



21<sup>st</sup> December, 2017

Committee Secretariat  
Senate Standing Committees on Economics  
Australian Parliament House  
Via email: [economics.sen@aph.gov.au](mailto:economics.sen@aph.gov.au)

Dear Committee Secretariat,

**Submission to Senate Economics Legislation Committee**

Thank you for the opportunity to provide feedback on the Treasury Laws Amendment (National Housing and Homelessness Agreement) Bill 2017 (hereafter referred to as 'the Bill').

**Context for this submission**

Melbourne City Mission is one of Victoria's oldest, largest and most diverse 'for purpose' community service organisations.

We work alongside people at risk, providing individualised supports that disrupt trajectories into disadvantage and enable people to lead positive lives. Our services are multi-faceted and multi-disciplinary, spanning Homelessness and Justice, Early Years, Education and Employment, and Disability Services, Early Childhood Intervention Services and home-based Palliative Care.

Melbourne City Mission's homelessness services:

- Span the continuum of early intervention (diversion from long-term homelessness), crisis response, support, and transition/exit from homelessness
- Include, but are not limited to:
  - family reconciliation and mediation
  - supported accommodation (short-term refuge, youth foyers, transitional housing)
  - housing information, referral and assistance (for example, assistance to access and sustain private rental)
  - 'coaching' and case management (including work with people transitioning from statutory systems such as Out of Home Care and youth justice)
  - recovery/repair from trauma (specialist clinical and therapeutic responses to family violence, mental health, alcohol and other drugs, and other issues that underlie people's homelessness)

In the past 12 months alone, Melbourne City Mission's homelessness services have provided assistance to 12,410 people (a two per cent increase on the previous year). These figures include:

- More than 7,700 drop-in visits and 65,000 phone calls to our city hub, Frontyard Integrated Youth Services.
- The provision of crisis accommodation and support to 630 young people under the age of 25 in our four 'youth refuge' facilities. A significant number of these young people were young parents with dependent children. Nearly 100 children under the age of five accompanied their parents in youth refuge this past year, 71 of whom were infants.

south melbourne

*As Victoria's largest funded provider of youth homelessness services (and a provider of adult and family homelessness services), Melbourne City Mission is at the coalface of the policy and funding reforms that the Commonwealth is seeking to introduce through this Bill.*

### **Melbourne City Mission's perspective on the Bill**

Melbourne City Mission is looking to the Commonwealth, State and Territory governments to work together in a coordinated, strategic way to:

- Deliver to specialist homelessness services a policy and funding framework that enables frontline workers to more effectively respond to **existing demand** for homelessness assistance
- Provide an ambitious policy roadmap – and accompanying funding – that creates the conditions for governments, service providers and other reform enablers to turn off the tap of demand for specialist homelessness assistance.
- Evidence outcomes from the policy and funding reforms (and to scale up what works, to help end homelessness)

It is Melbourne City Mission's view that an effective policy and funding framework can only deliver high-quality outcomes if it:

- Addresses the major drivers of homelessness (including family violence, shortages in low-cost rental housing, and inadequate level and security of incomes for people whose circumstances are such that they need to access the Human Services social safety net)
- Makes full use of – and coordinates – the policy and funding levers available to governments to address drivers of homelessness (including levers in the taxation system)
- Delivers stable and adequate funding.

Melbourne City Mission is concerned that the Bill fails on all three fronts:

- The Bill does **not** reflect the **shared responsibility** of the Commonwealth, States and Territories for the achievement of outcomes.
- The Bill targets accountability for system performance and outcomes to the States and Territories and, in doing so:
  - Fails to acknowledge or account for the fact that the Commonwealth Government has policy responsibility for most of the critical drivers of housing affordability.
  - Fails to acknowledge that Commonwealth policy and funding reform in adjacent systems and domains – for example, welfare changes – have the potential to distort performance of the specialist homelessness service system.
- The Bill articulates highly-prescriptive conditions that the States and Territories must meet in order to release Commonwealth funding. However, the process by which the Commonwealth will assess State and Territory compliance with those conditions is not well defined and is open to subjective interpretation – for example, one condition for the release of funding is whether the Commonwealth deems a State's housing plan to be "credible". The lack of transparency is not satisfactory.
- The Bill contains conditions that allow the Commonwealth to withhold **all** funding for the States for housing and homelessness under the NHHA. This creates significant risk for frontline crisis services like Melbourne City Mission and, more importantly, for the nation's most vulnerable citizens. This is unacceptable.

More fundamentally:

- Melbourne City Mission shares the concerns of Homelessness Australia and the Victorian Government that, in **broadening the scope of funding priorities without a corresponding increase in the funding envelope**, the Bill “creates the risk that funding for critical services for the most vulnerable will be diverted to a range of other areas that impact the supply and cost of housing (for example, planning and zoning reforms, assistance to people in the private rental market and home ownership).”
- Melbourne City Mission shares the concerns of the Victorian Government and other State and Territory governments (documented in submission number 15 to this Inquiry) that the Commonwealth’s move to **legislate** the content of State and Territory strategies means that services will be shaped according to ‘one-size-fits-all’ legislative requirements. This approach undermines the capacity of local jurisdictions to be nimble and adjust plans to a changing environment.

## Recommendations

Melbourne City Mission does not support the Bill, and urges the Senate to:

- Reject the legislation or
- Amend the legislation in line with Homelessness Australia’s recommendations to this Inquiry.

Melbourne City Mission wishes to specifically highlight and advocate for the following recommendations from Homelessness Australia (submission number 4 to this Inquiry):

**“RECOMMENDATION 1:** *Where the legislation currently imposes a requirement on States to develop housing and homelessness plans, we propose that this requirement apply equally to the Federal Government, so that the new agreement forms part of a new national housing affordability and homelessness strategy.*”

**“RECOMMENDATION 3:** *That the Bill be amended to clarify the scope of the legitimate funding conditions, including that the term ‘credible’ to describe the required state housing plans be clearly defined, and that any additional requirements to be included in designated agreements be identified.*”

**“RECOMMENDATION 4:** *That the transitional arrangements be amended so that the new funding arrangements do not come into effect until all the states and territories have agreed to a new primary (multiparty) agreement, and that supplementary bilateral agreements are removed as a condition of funding. This would require a commitment to extend the NAHA and NPAH if the new agreement was not completed by 30 June 2018.*”

**“RECOMMENDATION 5:** *That the consequences of the states not meeting targets set be made clear, and specifically not include financial penalties that will impact on funding for housing and homelessness services for people on low incomes. Instead of financial penalties, we propose that governments that are not meeting set targets be required to provide a public explanation, and develop and publish a plan to improve performance.*”

Melbourne City Mission also highlights and supports the recommendation 2C in submission number 15 from the State and Territory governments that:

*“... in the absence of significant additional Commonwealth investment and commitment to joint action, the Committee recommend removing references to ‘housing affordability matters’ as this significantly expands the scope of the NHHA beyond that of the current agreement and may divert funding away from critical social housing and homelessness services.”*

Thank you for your consideration of this submission, and for permitting an extension of the deadline in the lead-up to Christmas.

Should you have any queries about the matters raised, please contact Deborah Fewster, Head of Policy, Advocacy and Government Relations, Melbourne City Mission, via email

Yours sincerely,

Vicki Sutton  
**Chief Executive Officer.**