Senate Economics References Committee  
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Canberra 2600  
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Dear Economics Committee,

AFFORDABLE HOUSING INQUIRY

As previously advised, Homelessness Australia (HA) wishes to make a late submission to the above inquiry. We would be grateful if the Committee could consider our submission, which focuses on what client data collected by Specialist Homelessness Services (SHSs) and reported on by the Australian Institute of Health and Welfare (AIHW) shows about the relationship between homelessness and housing affordability.

First, however, we would like to make a point about improving other aspects of the evidence base. In HA’s view, it is time that data about all government policies that contribute to, or detract from, supply of affordable housing, particularly in the private market, was published in the annual Review of Government Services, rather than that publication focusing only on social housing supply and demand-side housing assistance.

Government contributions to poor housing affordability must be quantified and addressed

A comprehensive research survey by Gronda et al indicated that accountability frameworks for service delivery to people experiencing or at risk of homelessness would be most effective if:

- they focused more on sustaining housing and less on obtaining it; and
- accountability for outcomes was shared between mainstream and specialist services.¹

A great deal of data relating to housing and homelessness is now collected and reported on, whether by the ABS, AIHW, in the annual Report on Government Services, or in Productivity

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¹ Gronda, Ware and Vitis, What makes a difference? Building a foundation for nationally-consistent outcome measures, AHURI 2011.

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Commission performance reports on intergovernmental agreements such as the National Affordable Housing Agreement (NAHA). That data provides us with valuable insights into the prevalence of homelessness, the services that people experiencing or at risk of it need and whether they receive them, the social and other housing assistance that governments provide and the ways in which that assistance might be improved. It also shows that large proportions of people experiencing or at risk of homelessness who obtain public housing as a matter of priority are able to sustain it 12 months later (see the AIHW research reproduced at Appendix B). Many of these reports also shed additional light on acknowledged problems such as rental stress for low-income households.

However, there is an urgent need to focus more precisely on the contribution of other government policies to the present lack of housing affordability for low-income people and others at risk of homelessness. For example:

- although COAG scrutiny\(^2\) has helped to improve capital city strategic planning policies over the past few years, implementation of those policies in the two large and some other state capitals continues to favour people who are already housed (including those with substantial housing wealth) over those who are not housed, or whose housing situation is precarious,\(^3\) and still does not take adequate account of the contribution of ‘transport inequality’ to socio-economic disadvantage;

- ATO’s Taxation Statistics contain a goldmine of information about the profile and geographical distribution of individual taxpayers who own negatively-gearred investment housing. These should be analysed in a more time-real way for evidence of the extent to which these tax deductions actually do contribute to (affordable) housing supply by subsidising occupied housing at reasonable rents.\(^4\) That information could assist the design of better incentives for affordable housing investment.

- We also need more time-real, benchmarked monitoring of the availability for sale (and possibly also for rent) of properties that are affordable to low-income households (not

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\(^3\) eg the extensive use of new Neighbourhood Residential Zones by Victorian councils to restrict housing density or height.

\(^4\) Rather than, for example, subsidising the purchase of holiday homes that are rented over summer only. In HA’s view, taxpayers should not be eligible for the deduction for properties that are unoccupied for more than six months of any year.
just low- or moderate-income households)\(^5\) in each jurisdiction and nationally. And this information needs to be combined with evidence about the number of such properties that are actually bought or rented by low-income owner-occupiers. Data presently collected under NAHA ‘indicator 2’ is two years out of date,\(^6\) jurisdiction-specific and subject to no benchmarks. In its last report on indicator 2, the Steering Committee for the Review of Government Service Provision (SCRGSP) concluded that, in 2011-12, there were 6.3 dwellings affordable to low-income households sold in Melbourne for every 1000 such households there, and 5.9 such homes sold for every 1000 low-income households in Adelaide. A copy of this table appears at Appendix A. Figures like this are so bad that better policy could perhaps be made based on raw numbers of such houses for sale (or rent) under a certain price in any year, with an estimate of the numbers that sold to owner-occupiers. In the current fiscal environment, there is no justification for governments taking credit for subsidising home purchases that reduce the chances of low-income people obtaining secure shelter. While NAHA ‘indicator 2’ s link to the ABS SIH allows nuanced judgments about the relationship between local incomes and local house prices, there may be a case for publishing national data on home purchase or rental affordability, particularly if the government is interested in encouraging people to move to take up employment.

What the Specialist Homelessness Services Collection (SHSC) tells us about the relationship between housing affordability and homelessness

This collection is now into its fourth year. While it was adopted as part of COAG’s agenda to reduce homelessness, client numbers indicate that people experiencing or at risk of homelessness who seek assistance from SHSs constitute a larger slice of the population than they did three years ago. At the same time, the numbers of people who cannot be assisted, and the numbers of clients who cannot be provided with accommodation continue to rise:

\(^5\) A table combining these two groups appeared under the mysterious title ‘Supplementary contextual data’ in ROGS 2014.

\(^6\) HA understands that this is because the number of low-income households in each jurisdiction, and what housing they can afford, is calculated by reference to the biennial ABS Survey of Income and Housing.
Clients of SHSs, unmet client need and people given no assistance, 2011-12 to 2013-14

Sources: AIHW SHSC annual reports, tables S2.15 and S5.2, S5.7 or S6.7

Clients assisted

Clients accommodated

Clients accommodated or referred for accommodation

Clients assisted to sustain housing tenure

Clients needing accommodation not provided with it because no accommodation available

Client unmet long-term housing need

Clients needing assistance to sustain housing not provided/referred (for) it

Unassisted requests
The numbers of some clients have increased more than others, with increased reporting of domestic or family violence providing a key part of the explanation:
However, people seek assistance from SHSs for many different reasons. A small group do so because of itinerant lifestyles. Increasingly, however, financial difficulties, housing affordability stress and crisis and inappropriate dwellings are cited as reasons:

![Graph showing SHS clients: top 14 reasons for seeking assistance and reasons not stated, 2012-13 and 2013-14]

*Source: AIHW annual reports, Tables S2.13*
SHS clients seeking assistance for 'main reason' of financial difficulty or housing unaffordability, crisis or inadequacy, 2011-12 to 2013-14

Source: AIHW SHSC annual reports, Tables S2.14
SHS clients with one of ten (or 'other') main reasons for seeking assistance, by sex, 2011-12 to 2013-14

Source: AIHW annual reports
Although the SHSC records information about people who seek help from SHSs only, it asks SHSs to record clients’ housing situation upon presentation. Reporting of this data item has improved substantially over the life of the collection, with more and more people who seek assistance being identified as coming from private housing:

**Housing situations from which SHS clients presented for assistance, 2011-12 to 2013-14**

*Sources: AIHW SHSC annual reports, Tables R2.6, S2.11 and S2.7*

- Rough sleepers
- Temp accomm
- Couch surfers
- Public housing
- Private housing
- Jail or other institution
- Not stated/other
The next figure provides a breakdown of these clients by sex, showing the large numbers of female clients living in private housing who seek support:

There is a clear relationship between being a recipient of Newstart Allowance (the single rate of which remains inadequate to ensure secure housing) and being a client of an SHS. There is an obvious need for increased supply of affordable housing for this group of clients in particular.
Because SHSs cannot assist more than 150,000 people a year, besides being unable to meet the accommodation needs of tens of thousands of people who do become their clients and receive non-accommodation services, there are also legitimate grounds for concern about the numbers of people who seek support who are returned to inappropriate housing situations.

For example, although many ‘rough sleepers’ who sought support were assisted into public or private housing, there may also have been an increase in the number them being returned to rough sleeping in 2013-14. (Caution should be exercised in interpreting these numbers, however, given the improvement in reporting of these data items over the three years.)
Housing outcomes for SHS clients with closed support who were 'rough sleeping' when they sought support
2011-12 to 2013-14
Sources: AIHW SHSC annual reports
Tables S3.1 or S2.22
Although the overall numbers are small, there are reasons for concern about numbers of clients who sought support from jail or other institutional settings in 2013-14 but were returned to such settings at the end of support:

### Housing outcomes of SHS clients with closed support presenting from institutional settings, 2011-12 to 2013-14

**Sources:** AIHW SHSC annual reports

Tables S3.1 or S2.22

<table>
<thead>
<tr>
<th>Housing Outcome</th>
<th>2011-12</th>
<th>2012-13</th>
<th>2013-14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rough sleeping</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Temp accomm</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Couch surfer</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public or community housing</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Private housing</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jail or other institutional</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not stated other</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Legend:**
- Rough sleeping
- Temp accomm
- Couch surfer
- Public or community housing
- Private housing
- Jail or other institutional
- Not stated other
Increasingly, people who present from temporary accommodation (eg boarding houses, motels or other SHSs) must go back into that type of accommodation after support:
Although SHSs have more success improving the housing situations of ‘couch surfers’:

**Housing outcomes for SHS clients with closed support who were couch-surfing at first presentation, 2011-12 to 2013-14**

*Sources: AIHW SHSC annual reports Tables S3.1 or S2.22*
Perhaps the most successful recent initiatives have been preventative: ‘tenancy support’ measures to keep people who are already housed in their housing. (However, as our first graph indicates, even these clients must now sometimes be refused assistance.)
Housing outcomes of SHS clients with closed support living in private housing at first presentation, 2011-12 and 2013-14

Sources: AIHW SHSC annual reports Tables S3.1 or S2.22
Please don’t hesitate to contact us if you have questions about this submission or any of the data represented in it.

Yours sincerely,

Jennifer Clarke
Policy Officer
### Table NAHA.2.1

**Number of homes sold or built per 1000 low income households that are affordable by low income households, by State and Territory, by location, 2011-12 (a), (b)**

<table>
<thead>
<tr>
<th>Location</th>
<th>Unit</th>
<th>NSW</th>
<th>Vic</th>
<th>Qld</th>
<th>WA</th>
<th>SA</th>
<th>Tas</th>
<th>ACT(c)</th>
<th>NT(d)</th>
<th>Aust</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital city</td>
<td>no.</td>
<td>9.470</td>
<td>3.888</td>
<td>5.140</td>
<td>4.422</td>
<td>1.167</td>
<td>460</td>
<td>2.139</td>
<td>460</td>
<td>27.185</td>
</tr>
<tr>
<td>Balance of state</td>
<td>no.</td>
<td>5.459</td>
<td>7.265</td>
<td>3.168</td>
<td>1.016</td>
<td>1.158</td>
<td>670</td>
<td>np</td>
<td>np</td>
<td>16.736</td>
</tr>
<tr>
<td>Total</td>
<td>no.</td>
<td>14.929</td>
<td>11.153</td>
<td>8.308</td>
<td>5.438</td>
<td>2.325</td>
<td>1.139</td>
<td>2.139</td>
<td>480</td>
<td>45.921</td>
</tr>
</tbody>
</table>

**Numerator — number of homes sold or built that are affordable by low income households**

**Denominator — total number of low income households**

<table>
<thead>
<tr>
<th>Location</th>
<th>no.</th>
<th>670 625</th>
<th>620 290</th>
<th>310 220</th>
<th>270 369</th>
<th>196 153</th>
<th>35 108</th>
<th>55 347</th>
<th>20 976</th>
<th>2 179 099</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital city</td>
<td>no.</td>
<td>435 628</td>
<td>240 104</td>
<td>364 950</td>
<td>88 498</td>
<td>71 015</td>
<td>47 973</td>
<td>np</td>
<td>np</td>
<td>1 268 058</td>
</tr>
<tr>
<td>Balance of state</td>
<td>no.</td>
<td>1 106 453</td>
<td>860 384</td>
<td>695 170</td>
<td>358 548</td>
<td>267 168</td>
<td>83 082</td>
<td>55 347</td>
<td>20 976</td>
<td>3 447 127</td>
</tr>
<tr>
<td>Total</td>
<td>Rate</td>
<td>14.1</td>
<td>6.3</td>
<td>16.6</td>
<td>16.4</td>
<td>5.9</td>
<td>13.1</td>
<td>38.6</td>
<td>23.8</td>
<td>12.5</td>
</tr>
<tr>
<td></td>
<td>Rate</td>
<td>12.5</td>
<td>30.3</td>
<td>8.2</td>
<td>11.5</td>
<td>16.3</td>
<td>14.0</td>
<td>np</td>
<td>np</td>
<td>14.8</td>
</tr>
<tr>
<td></td>
<td>Rate</td>
<td>13.5</td>
<td>13.0</td>
<td>12.0</td>
<td>15.2</td>
<td>8.7</td>
<td>13.6</td>
<td>38.6</td>
<td>23.8</td>
<td>13.3</td>
</tr>
</tbody>
</table>

(a) Income statistic used: median gross incomes of the 39th-41st percentiles of equivalised disposable household incomes (EDHI) for all states and territories except the Northern Territory. For the Northern Territory, the median gross income of the 35th-45th percentiles of equivalised disposable household incomes was used due to a small sample size in the 39th-41st EDHI percentile range.

(b) Totals may not add due to rounding.

(c) Capital city estimates for the ACT relate to the whole of ACT.

(d) NT estimates do not include balance of state areas since estimates for NT other than Darwin are not considered reliable.

**Source:** Valuer General (unpublished); ABS (unpublished) Survey of Income and Housing 2011-12.
In 2012-13, more than 77 per cent of public housing new allocations were to greatest need clients, as were a similar proportion of community housing allocations: see ROGS 2014 Tables 17A.12 and 17A.14.

### Table 6.2: Number and proportion of households that were in greatest need at time of allocation during 2011-12 who were assisted to secure and sustain their tenancies: housing proxy, by state and territory, by program type, 2012-13(a)

<table>
<thead>
<tr>
<th></th>
<th>Unit</th>
<th>NSW</th>
<th>Vic</th>
<th>Qld</th>
<th>WA</th>
<th>SA</th>
<th>Tas</th>
<th>ACT</th>
<th>NT</th>
<th>Aust</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Public rental housing</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of households assisted into public rental housing that were in greatest need at time of allocation during 2011-12 with a tenure length of 12 months or more</td>
<td>no.</td>
<td>3,671</td>
<td>2,512</td>
<td>2,842</td>
<td>1,407</td>
<td>1,532</td>
<td>687</td>
<td>611</td>
<td>217</td>
<td>13,479</td>
</tr>
<tr>
<td>Number of newly assisted households in public rental housing that were in greatest need at time of allocation during 2011-12</td>
<td>no.</td>
<td>4,217</td>
<td>2,841</td>
<td>3,346</td>
<td>1,617</td>
<td>1,981</td>
<td>882</td>
<td>653</td>
<td>249</td>
<td>15,766</td>
</tr>
<tr>
<td>Proportion of households assisted into public rental housing that were homeless or at risk of homelessness at time of allocation and who sustain their tenancies for 12 months or more</td>
<td>%</td>
<td>87.1</td>
<td>88.4</td>
<td>84.9</td>
<td>87.0</td>
<td>77.3</td>
<td>77.9</td>
<td>93.6</td>
<td>87.1</td>
<td>85.4</td>
</tr>
<tr>
<td><strong>SOMIH</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of households assisted into SOMIH that were in greatest need at time of allocation during 2011-12 with a tenure length of 12 months or more</td>
<td>no.</td>
<td>101</td>
<td>.</td>
<td>142</td>
<td>118</td>
<td>n.a.</td>
<td>.</td>
<td>.</td>
<td>361</td>
<td></td>
</tr>
<tr>
<td>Number of newly assisted households in SOMIH that were in greatest need at time of allocation during 2011-12</td>
<td>no.</td>
<td>131</td>
<td>.</td>
<td>166</td>
<td>134</td>
<td>n.a.</td>
<td>.</td>
<td>.</td>
<td>431</td>
<td></td>
</tr>
<tr>
<td>Proportion of households assisted into SOMIH that were homeless or at risk of homelessness at time of allocation and who sustain their tenancies for 12 months or more</td>
<td>%</td>
<td>77.1</td>
<td>.</td>
<td>85.5</td>
<td>.</td>
<td>88.1</td>
<td>n.a.</td>
<td>.</td>
<td>93.8</td>
<td></td>
</tr>
</tbody>
</table>

*Note: Greatest need is used as a proxy for homelessness or at risk of homelessness. Households in greatest need are those at the time of allocation who were subject to one or more of the following circumstances: they were homeless; their life or safety was at risk in their accommodation; their health condition was aggravated by their housing; their housing was inappropriate to their needs; they had very high rental costs.*

n.a. Not available.

. . Not applicable.
