



# **Ten Year Strategy on Homelessness**

**SUBMISSION BY THE CHAMBER OF COMMERCE AND  
INDUSTRY OF WESTERN AUSTRALIA**

24 May 2019



# 10 Year Strategy on Homelessness

## Introduction

The Chamber of Commerce and Industry of Western Australia (CCIWA) is the State's leading business association and has been the voice of business for more than 125 years. We represent employer members from across all regions and industries in WA, including local chambers of commerce, industry associations and employers. A substantial number of our members operate in the health and community services industry and have been involved in the WA Alliance Strategy to End Homelessness (WA Alliance).

This submission has been shaped from the views of several CCIWA members. The recommendations outlined in this report are designed to ensure that all Western Australians are supported to have a place to call home and have access to high quality health and social care which supports choice and self-determination.

In preparing our submission, we have considered the proposed direction of the State Government's 10-year Strategy on Homelessness (the Government Strategy). We have focused our recommendations on exploring different approaches that encompass the significant work already undertaken by the WA Alliance to develop its Western Australian Strategy to End Homelessness (the WA Alliance Strategy).

## 1. Exploring different approaches

Complex social problems such as homelessness require collaborative solutions across a wide range of stakeholders and funders. The WA Alliance Strategy has been developed collectively with representatives from homelessness services, people experiencing homelessness, service funders, and members of our community. The WA Alliance encourages other communities and stakeholders to use its strategy to align and create a combined effort across Western Australia to reach the goal of ending homelessness by 2028<sup>1</sup>. With so much of this work already being undertaken, there is potential for the WA Alliance Strategy to coalesce with the State Government Strategy.

The five core strategic areas outlined in the WA Alliance Strategy and the three focus areas within the State Government Strategy broadly align with each other. Table 1 below compares the focus areas from both strategies and highlights how closely they align. It is crucial that the work done by both the WA Alliance and State Government creates the opportunity to effect change rather than duplicate work that has already been done. There are several opportunities to enable a collaborative effort, including:

- Adopting a systems approach to homelessness, which can be achieved through the creation of coalitions to effect change and reduce the focus on discrete funding activities. The homelessness support system is complex because it encompasses a vast range of services and people. To effect change it is important to understand how different elements of this complex system interact in order to avoid unintended consequences<sup>2</sup>.
- Co-developing a strategy and understanding the broader drivers of social change where interdependence is recognised. The work done by the WA Alliance should be clearly articulated through the Supporting

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<sup>1</sup> <https://www.endhomelessnesswa.com/> accessed 10 May 2019

<sup>2</sup> Davidson Knight, A., Lowe, T., Brossard, M., Wilson, J., *A Whole New World: Funding and Commissioning in Complexity*, Collaborate for Social Change, May 2017.

Communities Forum Homelessness Working Group (the Working Group) as at this stage there appears to be a duplication of effort by the State Government. Through the Working Group, an authorising environment which engages with not-for-profits and business should be pursued.

- Supporting the existing network infrastructure with more than just funding. There is extensive expertise that already exists in the sub-groups underpinning the work of the WA Alliance. The employment subgroup is an example of this where employment providers, people with lived experience and other stakeholders have come together to consider the challenges in relation to employment. CCIWA participates in the employment subgroup.

All of these opportunities align with the intent of co-designing services with the community to build a better understanding of what matters. The State Government's Service Priority Review - Recommendation 2: *Improve the quality of engagement with the community to enable a sharper focus on its needs*<sup>3</sup> provides a mechanism for the Department of Communities to engage with the WA Alliance Strategy.

**Table 1** – Comparison of the three Focus Areas of the Government Strategy and with the five core Strategic Areas of the WA Alliance Strategy

Future Directions at a Glance (Government Strategy) <sup>4</sup>	Our Five Core Strategic Areas (WA Alliance Strategy) <sup>5</sup>
<p>Focus Area 1: Sustainable pathways out of homelessness</p> <p><i>Direction 1.1</i></p> <p>Create and trial different types of housing and accommodation that addresses the diverse needs of people across the homelessness continuum</p> <p><i>Direction 1.2</i></p> <p>Make more beds available in low-barrier crisis and short-term transitional accommodation</p> <p><i>Direction 1.3</i></p> <p>Improve service delivery through innovation and collaboration</p>	<p>1. Housing</p> <p>Ensure adequate and affordable housing. This means having a supply of housing that meets the needs of those who need it. It also means having multiple pathways into permanent housing and multiple housing options including housing with support services that are all effective.</p>
<p>Focus Area 2: Prevention and early intervention</p> <p><i>Direction 2.1</i></p> <p>Focus on families and young people to break cycles of homelessness</p> <p><i>Direction 2.2</i></p> <p>Better support for people who have recently exited homelessness or whose tenancies are at risk</p> <p><i>Direction 2.3</i></p> <p>No exits into homelessness from government institutions including prisons, hospitals and out of home care</p>	<p>2. Prevention</p> <p>A focus on prevention and early intervention. Develop system, service and social responses that ensure people at risk of homelessness have the supports they need to prevent them entering homelessness. This will involve an improving recognition of the health value of a home.</p>

<sup>3</sup> Department of the Premier and Cabinet *Working Together One Public Sector Delivering for WA Service Priority Review* October 2017

<sup>4</sup> Department of Communities *Directions Paper for the 10-Year Strategy on Homelessness Western Australia 2019-2029* January 2019

<sup>5</sup> Western Australian Alliance to End Homelessness, *The Western Australian Strategy to End Homelessness – A 10 Year Plan to end Homelessness in Western Australia 2018-2028* April 2018

Future Directions at a Glance (Government Strategy) <sup>4</sup>	Our Five Core Strategic Areas (WA Alliance Strategy) <sup>5</sup>
<p>Focus Area 3: System transformation</p> <p><i>Direction 3.1</i></p> <p>Implement a no wrong door approach to service delivery</p> <p><i>Direction 3.2</i></p> <p>Implement integrated whole of government responses to homelessness</p> <p><i>Direction 3.3</i></p> <p>Roll out consistent, trauma informed practice across programs and services</p>	<p>3. A strong coordinated response A 24/7 no wrong door system that delivers responsive actions across different community and health support systems that are well coordinated and act quickly.</p> <p>5. Building community capacity Solutions are sourced from those who have experienced homelessness. All sectors that support those experiencing vulnerability and disadvantage deepen their capacity to end homelessness in WA. Developing a broad public movement, inclusive of all members of the community who have the desire to end homelessness brings more people and resources to ensure success.</p>
	<p>4. Data, research and targets Improve data, the evidence base on what works, systems knowledge and the accountability of the health and social support system to achieve the goals of the Strategy. Building the evidence base around the health value of a home. Set clear targets and ensure delivery.</p>

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**RECOMMENDATION:** The work done by the WA Alliance to End Homelessness should be clearly articulated through the Supporting Communities Homelessness Forum and integrated with the 10-Year Strategy on Homelessness 2019-2029.

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## 2. Commissioning approaches across the public sector that supports different investment and financing models for the human services industry.

Traditional linear funding processes do not align with complex social problems such as homelessness. The challenge is to move away from the “seeing a need and funding a service and expecting a causal outcome” model<sup>6</sup> to a model that is less prescriptive and is adaptive to the context of the system such as place based approaches. The WA Alliance Strategy and the Government Strategy both acknowledge the need for Action Plans which account for different cohorts of people and action at a local level. However, there is a lack of readiness on the part of funders to consider different procurement methodologies which could take account of the complex system in which homelessness occurs at the local level.

In an environment of increasing fiscal constraint and the ongoing need to address long-standing social issues, it is crucial that the State Government pursues innovative methods for funding and delivering programs and services. There is opportunity to trial Social Impact Bonds.

CCIWA's 2019-20 Pre Budget-Submission recommends that the State Government assess opportunities and develop a strategy for the use of Social Impact Bonds (SIBs) to fund programs which are aimed at resolving problems such as Homelessness. The use of SIBs can enable the Government to adopt an outcomes-based

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<sup>6</sup> Kippin, Dr. Henry *Supporting Social Change – A New Funding Ecology*, Collaborate February 2015

approach to achieving social objectives while reducing risks imposed on the taxpayer and unlocking private sector investment. Governments in South Australia, Victoria and New South Wales are using pay for performance contracting to address complex social issues such as homelessness and other problems requiring innovative systems approaches to service delivery.

One of the major benefits of the SIB model is that it directly links socially desirable outcomes to measurable economic returns. This incentivises the private sector to invest where it can be most effective. The focus on outcomes also provides the opportunity to trial new methods, in turn driving innovation and efficiency gains in service delivery. Furthermore, the SIB model can also provide the flexibility for service providers to intervene early in social issues, rather than wait for a crisis to develop. This represents an opportunity to creatively fund projects that may otherwise go unfunded. SIBs also shift risk from the public to the private sector. Under a SIB model of funding, taxpayers are generally subject to zero or minimal risk (cost) if a program fails to achieve its outcomes. Under a conventional public sector delivery model, taxpayers are exposed to 100 per cent of the risk associated with a program's failure.

CCIWA acknowledges that SIBs represent a different approach to conventional government service delivery. As a starting point, the Government could undertake a series of trials in Western Australia to help develop and refine a SIB framework. It is also crucial that the use of SIBs is supported by a strong evaluation framework.

### **Using investing and financing to increase the supply of social and affordable housing**

There is a need to think more creatively about the ways in which the supply of social and affordable housing is increased. Collaboration between Government, NGOs and the private sector will be crucial to developing an effective strategy and framework for using social impact investing to meet social challenges in WA. NGOs broadly acknowledge the potential for social impact investing to unlock new funding streams and adopt innovative solutions for addressing social issues.

For example, in its 2017 submission to the Australian Government's Social Impact Investing Discussion Paper, Shelter WA noted that there is a "significant opportunity to increase the supply of social and affordable housing through social impact investing, specifically through large scale institutional investment." Shelter WA also noted that "there is also a role for social impact investing in homelessness services when implemented and managed effectively." In WA there is a growing interest in impact investing with local business entities, superannuation funds such as WA Super and philanthropists interested in exploring the opportunities which could bring about social and financial returns. The 50 Homes 50 Lives collaborative initiative and the evaluation undertaken by the Centre for Social Impact provides an opportunity to trial, on a small scale, what investing in social housing could look like in WA.

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**RECOMMENDATION:** Assess opportunities and implement strategies to use Social Impact Bonds and other forms of financing and investment to address the supply of social housing.

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### 3. An effective Social Housing Strategy

The WA Alliance Strategy outlines key actions which are broader than those outlined in the Government Strategy and acknowledges that the exit points from crisis accommodation are currently limited. The Government Strategy does not appear to outline a long-term social housing strategy although does outline some options for extending the already existing crisis accommodation options.

The 50 Homes 50 Lives initiative is an evidence-based model which focusses on providing permanent accommodation first and then the provision of support to guard against the path back to homelessness. This evidence-based model which is nationally and internationally recognised underpins the prevention focus within the WA Alliance Strategy. While this model and other models like it have proven to be successful it is limited in its scale by the lack of supply of social and affordable housing. The WA Alliance Strategy outlines a number of key actions with a focus on

- increasing the supply of social and affordable housing through investing in a Community Housing growth strategy;
- supply and incentivising the role of the private sector;
- provision of a diverse range of housing options to respond to homelessness; and
- facilitating access to the private rental market<sup>7</sup>.

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**RECOMMENDATION:** Assess opportunities and implement the key actions outlined in the Core Strategic Area 1 - Housing which forms part of the Western Australian Strategy to End Homelessness.

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<sup>7</sup> Western Australian Alliance to End Homelessness, *The Western Australian Strategy to End Homelessness – A 10 Year Plan to end Homelessness in Western Australia 2018-2028* April 2018