourage them in some ways, through some sort of incentivisation, to get involved or take a direct role ourselves in the market. There is no doubt about that at all.

Ms LOVELL: That is the problem with community housing. As you said, they go for the higher end of the people that they can house rather than the lower end, which pushes all the low-end people into public housing, which is why public housing is going broke. So public housing, charging 25 per cent of their income; community housing, 30 per cent plus rent.

Prof. JOHNSON: The data on who is being housed is not clear—it is not clear who is being housed. We may well be comparing apples and oranges. If you have a look at the definition of high-need that is used, it includes people who are struggling to pay rent along with people who have been chronically homeless. They are very different populations to service. We need much better data. Unison—does that stack up with other housing providers? I have no idea. We could well be comparing apples and oranges. They could well have a very complex client group given the profile of their housing stock—a lot of singles. We do not know, and it is one of the great bugbears that we do not know whether we are comparing apples and oranges. We do not know who is cherry-picking, but we can understand the reasons why you might because your financial viability might require that.

Ms LOVELL: We know how many they are taking off the priority list, though.

Prof. JOHNSON: Starting to now, yes.

Ms LOVELL: We always knew that.

Prof. JOHNSON: But even that is very vague. You can take a person who is chronically homeless or a person who is over 55. I know from a tenancy management's perspective which one I would prefer. But they are both high-need and off that same list.

Dr KIEU: A last question from myself. You say that with the increase in support and funding there could be a rise in homelessness and also some people are receiving the welfare but they spend money on something else, like drugs or alcohol. What is your thought about separation, partitioning the welfare into two components: one for housing only and one for living costs?

Prof. JOHNSON: I would be very cautious, to say the least. It is interesting, in Germany if you receive a government benefit, it is required that your housing payments are taken out. You cannot shift that. Now the issue over here is that we can direct debit, and housing providers seem to suggest that this can make a difference, but it is voluntary not mandatory. It is a dangerous path to go down, to make these sorts of things mandatory. Nevertheless, it does raise some interesting questions: the fact that direct debit does ensure that people have and maintain their housing or at least can afford it. But it is a very slippery slope once you go down

there. Once you quarantine payments for housing, why not quarantine them for other things? Certainly the evidence from the intervention in Australia is mixed, to say the least.

The CHAIR: Thank you.

Prof. JOHNSON: My pleasure.

The CHAIR: Professor Johnson, that was fantastic. Really appreciate it. As I mentioned before, you will get a transcript of this session and you can make any small changes that you like. But very much appreciate the time you have given us.

Prof. JOHNSON: Good luck to you all.

Dr KIEU: Thank you very much.

Witness withdrew.