



## **Submission to the Independent Inquiry into Insecure Work in Australia**

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### 1. Overview

Hanover welcomes the opportunity to provide input into the *Independent Inquiry into Insecure Work in Australia*. We congratulate the ACTU for establishing this inquiry.

Hanover believes that the inquiry presents a great opportunity to look at the intersection between paid employment, underemployment and homelessness. The Inquiry is well placed to expose many of the community myths regarding homelessness and employment, particularly:

- that homelessness is only an issue that affects welfare recipients
- that people experiencing homelessness don't aspire to employment
- that working people don't become homeless
- that people who are homeless are not in employment

In completing this submission, we have only focused on those terms of reference relevant to our expertise and experience.

### 2. About Hanover Welfare Services

Hanover Welfare Services (Hanover) aims to make a practical difference in the lives of people experiencing homelessness or facing a housing crisis.

Established in 1964, Hanover is a not-for-profit company. With an annual budget of \$17 million and a staff of over 160 people located at seven sites across metropolitan Melbourne, we provide assistance to 6,500 people experiencing homelessness each year, including 2,500 children.

Hanover's mission is to empower people who are homeless, or at imminent risk of becoming so, to enable them to take greater control of their lives. Hanover also aims to stimulate and encourage change in Australian society to benefit people experiencing homelessness.

Hanover's work encompasses three inter-related areas:

- Support - the provision of high quality individualised tailored support to assist clients to address issues impacting on homelessness.
- Accommodation - access to a range of accommodation and housing options, including 79 singles and couples crisis accommodation beds, 12 families' crisis units, 14 rooming house beds, 255 transitional housing properties and 9 long-term properties.
- Research and advocacy – robust, targeted and timely homelessness research, and the provision of high-level advocacy and policy advice to state and federal governments, community sector agencies and the community.

Hanover values integrity in all its relationships, intelligence in its processes, the intrinsic worth of each individual and development and nurturing of community participation.

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Supporting clients into employment is a key way that Hanover meets its mission. For many years we have delivered employment programs for clients and Hanover currently operates homeless specialist Job Services Australia (JSA) programs at South Melbourne, Fitzroy, Prahran and Dandenong. Hanover has also undertaken research into homelessness and employment, most notably *YP4*, a two year trial looking at “joined up” services for homeless young job seekers.

### 3. Homelessness, unemployment and insecure work

#### People who experience homelessness are in work and aspire to work

It is often incorrectly assumed that people who experience homelessness are not engaged in the labour market or seeking employment.

The national data collection from homeless specialist services is operated by the Australian Institute of Health and Welfare (AIHW) for the Australian Government. AIHW collects data on people who receive support from Specialist Homelessness Services (SHS). Data for the most recent financial year 2010-11 (AIHW a, AIHW b) shows that 84% of clients were receiving Centrelink payments when they presented for assistance and more than 50% were outside the labor force. The AIHW collection only captures data for people *actually receiving support* from specialist homeless services. Data from the Australian Bureau of Statistics (ABS) Census – the only point in time count of people experiencing homelessness in Australia - sheds a little more light. This collection counts people experiencing homelessness who are staying in specialist homeless services. (19% of the total ABS Census homeless population) but also those sleeping rough, couch surfing, staying with friends and living in sub-standard boarding houses. This provides a more comprehensive picture of the homeless population. This collection showed that around **20% of all people experiencing homelessness were in the labor force and working part time and around 23% were in full time employment.** (Chamberlain and Mackenzie, 2008, see p 41).

However, these data collections do not provide an indication of the past employment histories of people experiencing homelessness. Hanover undertakes a biennial survey of to gather more in-depth information about our clients. Results from our 2009 survey showed that 27% of our clients had been in paid work in the past 12 months. (Hanover, 2009). **This work was most commonly part time (67%) and either casual (52%) or short-term contract (19%). Less than a third had had permanent work.** Despite this our clients had strong aspirations to gaining and/or maintaining employment. Around 28% of our clients had undertaken study or training in the past 12 months and 44% indicated they were hoping to be working over the next year.

Hanover believes that stable employment is essential to preventing homelessness and to building sustainable solutions to homelessness.

#### YP4 - Young people experiencing both homelessness and unemployment

Hanover participated in YP4, a multi agency trial of joined up services for people aged 18-35 who experienced both homelessness and unemployment. This trial examined whether clients receiving “joined up” services over a two year period achieved better employment and housing outcomes than those receiving standard services. This study provides a further understanding of homelessness and employment. While many of the

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399 clients on this trial were in receipt of Centrelink payments when commencing the trial, around half had been in paid employment in the past 12 months and almost all had work histories. **Most commonly these participants had worked in hospitality, retail, laboring or factory work – all lower paid industries with high rates of casual work.** Data from Centrelink showed that these participants commonly had 2 employers in the past 12 months with some having up to 7 – suggesting a pattern of low paid insecure work. On average income from employment made up 13% of their income over the previous year – with the rest coming from Centrelink payments. While these people had work histories and had been in paid work, this work was not long term and did not provide levels of income sufficient to either prevent or resolve their homelessness.

### Looking for and gaining work

Hanover also undertook a research project funded by FaCHSIA to look at the barriers people experiencing homelessness faced in gaining work (Mavromaras, King, Macaitis, Mallett & Batterham, forthcoming). This project involved qualitative interviews with 17 service providers and 32 clients of either homelessness services, Job Services Australia (JSA) providers and social enterprises. All of the 32 clients had experienced homelessness. While some participants had little or no work experience, some had substantial work histories and qualifications at or above Certificate 3 level. **However, the previous work experience for participants had often been in roles and industries with high rates of casualisation.** For these participants, **the only work experience they had undertaken was in hospitality, factory work or labouring.** They were keen to work and actively looking but the employment they had been able to find was **short term and low paying and it was not adequate for them to change their circumstances.**

Many stated their motivation for gaining full time employment was to be able to afford private rental housing and improve their living standards. Those with children wanted to be able to provide for them and some wanted to have some disposable income to be able to socialise, or to have something regular to do to stave off boredom.

### Household income and homelessness

Hanover also undertook a research project recently that examined the relationship between labour and housing market factors and rates of homelessness across Victoria. A key finding of this research was that the unemployment rate was *not* related to aggregate rates of homelessness but the percentage of low income households in a given area was. Modeling showed that income was critical in the relationship between housing market factors and rates of homelessness. The pattern that emerged was that homelessness was higher in areas with more rental housing and lower cost rental housing, but that household incomes were also lower in these areas – meaning that low income households were not able to access the affordable housing that was available. It appears therefore that *low income* rather than *unemployment* per se is the key correlation with rates of homelessness.

This research was concluded that the **relationship between labour market trends in driving rates of homelessness was likely to be about those who are either underemployed or employed in low paid roles.** A review of the literature suggested that the process of spatial polarization (where affordable housing is located far from

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lower paid work) was clearly involved in aggregate rates of homelessness, and this was most acute for those in low paid service industry roles (Yates, Randolph, Holloway & Murray, 2006). While further research is needed, it would be likely that those lower income households are more likely to be in insecure work.

### Summary

A significant number of Australians who experience homelessness are in the labour market (around 40%) and a large number of people at significant risk of becoming homeless are also in employment. This is similar to other countries, for example in the USA 44% of people who are homeless are in employment. This is counter to the common perception that people who are homeless are unemployed and don't aspire to employment. Evidence suggests however that many of the jobs that people who are homeless are working in are short term and casual.

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