National Housing Conference 2015

Building economic participation through housing assistance

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Overview

• Does housing assistance work?
• Why is housing policy failing?
• Importance of a job rich economy
• Targeted employment assistance measures – case studies
• Housing assistance reforms
Does housing assistance work?
Indicators of housing assistance failure

**Housing outcomes**

i. CRA fails to ensure affordability of private rental  
ii. Security of tenure is very poor in private rental  
iii. Demand for public housing is high  
iv. Utilisation of services for people experiencing homelessness increasing – but with inadequate outcomes  

**Employment and social inclusion outcomes:**

i. Public housing does not ameliorate social exclusion  
ii. Lower cost private rental housing is concentrated in outer suburban settings
Explanations for current housing policy failure

• Externalities beyond Australia (international financial markets, globalisation, technology change, etc)
• Social and demographic change (ageing, migration, household formation & break-up)
• Macro-political climate (small government, behavioural economics, low debt, commissioning and risk management)
• Misconceptualisation that markets work best, and
• Housing viewed as ‘welfare’ rather than infrastructure
Households by tenure type, Australia: potential scenarios

Source: ABS (2015) Cat No. 4130.0, Table 3
Importance of a job rich economy

• Whilst a stable home offers the foundation for economic participation, equally, regular paid work enables access to housing.
• Unemployment and underemployment are a structural challenge – lowers affordability and access to private rental and home ownership: in particular for low skilled workers.
• Income support payments for the unemployed continue to be inadequate.
• Insufficient investment in employment assistance (ALMPs) to build a bridge to paid work – especially for disadvantaged groups.
Employment assistance measures for social housing tenants

- Integrated place-based models to engage tenants, build their capacities and skills, and link into work experience and paid work (Centres for Work & Learning)
- Student housing linked to support, education and work opportunities (Education First Youth Foyer)
- ILM models that offer support and work pathways (Social Enterprises) to highly disadvantaged job seekers
- Social procurement provisions to create jobs for social housing tenants (Community Safety & Information Service)
Centre for Work & Learning Yarra – Business case

- One third of Victoria’s high rise public housing is in inner City of Yarra
- Approx 5,000 public housing dwellings (48% high rise flats)
- Only 14% of public housing tenants in Yarra in paid work
- Analysis of employment assistance (Job Network):
  - failing highly disadvantaged job seekers (DEEWR outcomes data & Neighbourhood Renewal survey data)
  - frustrating local employers through poor preparation and matching of job seekers to job vacancies

Source: BSL Innovation Fund Project Proposal 2009
<table>
<thead>
<tr>
<th>JSA Service Model</th>
<th>Centre for Work and Learning</th>
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<tbody>
<tr>
<td>Compliance driven</td>
<td>Voluntary and free (open door)</td>
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<tr>
<td>Client can be breached</td>
<td>Trusted relationship</td>
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<tr>
<td>Case Managers review clients</td>
<td>Personalised support (capabilities focus)</td>
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<td>Client training driven by $$</td>
<td>BSL training designed to suit job seeker</td>
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<td>Large caseloads</td>
<td>Lower client to advisor ratio (1:60)</td>
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<td>Minimal client engagement</td>
<td>Outreach to disengaged tenants</td>
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<td>Employers not sure of client</td>
<td>Proactive employer engagement</td>
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Education First Youth Foyer

- Foyers emerged in the 1990’s as a response to increasing youth homelessness in UK (concept from France)
- Supported by the Blair Government – led to major expansion from 5 initial pilots to about 135 foyers with 10,000 assisted each year
- The generic ‘foyer’ approach is not new to Australia - first foyer developed in 2003 in Sydney (Miller Campus)
- Approach offers safe, affordable, transitional accommodation linked with learning and skills development
- 14 ‘foyer like’ services in Australia:
  - 8 in Victoria and 6 interstate
  - Typically small size – average of 20 beds
  - Mixed accommodation model: congregate/dispersed or networked
  - Target cohort: 16-24 year olds
Holmesglen Education First Youth Foyer, Waverley

- high quality, student accommodation
- individual apartments
- co-located with TAFE (Technical & Further Education) Institute
- communal facilities for group activities
Kangan Education First Youth Foyer, Broadmeadows

- students can stay for up to 2 years
- 24/7 staffing presence
- 1 to 8 staff to student ratio
Distinctive elements of Education First Youth Foyers

- Priority on education & skills development
- Participation in mainstream learning and work experience
- Adoption of Open Talent approach focused on advantage thinking to build young people’s capabilities
- Conditional participation – the ‘Deal’
- ‘Top down’ & ‘bottom up’ governance between stakeholders
- Use of a robust program logic and theory of change developed through consultation and based on evidence
- Sufficient scale (40 beds) to be viable financially, if effective
- Well resourced evaluation (process, outcomes & cost benefits)
Wholesale housing policy reform – but no single magic bullet!

• Supply side measures essential
• Tax reforms critical
• Tenancy legislation changes
• Adjust the narrative from welfare to infrastructure
  - *stress the productivity dividend*
  - *emphasise longer term savings on health & welfare*
Specific housing assistance reforms for low income, vulnerable households

- Adequacy of CRA in private rental
- Housing subsidy packages for high needs groups (CRA plus)
- Housing led models with support for households who have been homeless
- Outreach or ‘floating’ support for social housing tenants vulnerable to housing crisis and recurrent homelessness
Thank you

References:

Bodsworth E 2015, What’s the difference? Jobseeker perspectives on employment assistance, Brotherhood of St Laurence Fitzroy, Victoria.


Brotherhood of St Laurence 2014, Submission to the Senate Economics References Committee, Inquiry into Affordable Housing, Fitzroy, Victoria.


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