

# TRANSCRIPT

## LEGISLATIVE COUNCIL LEGAL AND SOCIAL ISSUES COMMITTEE

### Inquiry into Homelessness in Victoria

Melbourne—Friday, 22 November 2019

#### MEMBERS

Ms Fiona Patten—Chair

Dr Tien Kieu—Deputy Chair

Ms Jane Garrett

Ms Wendy Lovell

Ms Tania Maxwell

Mr Craig Ondarchie

Dr Samantha Ratnam

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#### PARTICIPATING MEMBERS

Ms Melina Bath

Mr Rodney Barton

Ms Georgie Crozier

Dr Catherine Cumming

Mr Enver Erdogan

Mr Stuart Grimley

Mr David Limbrick

Mr Edward O'Donohue

Mr Tim Quilty

**WITNESS**

Ms Cathy Humphrey, CEO, Sacred Heart Mission, and Chair, Council to Homeless Persons board.

**The CHAIR:** I do not know whether you were here earlier, but this is being broadcast live and also it is being recorded.

All the evidence taken here today is protected by parliamentary privilege, which means that any information you give today is protected by law. Of course if you were to, say, make the same comments outside this place, they may not be protected. Any deliberately false or misleading evidence to the Committee may be considered contempt of Parliament. You will be given a proof of the transcript a few days after today.

If you would like to make some opening remarks, then we will open it up for questions from the Committee.

**Ms HUMPHREY:** Terrific. I have got a short presentation that I will take us through. It is only three slides.

**The CHAIR:** Wonderful. And thank you for sending those through.

**Ms HUMPHREY:** You are welcome. I know we did supplement that for the Committee with some extra information, so if I do kind of be a bit superficial, hopefully you will have a deeper dive in the material I have provided.

**The CHAIR:** Absolutely. I think, given the short time and given the breadth of your information, that is worth noting.

**Ms HUMPHREY:** Thank you. Thank you for the invitation to come and present. Sacred Heart Mission is really strongly encouraged that the Victorian Parliament has taken a strong interest in homelessness, so we really look forward to the deliberations of this Committee. Just a bit of an introduction to Sacred Heart Mission: we are based in St Kilda in metropolitan Melbourne. We provide services to mostly adults and older adults. We do have some families come to us from time to time, but we certainly would not say that that is our expertise in terms of providing services. It is really for the adult and older adult populations. We operate the largest engagement hub in Melbourne, with over 400 people coming each day, 365 days of the year, to our dining hall for breakfast and lunch. That allows us to work in a very unique and deliberate way with people experiencing homelessness but broadly people experiencing disadvantage, but also people who we want to keep sustained in housing. It also acts as not only a meal service but as a vehicle to keep people connected to community and keep them sustained in their housing. So it is almost a preventative mechanism but also an early intervention.

**Visual presentation.**

**Ms HUMPHREY:** What I do want to take you through is some of our data. What I really want to talk to the Committee about is more about our experience but within that context of the issues within Victoria. I know that is going to be really hard to read, for the Committee, but it is in your notes. We have about 7000 people that come to our engagement hubs over a year. Of those about 900 people actively engage in what we call individualised support. They actively want to engage one-on-one with a support worker around their needs. Of those 900 who present, 54 per cent present at housing risk. So they are housed, but there are a number of factors that are creating challenges for them to keep their housing. What we do really well is keep those people housed. Now, that is a great tick. Ninety-six per cent of those who present, at the end of their support period remain housed. That is a great thing to do, and we want to continue to do that.

But those who present without housing—so that is 46 per cent—at the end of their support period, and sometimes it is one or two support periods, only 11 per cent are housed. Now, that is not good enough. As an organisation, in terms of delivering our purpose, we want to deliver a far better outcome than that. But we know there are two significant constraints for us. One is a lack of housing supply, and I am sure the Committee is going to hear more about that over its deliberation. But the other factor—and I think you have already raised it—is the length and intensity of support available to people. I kind of talk about us working in a 1980s model. I have been around for a long time. I feel like I am a bit of a dinosaur in the sector, even for my young years.

**The CHAIR:** I cannot believe it.

**Ms HUMPHREY:** But the SAAP Act came into being in the 1980s, and in fact the kind of transitional and crisis way of funding the system by and large has not changed since that time.

**The CHAIR:** That is that six and 13 weeks.

**Ms HUMPHREY:** Six and 13 weeks. Really what I want to put to the Committee is a case for unlocking that, for thinking more around a continuum of care that allows the system to work in a very tailored, flexible and responsive way to meet people's needs where they are at but to do that in a really timely way so that every contact someone has with the service system, it delivers an outcome for them. I think that data, for me, is really just highlighting kind of the state of play of a provider in the sector and the challenges that we face, and we certainly want to do better at it.

Unlocking those constraints is really important, but the other issue that I want to raise is also the increasing numbers presenting, not only in the volume of people but also in their complexity of needs. What we are seeing is more people with a mental health diagnosis but also a lot who are not yet diagnosed—who have mental health challenges but have not yet made their way into that specialist system. But we are also seeing more and more people without housing.

I want to lead you to kind of thinking about a solution. I know, again, this is going to be hard to read, but it is in your notes. We have actually mapped the 900 that come through our service across kind of a continuum of need so that we could understand: was their need low, medium or high, and where did people sit across that continuum? If we were to be able to unlock our funding constraints, what would we do differently? What we essentially want to do is be able to engage with people according to their complexity of need and the length of time. Homelessness is one of those examples. If someone is first-time homeless or at risk of homelessness, the length of time that someone needs to be supported is not going to be two or three years. You know, it might be six to 13 weeks, but it might be six months. That depends on a range of other factors that are contributing to their being either at risk of homelessness or first-time homeless.

What we know is everyone's story is different, and not everyone turns up with the same set of circumstances, so we talk about a vulnerability index being the way in which to measure the types of needs people have and then therefore the types of support and the duration of support people might need. Then the support is tailored to an outcome, not tailored to, 'This support will finish in six weeks or 13 weeks or in six months or in three years', so that it works in a very deliberate way to provide a response to that person that delivers two outcomes. One is to get housing and the second is to sustain that housing. And thirdly it is to become independent of the service system, because what we do not want to see is people continuing to re-present to the service system.

We deliver a program that also provides the response at that high need, and we have developed that over 10 years. In fact Sacred Heart Mission designed the model, piloted the model and we are now delivering it under a social impact licence with the Victorian Government. What that does is work at that end of the spectrum where people have been in and out of homelessness for, often, their lifetime. Often people's first experience of homelessness happened as a young person in the family home, and as a result of that cycling in and out of the system their needs are so complex that we do need a three-year program in order to achieve that outcome of sustained housing and hopefully independence of the service system.

So what I really want to encourage the Committee is to think about unlocking those constraints that we have through our funding mechanisms—and they are provided both at a commonwealth and state level—so that the system can work in a way that is tailored and responsive to the client.

In terms of that issue of being funded for outcomes, what I would say is let us start with measuring outcomes—that instead of driving inputs and support episodes, we drive an outcome for the individual. Maybe one day we can progress to outcomes-based funding. I think we are a long way from that, but I think if we can move to thinking about outcomes and therefore impacts—

**The CHAIR:** And measuring them, yes.

**Ms HUMPHREY:** we will come a long way.

So that is my opening statement, and I am happy to have any questions—sorry, I do have one more thing. I just realised I do have one more slide. I was getting away from myself.

Now, Kate mentioned this. It is all well and good to have a robust support model, but alongside that we do need a housing supply solution. We can keep saying, ‘We need 6000 properties per year’, but at the end of the day government is quite constrained in that unless it has the financial means in order to make that possible, so what we have been doing is exploring alternative models. Hopefully you will hear more about that today because the sector is quite innovative in the absence of government being able to come to the table with funding. So we have been looking at that coinvestment approach where we bring in community housing providers of property, funds manage a low-cost debt and tap into those commonwealth-state mechanisms for funding—and philanthropy. I mean philanthropy really want to be at the table for this solution and not just handing out food or volunteering; they want to be at the table and invest in this solution, and I think with tax concessions you can make that possible—we can make that coinvestment possible to achieve some housing supply.

So for Sacred Heart Mission, while we are waiting for this Committee’s deliberations and government to be in a position in which it can invest, we are working behind the scenes to find these innovative approaches, because we want to do better than the current state of play.

**The CHAIR:** Thanks very much, Cathy. Just a quick clarification on that first slide, where you are comparing yourselves to the AIHW figures. Looking at the clients without housing, there is a real difference in the stats. So the situation where that person is housed is 11 per cent for Sacred Heart but it is up at 38 per cent nationally. Is that because of the crisis of housing in Victoria?

**Ms HUMPHREY:** Yes, and we are based in inner-metro Melbourne—

**The CHAIR:** So you are dealing with the hardest of the hard?

**Ms HUMPHREY:** The hard, and the access and supply in that inner-south area is quite restricted. So even now when we are working in a longer term way to sustain people’s housing, often that housing is located in the north or west of Melbourne. So access into housing in the southern metropolitan region is very challenging in the inner-metro areas.

**The CHAIR:** Just quickly following on from that before I give to the others, on your last slide where you talk about the savings to government, I am wondering if you could maybe expand a little bit on what that is, what that looks like?

**Ms HUMPHREY:** We know through our Journey to Social Inclusion pilot and phase 2 that as a result of providing the right level of support that delivers an outcome, it creates savings, and that is through service usage patterns. So in particular where you see that is in the health system for adults. We know as a result of the Journey to Social Inclusion program that hospital bed days were reduced by 80 per cent and bed days in psychiatric wards were also reduced dramatically. That has a knock-on effect in terms of cost savings, because we know particularly for the chronic group, their use of the crisis and emergency service system is quite high—that is, police, ambulance, hospitals, the justice system—so if you can reduce that and stabilise people’s lives, that has a significant knock-on effect into cost savings across other parts of government.

**Dr KIEU:** Thank you, Cathy, for your presentation here today. This is very interesting: you mentioned some of the innovative thinking behind housing and particularly that supply of housing is the key thing that we want if we want to solve the problem. Is there already something happening for new estate development to have some social housing component in the estate already?

**Ms HUMPHREY:** I could not speak to that in terms of detail. I am not aware of that information, but I understand the Government’s intention is to create some uplift in the social housing supply in those public housing renewal programs.

**Mr BARTON:** The thing that I would like to ask—or a couple of things that I am really interested in—is about affordability for people in the rental market. I will just use the quick example of my own daughter. They are both working—her and her partner—good incomes, all that sort of stuff. They went to rent a property; it was like an auction. I do not know how low-income people are going to compete in that.

**Ms HUMPHREY:** They don't. They don't.

**Mr BARTON:** It is just a disaster.

**Ms HUMPHREY:** Yes.

**Mr BARTON:** The other area that I am interested in is the amount of older people. They tell me more older people are now becoming homeless, particularly women. Can you tell the Committee why that is happening?

**Ms HUMPHREY:** Often at that age of 50-plus, for women often their work is casualised and temporary in nature, they have not got the financial reserves such as superannuation and they are not yet at retirement age. So if they have been living in private rental, often that private rental has become at risk, and often that is because home investors are putting the market rentals up and pricing them out of the market. So women are in that financial vulnerability and are falling into homelessness for the first time.

**Mr GRIMLEY:** Thanks, Cathy. You spoke about the justice system before, and that is an area of interest of my own. In your experience how effective are the programs or processes within the justice system in assisting those that are leaving prison and are waiting until you find suitable accommodation upon their release?

**Ms HUMPHREY:** I think they are very challenged. We do hear from time to time people coming to our breakfast service on release from prison with no home, no accommodation managed. I think those cases are appalling. I think the system is challenged and we need to do that better. I am not an expert in that field to be able to give you some data around that, but certainly from our experience firsthand it has not been a great outcome for people. Often where accommodation is arranged, it is temporary in nature, so people are still needing that support to get something permanent.

**Mr GRIMLEY:** Yes, and obviously the anecdotal discussions that you have had with clients over the years indicate that the system is failing in that regard, and it is obviously an area that we can improve upon.

**Ms HUMPHREY:** Yes, and actually preventing people from reoffending. I think that is the biggest risk—that upon release people are at a greater risk of reoffending and ending up back in prison. I think if we are not doing that well, around creating a permanent pathway into a housing solution for those who have been in the justice system, then we are creating that revolving door.

**Mr GRIMLEY:** Yes, thank you.

**Ms LOVELL:** Cathy, I am going to ask a bit of a left-field question here. First of all, I would like to say: Sacred Heart, what a great job you do and what fantastic services you provide. Given your location in the St Kilda community, I am just wondering about the impact on the homeless population in St Kilda given the outcome of the last two episodes of *The Block*. Whilst we all had our misgivings about what went on in the Gatwick, it did provide an important component of the cost for the really chronically homeless in that community. Has there been any reinvestment in additional crisis accommodation or housing in the area to replace what has been lost? Not only the Gatwick, but also the property that they used this year, which was also used for—

**Ms HUMPHREY:** Oslo house.

**Ms LOVELL:** Yes, Oslo house.

**Ms HUMPHREY:** It was a backpackers, but it did provide some of that crisis accommodation for the system. The first answer is: no, the crisis accommodation and all of those temporary shelter options have not been replaced. I mean, it came with a double-edged sword: both of those accommodation places were putting quite vulnerable people at risk. They are not our preferred option for accommodating people, but for some members of the community with an inability to be accommodated anywhere else, they were able to manage an existence there. So pulling them out of the system was not a great option either. I think what it has led to is a spike in the number of rough sleepers in St Kilda. We have seen plans for some of the rooming house stock that is community housing managed to be upgraded so that it becomes self-contained bedsits, which is our preferred

way of providing safe and affordable housing to people. But we have certainly lost beds in the area, and that has had a really significant impact on the volume of rough sleepers in the area.

**Ms LOVELL:** Yes, and a great outcome for people who can pay \$3 million for an apartment, but not for those who are most vulnerable.

**Ms HUMPHREY:** Absolutely. I think the area is suffering, and we have been seeing that play itself out in the media recently. But we have been collaborating as a local community through council and we have a project zero in place in which we want to actively come together to address the vulnerable needs of people sleeping rough in the area. But it is long work; it does not happen overnight.

**Ms LOVELL:** Yes, fantastic.

**Ms VAGHELA:** Thank you, Cathy, for your time today. What I am understanding is that different people bring different innovative approaches to increasing the housing supply. We heard mention over here about philanthropy and tax concessions. Does that happen currently, or does it not happen? Or does it happen at a level that could be increased? I am not quite sure about philanthropy and tax concessions, whether it is working right now or not?

**Ms HUMPHREY:** Well, it may happen in places that I am not aware of. But what we are looking at is a housing plan that would create housing supply. If you are purchasing properties within the market, getting stamp duty concessions creates a far better, affordable method for the purchaser. So when the community housing provider is purchasing properties, if they get a tax concession on stamp duty, then that makes a significant difference. I do not believe that is currently provided.

**The CHAIR:** No.

**Ms VAGHELA:** And how about the philanthropy?

**Ms HUMPHREY:** Philanthropy is an interesting one because it can work in two ways. It can provide grants, but they are also investors. So most public and private ancillary funds will have a corpus in which they invest in blue-chip shares that brings them a return that they then can grant and distribute their grants. But they also can be investors, much like the superannuation funds. So investing into housing, providing it provides a return of 4 or 5 per cent, which is what they need, is a great outcome, rather than it going into your BHPs—sorry, BHP!—or you know, some of those ASX-listed companies that may not be providing social benefits, such as social housing. So it is just another way to think about the money that they hold in that space and how it can be utilised.

**Ms VAGHELA:** Thank you.

**The CHAIR:** Can I just follow on from that question? Certainly looking at stamp duty is an interesting thing, but from an ongoing perspective, to encourage philanthropy or the private sector to invest in this, are there any examples where land tax has been relaxed?

**Ms HUMPHREY:** I could not answer that one, but we could certainly have a look at that and provide something to that in our formal submission.

**The CHAIR:** Certainly federal tax concessions would obviously be a great lever, but for the purposes of this Committee and looking at some of the state options of where we could provide some concessions would be really helpful. With your GreenLight Supportive Housing Program—it sounds like it has been incredibly successful—you said you are limited by the contracted target numbers. What are your contracted target numbers?

**Ms HUMPHREY:** With that program, it is part of the rough sleeping action plan initiatives. Its intention is to work with people once they are actually allocated housing to keep them sustained in housing. So we have got quite an ambitious target in that one over two years. It is a program that is run by a consortium of ourselves, VincentCare and the Salvation Army. Each of us have a target of about 220 people to work with over those two-year periods. We are about eight months into that program—so it is early days—and it is a new way of

working. The service system, as I said before, tends to work in a very crisis way and in a short-term thinking way, whereas the way this program works is actually about keeping people housed. So it is reshaping kind of the practice framework that workers utilise. I think we have had good success with keeping people housed, but it is early days in order to understand its impact.

**The CHAIR:** Is this about—Professor Johnson spoke about this earlier—the notion of that ongoing support for how to manage living in a house? Some people will need a light touch and others will need a more concerted effort. We see that the figures for keeping those people in housing are some of the worst. Between the three of you, you are aiming to assist about 600 people in that program.

**Ms HUMPHREY:** Yes, over two years.

**The CHAIR:** And after two years would you envisage expanding that?

**Ms HUMPHREY:** Well, we would hope that it proves the results that were intended and that the government of the day will be in a position to continue that program as an ongoing program. It is quite new to the system, so I think it needs to demonstrate its impact and whether it is the right approach to get the outcomes that we are hoping for in keeping people housed.

**The CHAIR:** Yes. Fantastic.

**Ms VAGHELA:** You mentioned you provide services to more older people and my question is in line with what Mr Barton asked. He asked a question which was very specific to women: what are the reasons older women become homeless? Mine is a general question: what are the reasons older people become homeless?

**Ms HUMPHREY:** We actually provide residential aged care to people with histories of homelessness and also community aged-care packages. So where people are housed, we support them to keep their house through community aged-care packages. We kind of use the aged-care funding service system as well to respond to that older age group. In fact the community that has come into Sacred Heart Mission is ageing, so we are quite in tune with needing to extend that level of aged-care support as people get older.

I think the other interesting issue is that premature ageing is as significant in the homeless population as it is in the Indigenous population. We see people coming into our residential aged care and the youngest is 48, and it is not because of a disability; it is because of chronic health conditions that mean that they have the same conditions as someone who is 78. So it is a cohort that you cannot put an age on because often the ageing issue is brought on far earlier. But what we also see is that people prematurely die as a result of chronic health conditions. So life expectancy is really challenged as well.

**Mr BARTON:** Cathy, I just wonder, is there any correlation between the fact that young people who want to buy their first new home and everything but that is now beyond them—we are now getting a generation of people who will not buy a home—are they drying up the rental stock? Do you think there is any correlation there?

**Ms HUMPHREY:** Yes, look, I think there are a number of market drivers that are creating the challenges around affordability in the private rental market. One of those is that you have got less young people who can become home owners, but you have also got the investor market driving up. People want to see a return on their investment and so that is also driving prices to be quite competitive, and then you have got the market driving the price, so that is kind of the other challenge, I think.

**Dr KIEU:** In your breakdown of the people who came to Sacred Heart for help over 2017–18 in your submission, you mentioned that 16 per cent were from a culturally and linguistically diverse background. In your opinion is it an under-representation maybe because of the culture, maybe because of the language and maybe because of a lack of knowledge of where to seek help? Would there be under-representation, and do you know the extent of that cohort?

**Ms HUMPHREY:** For example, in our women's crisis accommodation service they are over-represented in that community. So women experiencing family violence and women experiencing homelessness—we actually have a greater proportion of people from culturally and linguistically diverse backgrounds. But the data that are

presented there are from our engagement hub—so that is people dropping in to our service based in St Kilda. What we are actually seeing is that percentage of the demographic growing, whether that is because we are just seeing people who are new arrivals who are without income and who are quite challenged and looking for support services to help meet their needs. But it is also a representation of the city of Port Phillip community, which is not as diverse as other communities across Melbourne.

**The CHAIR:** Obviously early intervention and the prevention of someone becoming homeless is what we should hopefully be focusing on. We have heard about the private rental assistance programs and they have proven to be very successful. Are there any other programs at that early intervention stage that you think are worthy of the Committee investigating further or advocating for?

**Ms HUMPHREY:** I think that concept around capturing people when they are at risk of losing housing is fundamental, because once people lose their housing it is harder to get housing again. Whether that is in the private market or in public housing or community housing, I think that is really critical. The PRAP program, which is what Kate spoke about, I think is a great example, but I think we need to expand that. We need something that works with the public housing system to kind of intervene when tenancies are at risk there and in the community housing system as well. I do not have an example for you looking forward, but—

**The CHAIR:** No, that is fine. You mentioned in your submission that assertive engagement is required to assist those hard-to-reach people. The lunches and dinners that Sacred Heart Mission puts on, is that what you would consider assertive engagement?

**Ms HUMPHREY:** Yes, but we would also look to engage people where they are. I remember the staff talking about a woman who was sleeping in one of the local parks and who would come to the dining hall occasionally. So what they would often do is just go and find opportunities to engage with her. It is done in a very deliberate way of creating a relationship and building trust. Rather than waiting for people to turn up to us, we actively go out and create that relationship. I remember caseworkers talking about stalking someone, where they were turning up at an appointment and just happening to be there with a can of Diet Coke: ‘Oh, you’re thirsty. Would you like a drink now? Let’s have a catch-up’. So it is about being very opportunistic, creating those relationships and it not just being on the client to create the relationship. We have got to be very proactive and deliberate and assertive in that way.

**The CHAIR:** That was great. Thank you so much, and thank you for all the work that you and your organisation do as well. As I said, you will get a transcript of this session, which you can edit to a degree.

**Ms HUMPHREY:** Terrific; no worries. Thank you very much.

**Witness withdrew.**