



Homelessness and Affordable Housing



Australia is experiencing a critical lack of affordable housing. The number of public housing dwellings declined by more than 40,000 from 372,000 in 1996 to 330,000 in 2008, leaving 250,000 Australians to languish on public housing waiting lists, the majority for more than a year. Demand for public housing is estimated to rise by 28% or about 93,000 houses by 2023. Private rental costs have continued to increase beyond the rate of the CPI for more than five years. More than 600,000 families and single people are now in housing stress in the private rental market. This situation has compounded poverty for low-income earners, leaving more people vulnerable to homelessness. The ABS cost of living survey showed those on low incomes were paying nearly three times the proportion of their income to service housing costs compared with those on upper-middle incomes. The lack of affordable housing has also changed the face of homelessness, contributing to a rise in the number of homeless families and destroying exit points from homelessness into safe, secure, appropriate and affordable housing.

Affordable housing – the crisis

More than 1.1 million Australians are in housing stress, spending more than 30% of their disposable income on housing costs. In addition, more than 350,000 Australian households are in “housing crisis” – spending more than 50% of their income on housing. According to the Report on Government Services, 37.2% of low income households are in rental stress, allocating more than 30% of their disposable income to rent. People in the private rental market are particularly affected. 66% of people who are in housing stress are in the private rental market. More than 70% of people on low incomes find it difficult to pay their rent, 40% have recently been in arrears, and many cut down on meals and heating in order to pay their rent. Government funding for public and non-profit community housing declined by around 30% between 1996 and 2008 before the financial crisis and resultant stimulus package triggered a \$5.6 billion boost to social housing. The national shortage in the supply of houses that are affordable and available to people on the lowest 20% of incomes has reached more than 200,000 dwellings. If we extend the income threshold to include all Australians on below median incomes, the shortage of affordable and available housing balloons to 493,000. This is contributing to rising demand for housing which in turn increases housing costs and pushes security of tenure further out of reach for low-income and marginalised Australians: among them single parent households, those with disabilities including mental health issues, older Australians, young people living independently of their families, and people with limited employment engagement.

Housing affordability and homelessness – the connections

Housing un-affordability increases homelessness. It means more people are unable to meet rental payments in the private market and, once homeless, makes it impossible for many people to obtain appropriate, affordable housing due to inadequate supply. According to the St Vincent De Paul Society, nearly 50% of homeless people seeking assistance are private renters unable to make ends meet. Almost 20% of people seeking help from specialist homelessness services in 2009/10 said they were homeless because of accommodation issues. For homeless families (who make up more than 16% of the homeless population), the main reason for seeking assistance was eviction or being asked to leave their accommodation. This was the case for 22% of couples with children and 14% of homeless couples without children.

In 2009-10, specialist homelessness services provided support to find short or medium term housing outside the crisis accommodation system to 38.2% of the people who sought help from a service. Generally, the housing situation of people who requested this assistance improved after they left the service: 85.9% had some form of tenure after leaving a homeless service compared to 72.7% before they became homeless.

However the extreme shortage of public and community housing makes it very difficult for many people who have been homeless to obtain housing in a reasonable time-frame. While homelessness is included in the eligibility for priority public housing access in all Australian jurisdictions, people who are experiencing or have experienced homelessness nonetheless face unacceptable delays. Competition for private rental properties is fierce especially in metropolitan locations, and for some people with histories of homelessness it is virtually impossible to obtain.

Meanwhile in the private rental market, low vacancy rates and tight competition mean that landlords can positively discriminate in favour of people with strong tenancy histories effectively locking people who have experienced periods of homelessness out.

Homelessness – more than rooflessness

Homelessness is more than “rooflessness”. Many people enter homelessness as ‘couch surfers’, particularly young people and women escaping domestic and family violence who are temporarily accommodated by friends or relatives in large numbers.

People who have been homeless for extended periods of time, or who struggle with finances or health problems including poor mental health and addiction, may struggle to sustain their new tenancy without significant support. This can create a cycle of poverty and increased risk of homelessness that is very difficult for low-income households to escape. Others may have low support needs but may require assistance with budgeting or other support to ensure they can sustain a tenancy.

Just providing a house will not necessarily, or by itself, resolve the issues that caused homelessness for all individuals and families. It will, however, provide a stable basis from which people who have been homeless can live independently and securely, and re-engage in the civic, social and economic life of their communities.

Research from overseas indicates that providing people with rapid access to housing they can afford and connecting them to appropriate financial, health and support services can solve homelessness for even the most disadvantaged people with higher support needs and long histories of cycling between rough sleeping and boarding houses. The provision of housing and support packages with security of tenure has been shown to produce cost-savings across other sectors of the economy and health and social spending. Most importantly it ends homelessness for people and can reduce the incidence of chronic ill health and prevent premature death.



Creating a framework for ending homelessness

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What needs to happen?

Bricks and mortar are an important part of Australia's national response to homelessness. Government policies to improve housing affordability and increase the supply of affordable housing including the National Rental Affordability Scheme are positive first steps. In addition:

- Federal and State Government must commit to progressively increasing the supply of public and community housing.
- We need a commitment to supply 220,000 additional affordable housing dwellings between 2010 and 2020.
- We need to reform Australia's taxation system so that investment in affordable housing is incentivised and rewarded.
- We need all levels of Government and the private sector to commit to the reforms and capital investment necessary to increase the supply of affordable housing in Brownfield, Greenfield and Greyfield developments.
- We need to increase the supply of affordable dwellings in developments that offer permanent, supportive housing for people experiencing homelessness; ideally these should be mixed tenure communities, close to health and support services and/or located in transit-oriented developments.
- We need to see a comprehensive affordable housing strategy developed and implemented at a federal level that addresses demand, resourcing, planning and supply issues and commits to the achievement of benchmarks and targets for the proportion of new housing stock in developments that is designated 'affordable'.

Statistics used in this document were sourced from:

- Use of Government Funded Specialist Homelessness Services 2009/10, AIHW: <http://www.aihw.gov.au/publication-detail/?id=10737419170&tab=2>
- National Housing Supply Council report 2010: http://www.fahcsia.gov.au/sa/housing/pubs/housing/national_housing_supply/Documents/StateofSupplyReport_2010.pdf
- Australian Bureau of Statistics Household Expenditure Survey 2009/10: <http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/6530.0main+features12009-10>
- Report on Government Services: Housing and Homelessness Services 2010/11: http://www.pc.gov.au/__data/assets/pdf_file/0015/105360/076-partg-sectorsummary.pdf
- National Affordable Housing Agreement Performance Indicator Report 2009/10: http://www.coagreformcouncil.gov.au/reports/docs/naha_09-10/naha_09-10_vol2.pdf

