



Urgent Briefing Note

TO: Premier, Jeremy Rockliff

SUBJECT: HOUSING CONNECT 2.0 Request for Grant Proposal (RFGP)

Colony 47 is calling for an urgent pause and reassessment of the current 'closed tender' for Housing Connect 2.0 (due to commence 1 July 2024).

After decades providing housing services in Tasmania, including the last ten years as the Tasmanian Government's lead contractor for Housing Connect in Southern Tasmania, Colony 47 has made the difficult, unwanted, and distressing decision that it cannot support the proposed Housing Connect 2.0 model in its current form.

Colony 47 first identified questions and concerns with the draft RFGP in June 2022 and has attempted to work through these issues with Homes Tasmania in good faith. Our focus has always been on ensuring Housing Connect 2.0 adequately and sustainably meets the needs of Tasmanians desperately requiring intensive support.

The final RFGP documentation released on 16 August 2023 has only served to reinforce and magnify our original concerns. It is our firm view that the new model and proposed funding will fail to meet current, and forecast, levels of demand, create unmanageable case loads, and place staff at unacceptable risk.

In summary, the proposed model:

- Purports to offer 'intensive, personalised services' for Tasmanians experiencing homelessness, but will result in caseloads of approximately 200 highly vulnerable people per worker (based on Homes Tasmania's own estimates);
- Promises a 'Flexible Funding' pool for purchasing 'emergency overnight accommodation' or 'payment of a large and unexpected bill', but allocates just \$39 per client, per year;
- Deviates from the model developed with providers in 2020 by omitting dedicated support for victim-survivors of family violence, removing intensive personalised services for thousands of young people and failing to provide placed-based services in North-West Tasmania; and
- Fails to incorporate specialist support services for First Nations people, people with disability, and people experiencing mental illness.

Colony 47 is passionate about delivering housing and homelessness support services. We have an extraordinary team who do an outstanding job with minimal resources. Now in our 50th year, our central purpose has always been to build the capacity of vulnerable Tasmanians to live independently and have a good life.

Colony 47 strongly supported the creation of Homes Tasmania and the associated legislative amendments. We have engaged with Homes Tasmania proactively to identify opportunities for innovation and improvement in service delivery.

Sadly, after significant deliberation, we have formed the conclusion that our ability (and that of any other provider) to deliver quality services to clients will be unacceptably constrained under the requirements of the Housing Connect 2.0 tender.

We are not prepared to compromise on the quality of our services, or subject our employees to unsustainable workloads and strongly believe it would be unethical to do so.

We are therefore urgently calling on the Tasmanian Government to place a pause on the Housing Connect 2.0 RFGP.

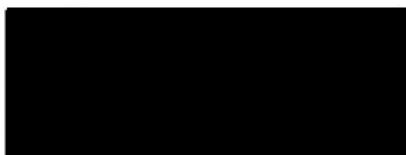
We are proposing the following constructive pathway to ensure the new model truly meets the needs of vulnerable Tasmanians:

- Extend current housing support service contracts to at least 30 June 2025 (remembering existing providers are the only organisations permitted to tender for Housing Connect 2.0);
- Implement the new Online Portal and assess whether it works as expected; and
- Fully develop and test proposed new service models with lived experience consumers and roll out proven models under existing contracts, before moving to a tender process.

The attached table provides more information about the issues described above. Detailed analysis has been undertaken and is available on request, along with documentary evidence.

We would be pleased to meet with you at your earliest convenience to discuss our concerns and identify a positive pathway forward.

Yours Sincerely

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Dianne Underwood
CEO, Colony 47

Description of Housing Connect 2.0 Model and the Request for Grant Proposal ('Closed Tender')	RED FLAGS
<p>Housing Connect is Tasmania's service system for housing and homelessness services.</p>	<p>! (1)</p>
<p>Homes Tasmania has released a 'closed tender' Request for Grant Proposal (RFGP) for the provision of a new Housing Connect service model from 1 July 2024. This new model is known as Housing Connect 2.0.</p>	<p>Homes Tasmania claims the new model has been "co-designed...in partnership with homelessness and housing services, Brotherhood of St Laurence, and people with lived experience". Colony 47 has repeatedly dissented from key aspects of the new model in the last two years and urged Homes Tasmania to change course. Key components of the service model have not been released to anyone outside Homes Tasmania. Colony 47 is not aware of any direct co-design of the new model with people with lived experience of homelessness.</p>
<p>The tender is only available to the five organisations that currently deliver Housing Connect services: Colony 47; Anglicare; CatholicCare; Hobart City Mission; and Salvation Army.</p>	<p>! (2)</p>
<p>The new model is complex in detail, but essentially involves two services:</p>	<p>! (3)</p>
<ul style="list-style-type: none"> • Housing Connect 2.0 'Front Door Services'. All Tasmanians seeking housing support services start at the Front Door, either in person or through a new online portal. Under Housing Connect 2.0 these people will then be assessed as falling into one of three categories: <ul style="list-style-type: none"> ○ Level 1 is 'brief support' (6-10 hours service) for people with 'high capabilities. ○ Level 2 is 'early intervention' (4-12 weeks service) for people 'experiencing housing crisis' who 'have the capabilities and motivation to progress their housing goals'. ○ Level 3 is for people requiring 'a targeted and intensive homelessness response' (9-18 months service). 	<p>None of the current service organisations have been provided with the assessment tool that will stream people into Levels 1, 2 or 3. Homes Tasmania has not provided details on this tool.</p>
<ul style="list-style-type: none"> • Housing Connect 2.0 'Personalised Services'. People assessed as Level 3 by the Front Door will be transferred from the Front Door to one of four different 'Personalised Services' based on their 'life stage'. The four life stages are: <ul style="list-style-type: none"> ○ Young People ○ Single Adults ○ Couples and Families ○ Older Adults 	<p>Homes Tasmania has decided to directly award the contract for Personalised Services to 'Older Adults' to the provider Wintringham, outside the tender process.</p>
<p>There will be one 'Front Door Services' provider statewide. There will be six contracts for Personalised Services, with each Life Stage service divided into services for 'Southern Tasmania' and 'North/NW Tasmania' (excluding 'Older Adults'). A provider can choose to tender for one or more of the 'Front Door Services' and 'Personalised Services'.</p>	<p>! (4)</p>
<p>In the original <i>Housing Connect 2.0 Service System Design (2020)</i>, Personalised Services were to be provided to Young People at both Level 2 and Level 3; the North-West region would have its own placed-based service; and those experiencing family violence would have their own support pathway. These elements have been removed in the RFGP.</p>	<p>The BSL 'Life Stage' approach to housing support services <i>has never been implemented in any jurisdiction</i>, and risks failure in the dispersed regional communities of Tasmania. It is also critically dependent on BSL's 2019 recommendation for "maximum caseloads [in] Housing Connect Support contracts", which is absent from the Housing Connect 2.0 RFGP.</p>
<p>Homes Tasmania estimates that 29,311 people will access Housing Connect 2.0 services in 2024-25, with 14,006 (47.8%) requiring Level 1; 8,651 (29.5%) requiring Level 2; and 6,654 (22.7%) requiring Level 3 services (excluding 'Older Adults'). Among Level 3, Homes Tasmania</p>	<p>! (5)</p> <p>The RFGP (as at 26 August 2023) does not contain estimated participant numbers. They were provided to a Steering Committee just prior to the release of the RFGP. The methodology used to arrive at these estimates is unknown.</p>

<p>estimates that 871 will be 'Young People'; 3484 will be a 'Couple or Family'; and 2299 will be 'Single Adults'.</p> <p>Funding of \$13,553,002 has been allocated to Housing Connect in 2024-25, with \$9,965,002 (73.5%) allocated to one 'Front Door Service', and \$3,588,000 (26.5%) allocated across six 'Personalised Services'.</p> <p>This is based on \$439.82 per estimated participant for Levels 1 and 2; and an average of \$539.22 per estimated participant for Level 3. There is no explanation of what will occur if the estimates are incorrect.</p> <p>As an example, \$276,000 has been allocated to Personalised Services for an estimated 507 Young People experiencing homelessness in Southern Tasmania and \$276,000 for an estimated 364 Young People experiencing homelessness in North/NW Tasmania. Homes Tasmania says the amounts are the same in each region despite having different caseloads, because the amount in North/NW was 'increased above the norm' to allow two FTE staff to be employed.</p> <p>Based on Homes Tasmania's estimates and calculations, providers of intensive 'Personalised Services' are expected to have one worker for between 182 and 253 people experiencing homelessness per year.</p> <p>Further, as stated in the RFGP, Homes Tasmania expects 'Personalised Services' to be provided 'within two days of referral' for '9-18 months'. So, the actual caseload at any one time can conservatively be estimated at 200 highly disadvantaged people per worker. Each 'Personalised Service' is expected to service people across all communities in the entire Southern or North/NW region of Tasmania.</p> <p>In addition to the amount allocated for workers, the RFGP allocates an amount for 'Flexible Funding'. This is designed to pay for things like 'emergency overnight accommodation in a hotel' or 'one-off funds to stabilise a tenancy such as payment of a large and unexpected bill' or 'access to health and community services that are not provided free of charge'. The amount allocated to 'Flexible Funding' is \$39 per person, per year, for Level 3 participants.</p> <p>Funding for Housing Connect 2.0 is expected to change in Year 2 (2025-26), based on Homes Tasmania's estimate that 50% of Level 1 participants will choose to 'self-serve' via the new Online Portal. The expected 'savings' are then allocated by increasing funding per participant across Levels 1-3 (except for Personalised Services for Young People in North/NW Tasmania, which remain the same as Year 1). Homes Tasmania has estimated the number of participants in Year 1 will be the same in Year 2.</p> <p>This expected Year 2 re-allocation will result in \$583.00 per estimated participant for Levels 1 and 2; and an average of \$642.92 per estimated participant for Level 3.</p> <p>There is no explanation of what funding will be allocated if fewer than 50% of Level 1 participants choose to 'self-serve'.</p>	<div style="background-color: #e91e63; color: white; padding: 5px;">! (6)</div> <p>The funding allocated to Personalised Services (Level 3) per participant is not proportionate with the length and intensity of service, when compared with Level 1 and 2. A Level 1 participant can be serviced in hours, while a Level 3 participant requires 9-18 months, yet the funding allocation is only 22% greater for Level 3.</p> <div style="background-color: #e91e63; color: white; padding: 5px;">! (7)</div> <p>Homes Tasmania has attempted to take approximately the same amount of funding that is currently allocated to Housing Connect, and spread it across eight different service contracts. This has resulted in grossly insufficient allocations to services for people most in need (Level 3 Personalised Services).</p> <div style="background-color: #e91e63; color: white; padding: 5px;">! (8)</div> <p>In the Housing Connect 2.0 development process, Homes Tasmania claimed the new model would deliver caseloads of 15-20 per worker. A caseload of 200 per worker is unsafe for people experiencing homelessness and for workers, risking complete service failure. Two workers servicing all Young People seeking intensive housing support in each half of Tasmania will see people from regional communities receiving little to no direct service.</p> <div style="background-color: #e91e63; color: white; padding: 5px;">! (9)</div> <p>The amount allocated for Flexible Funding (\$39 per participant) for people seeking crisis or ongoing support due to homelessness is grossly insufficient. The amount has been set without any assessment of actual need and renders the service model ineffective.</p> <div style="background-color: #e91e63; color: white; padding: 5px;">! (10)</div> <p>The two-year funding model is based on estimates of participant capacity (Levels 1-3); estimates of participant Life Stage (four types); and estimates of Online Portal uptake. There is no mechanism to re-dress funding allocations in the event these estimates prove incorrect.</p>
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