

# 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

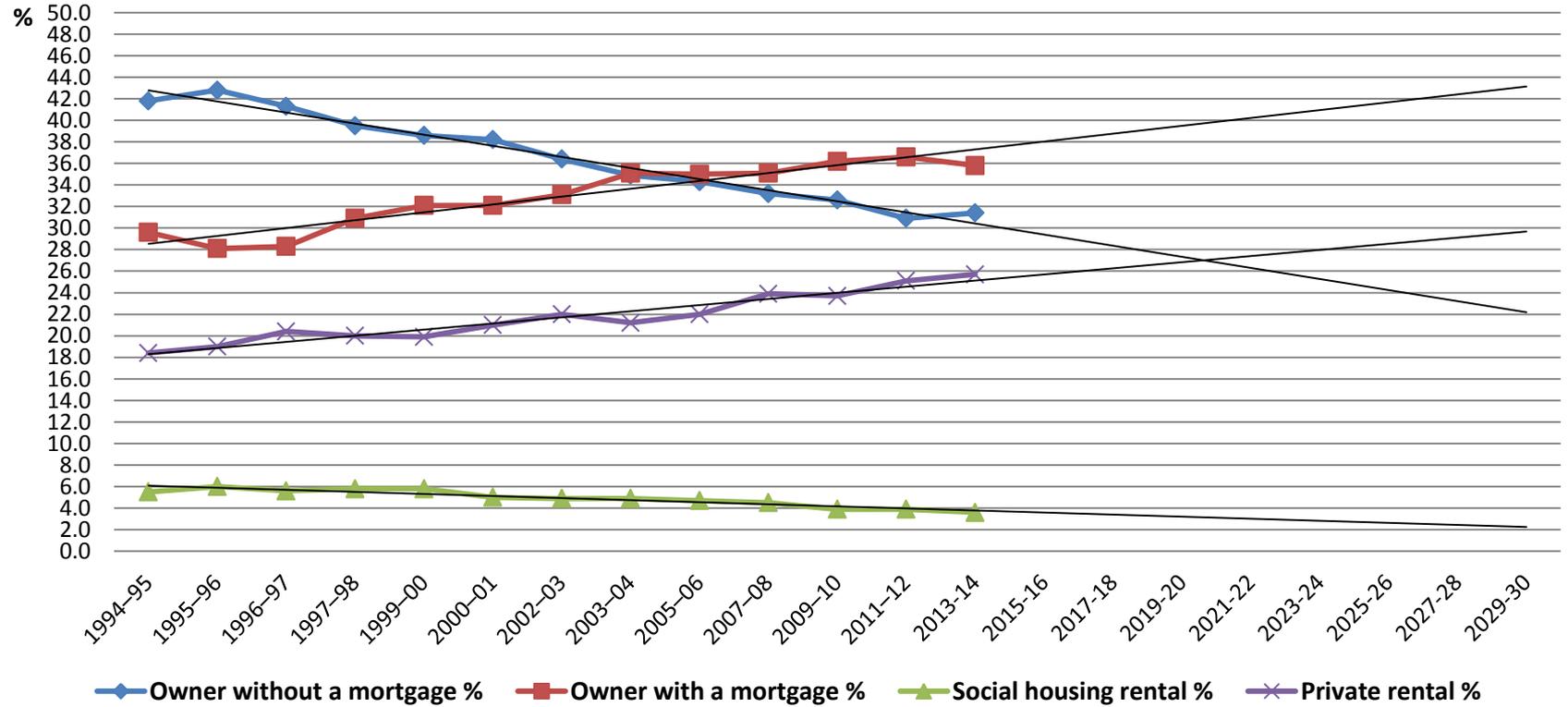
### ***Employment and social inclusion outcomes:***

- 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*

## How the Centre differed from the JSA model

### **JSA Service Model**

Compliance driven

Client can be breached

Case Managers review clients

Client training driven by \$\$

Large caseloads

Minimal client engagement

Employers not sure of client

### ***Centre for Work and Learning***

***Voluntary and free (open door)***

***Trusted relationship***

***Personalised support (capabilities focus)***

***BSL training designed to suit job seeker***

***Lower client to advisor ratio (1:60)***

***Outreach to disengaged tenants***

***Proactive employer engagement***

# 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:*

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