



Community Housing
FEDERATION OF VICTORIA

Community Service Sector Reform

A Submission from the Community Housing Federation of Victoria

Thank you for the opportunity to input into the Community Service Sector Reform Project.

Community Housing in Victoria

The Community Housing Federation of Victoria (CHFV) is the peak body representing not-for-profit community housing organisations in this state. Our role is to advocate on behalf of our members to government and other relevant bodies, as well as providing advice, resources and training to the community housing sector.

Community housing in Victoria is provided by a large and diverse range of not-for-profit organisations. These organisations manage around 19,000 tenancies in Victoria across the regulated and independent sectors. The community housing sector is highly regulated by government, with 8 Housing Associations and 33 Housing Providers currently registered under the Housing Act 1983. Housing Associations have been the State and Federal government's designated vehicles for growth in affordable housing stock under the Nation Building Economic Stimulus Program and the Victorian Social Housing Investment Fund. Many community housing organisations also manage stock owned by the Department of Human Services under lease arrangements.

There are specialist operators in the area of aged, disability, women's, youth, aboriginal, rural and regional, emergency and long-term low-income housing. In addition to tenancy management our members provide a range of other services to tenants including developing social enterprises and providing support. It is a sector known for its creativity, innovation and partnerships.

Many of the tenants of community housing require support to from other organisations to improve the quality of their lives and to successfully maintain their tenancies. Specialist homelessness services, mental health and drug and alcohol practitioners plus aged care services are all integral players. However our members are finding this support increasingly difficult to access primarily due to a lack of resources within these services.

Context of the Reform Project

The aim of this project is sure to attract universal support as it is looking at how government and the community services sector can work together to improve the lives of vulnerable and disadvantaged Victorians. It stresses outcomes rather than inputs; looks at consolidating and simplifying government funding; and improving the efficiency of the system.

These are common themes expressed in a plethora of reform processes both here and overseas. In Victoria alone there are currently a number of related reform processes that either directly or peripherally affect the community housing sector:

- *Services Connect* which aims to establish a more integrated, outcome focused service delivery system within the Department of Human Services (DHS). Unfortunately the implementation of this new model and the departmental restructure has coincided with reducing DHS staff by about 500 which has compounded the disruption and confusion ;
- *The Victorian Homelessness Action Plan (VHAP) Review* also emphasises service integration and matching the right level of support to the client;
- *The Alcohol and Drug Treatment System Reform* that talks about seamless treatment pathways and greater client involvement in the planning of services;
- *Consultation Paper looking at developing a Social Housing Framework* which suggests greater targeting of housing support with limited and person centred tenures.

These review processes are all at different stages and it is difficult to see how they will all come together particularly when this *all* of sector reform project which should provide the guidance for the programmatic and departmental reforms has just commenced.

From Rhetoric to Reality

Nevertheless the goals of the Sector Reform Process are positive and ambitious but the challenge will be in how these goals are translated and implemented on the ground. Given that the discussion is currently at the stage of broad design or principles it is difficult to provide detailed input. Instead we will point to some potential pitfalls in turning rhetoric to reality.

Impetus for Reform – The discussion paper highlights the ever increasing demand for services and the lack of resources to go around. Our members consistently report that their tenants, some of the most disadvantaged Victorians, cannot get the support they require to sustain their tenancies. Sometimes the solution is more resources and any amount of shuffling or rationing will not resolve the problem. This review must not be a cost cutting exercise and should acknowledge where greater efficiencies simply are not possible.

Focus of the Community Sector -The discussion paper talks about the diversity of the community services sector in terms of the size, sophistication and focus of the organisations. However it concentrates most attention on how services are provided to the most disadvantaged members of the community. The reality is that there are a vast number of organisations that are involved in community development and engagement for a wide spectrum of community members. Neighbourhood houses, for example, provide courses, social support and child care to local residents – some disadvantaged some not. Within the community housing sector there is also great diversity and many of our members not only provide housing for people of low incomes but also offer affordable housing at a discount to market rent to key workers. There is a valid argument to mount about Government’s providing deeper subsidies for the most disadvantaged but there is still a role for Government to build social capital and infrastructure that benefits many more. There is a danger with the rhetoric of this project that Government funding and support will be rationed solely towards the most disadvantaged. Individual disadvantage affects whole communities and the community sector strives to enable communities to support and sustain people.

Outcome Based Funding – Refocusing contractual arrangements between Governments and community organisations from outputs to outcomes has been discussed and attempted in some

programs for many years. The reason it still has not been implemented and is the subject of more discussion is that it is hard. The difference between an outcome and output must be clearly defined and understood. Setting measurable outcomes for services is difficult because it means that we have evidence about what strategies are effective and we have demonstrated that a particular intervention produces a particular result. People and their lives are complex. Moving to outcome based funding is a laudable long term project that requires considerable financial commitment to research and evaluation to implement effectively.

Simplification of Contractual Arrangements – CHFV is very supportive of initiatives that promote the partnership between Government and funded organisations and move away from the more paternalistic funder-agency relationship. Traditionally Governments, and their departments, have been risk averse and make knee jerk bad policy and procedures as a response to adverse events. In the community housing sector organisations are rigorously regulated by the Housing Regulator under *the Housing Act 1983* yet those who lease properties from DHS are also tightly controlled under a very prescriptive lease. Similarly, some CHOs are required to implement DHS accreditation because of some funding they received when it covers many of the same areas as community housing regulation. This not only adds to reporting requirements but it adds additional layers of administration to DHS for very little gain.

Large is not always better than small – The discussion paper notes that much specialist knowledge and expertise has been developed in small specialist organisations and this must not be lost. There is also discussion of the need to rationalise the number of contracts Governments have with CSOs and develop place based or regional contractual relationships. CHFV would argue that there is a place for small organisations alongside larger more generalists ones. Small organisations can be very efficient and large organisations can be very bureaucratic. No one rule applies. If the goal is to have a well integrated, efficient service system at a local level with simplified arrangements with Government then there are many ways to get there, including:

- Lead agency models
- Consortia
- Funding agreements that include money for service co-ordination and consultation
- Shared back of house services
- Create an environment of co-operation rather than competition

The extrapolation of moving towards fewer government contracts with larger organisations is that organisations will be required to provide a range of different services to a particular client. Within the housing sector the separation between tenancy management and support services has been seen as good practice. Most CHOs have developed constructive partnerships with service providers and the benefits of this separation are:

- a client can to complain about, or change support providers, without threatening their tenancy (a key driver of the NDIS);
- Reducing conflicts as the service provider is also not trying to sustain a tenancy by the provision of support on one hand and enforce a tenancy on the other as landlord; and
- Giving the client an advocate in the case of a dispute between the landlord and the tenant/client.

We also understand that small organisations are not represented on the Project Reference Group and this oversight should be rectified.

Regionally based services – it would be easy for Governments to simply articulate what it wants to purchase in terms of services based on the DHS regions and demographic data and put the contracts out to tender and let the market work out who is best placed to provide this integrated range of services. Simple but misguided. Wholesale tendering out of programs diverts services from what they are funded to do, to trying to secure their future. Already organisations are second guessing these reforms and trying to position themselves accordingly. When the direction of the reforms becomes clear Governments need to work proactively with organisations to redesign the service landscape.

The Next Steps

The next step is to demonstrate how these principles can become reality. CHFV looks forward to more consultation opportunities in the coming months as implementation plans become clearer.