Budget Priority Statement 2013-14

Background

In 2008, the Australian Government released the first ever White Paper on Homelessness, *The Road Home*. This represented an historic commitment from the Labor Government to reducing and preventing homelessness and was backed by a $1.1 billion National Partnership Agreement on Homelessness, a ‘four year down-payment’ on a 12-year reform agenda.

Homelessness remains a serious social problem in Australia however, and one which needs ongoing investment and support if it is to be reduced over time. At the ‘softer end’ of the continuum we need effective prevention and early intervention-focused service responses, including a strong social housing system, support for people to survive in private rental and accessible services for families, older Australians and young people to prevent them tipping over into homelessness. We need to ensure that crisis accommodation is accessible and available immediately to people who experience homelessness in particular young people and women and children escaping domestic and family violence. We also need to ensure that housing-led solutions are available to people to ensure we can resolve homelessness as quickly as possible after it occurs. At the ‘harder’ end of the continuum, permanent supportive housing models offer people who have experienced long periods of homelessness the chance to secure a place to call home and participate in community life.

There are many reasons why people continue to experience homelessness in Australia including domestic and family violence, declining housing affordability, family breakdown, poverty and the failure of government agencies to always meet the needs of those with mental illness and other disabilities, older people and the needs of young people leaving care. Getting out of homelessness can be difficult, especially if you have been homeless for a long time. Getting and keeping a job, staying in school, staying healthy and free from violence is made much harder if you don’t have a stable home. In addition, particular groups in Australia face greater discrimination in the housing market, making finding a safe and secure place to call home even more challenging.

Solving homelessness is not just about accommodation and housing however. We need support for people to remain engaged with education and training and access pathways to employment. We need a renewed national commitment to address poverty and intergenerational disadvantage. We need to address entrenched patterns of abuse, violence and neglect. We need to ensure that people at risk of and experiencing homelessness can get timely access to appropriate mental health services. We also need a safety net that provides people who find themselves out of work or living out of home as a young person, with few social and economic supports, an adequate level of income support. The causes of and pathways into homelessness are many and varied. So are the solutions to it and pathways out. We need to build upon and strengthen the robust policy and service delivery framework that is in place.
The 2011 Census figures recorded 105,237 people as experiencing homelessness on any given night\(^1\), and crisis accommodation services are turning away 59% of people who seek assistance.\(^2\)

Since the 2010 Federal Election, neither of the major political parties has announced new policy commitments to address housing affordability or reduce homelessness. Homelessness Australia is seeking renewed budgetary commitment across these portfolio areas.

The Australian Government has committed to providing funding for a 12 month extension to the National Partnership Agreement on Homelessness (NPAH) from 1 July 2013 – 30 June 2014, i.e. the entire budget cycle, pending matched funding from the States and Territories. Adequate indexation of the funding is vital to ensure services and programs remain viable.

The other major source of funding for homelessness services, the National Affordable Housing Agreement (NAHA) is an ongoing agreement that has no nominal expiry. The National Affordable Housing Agreement has been beneficial for the homelessness sector. Because it is an ongoing Specific Purpose Payment more than 1500 specialist homelessness services are ensured funding certainty.

The current iteration extends to 1 January 2014 (half way through the budget cycle). If it is not renegotiated it will continue as is with indexation applied at a rate of just over 1.8%. A more realistic indexation level would be appropriate to enable specialist homelessness services to meet demand.

Specialist homelessness services must be provided with adequate and planned indexation to enable them to meet the true costs of service delivery now and into the future.

Early intervention and homelessness prevention have been and continue to be bi-partisan priorities in Australia’s homelessness policy and service response.

Investment in early intervention and prevention programs that have been proven to work will result in significant cost savings in future budgets. Evidence indicates that young people who experience homelessness before the age of eighteen are significantly more likely to disengage from education and to cycle through the homelessness service system in adulthood. The resultant loss of earnings potential and productive capacity means lower revenue from taxation. In addition, evidence from overseas indicates that people who experience homelessness for longer periods are more likely to suffer from serious mental and physical health conditions than people who have only experienced short periods or people with no history of homelessness at all.

The current agreements for both HOME Advice and Reconnect services expire on 1 July 2013. While we believe these will be renewed, we call for their expansion. Both programs are supported by a robust evidence base that developed over many years through successive evaluations as well as the ongoing Participatory Action Research Component.

Despite this there is a view within the sector that both programs, in particular Reconnect, continue to be treated as if they are pilot programs and are not afforded the funding or funding surety necessary for effective coverage and service planning.

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\(^1\) ABS Census 2011  
\(^2\) Australian Institute of Health and Welfare People Turned Away from Government Funded Specialist Homelessness Services 2010/11, AIHW, Canberra, December 2011, p.3.
Reconnect and HOME Advice are programs with a lengthy history of demonstrable success and a sound evidence base. The overall impact of doubling funding on the budget bottom line would be minimal when weighed up against the potential return on investment in future budgets. We recommend that the Federal Government commit to doubling funding for both Reconnect and HOME Advice. This would enable more than 12,000 young people at risk of homelessness to be supported each year by Reconnect services and more than 4000 families could be assisted to manage their household organisation and expenses, and thus avoid homelessness.

**Our priorities for the 2013-14 budget**

Homelessness Australia recommends the adoption of the following as priority items for our sector in the 2013-14 budget:

**Recommendation: NPAH funding ongoing, with indexation**

National Partnership Agreement on Homelessness funded on an ongoing basis with indexation equivalent to the Consumer Price Index.

Cost: Approximately $230 million in 2013-14 (excluding funding for *A Place to Call Home*)

**Recommendation: NAHA indexation**

NAHA is indexed on an ongoing basis to the Consumer Price Index.

Cost: approximately, $2.53 million in 2013-14 additional to current (current NAHA expires 1/1/14)

**Recommendation: HOME Advice and Reconnect funding**

Funding for HOME Advice and Reconnect is doubled to strengthen homelessness prevention and early intervention.

Cost approximately $34 million in 2013-14

**Recommendation: Establish a long-term Affordable Housing Growth Fund**

An Affordable Housing Growth Fund should be established with a down-payment of $1 billion in the first year with sustained increased long-term on-going funding. This funding should be strictly designated for expanding the stock of affordable housing as part of the National Affordable Housing Agreement including new social housing dwellings, a proportion of which should be allocated to people who are experiencing homelessness.

The fund should support Affordable Housing Programs providing a range of different levels of subsidy to meet the needs of households with different income levels. Program guidelines should enable housing providers to draw on a range of Affordable Housing Programs to deliver maximum affordability and provide mixed tenure developments.

Cost: $1,000 million in 2013-2014