Launch HOUSING IT'S TIME TO END HOMELESSNESS

Australian Homelessness Monitor 2022

EXECUTIVE SUMMARY

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ACKNOWLEDGEMENT OF COUNTRY

We acknowledge the Traditional Owners of the lands on which we live and work. As we create safe and welcoming homes, we honour the people of the Kulin nation and their enduring connection to their home we call Naarm, Melbourne.

We pay our respects to all First Nations Elders, past and present. And we urge all Australians to embrace the Uluru statement from the heart and what it asks of us.

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ABOUT LAUNCH HOUSING

Launch Housing is a Melbourne based, secular and independent community agency formed in July 2015. Launch Housing's mission is to end homelessness. With a combined history of over 75 years serving Melbourne's community, Launch Housing provides high quality housing, support, education and employment services to thousands of people across 14 sites in metropolitan Melbourne. Launch Housing also drives social policy change, advocacy, research and innovation.

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Foreword

The Australian Homelessness Monitor 2022 (AHM 2022) is the third report in Launch Housing's Homelessness Monitor series and covers the period 2018 – 2022.

The AHM 2022 undertakes the first major analysis spanning the COVID crisis years and contains in-depth examination of the changes in the scale and nature of housing markets and homelessness in Australia, including the social and economic drivers impacting homelessness.

While the COVID-19 pandemic prompted a swift response in the cities of Melbourne, Sydney, and Brisbane, to eliminate rough sleeping, other pre-existing trends continued to persist – the growing scale of homelessness nationwide; increases in older Australians experiencing homelessness; and family and domestic violence as the key driver for women and children seeking assistance from specialist homelessness services.

These prevailing issues highlight the need for concerted action from Australian governments and to bring together the community to finding solutions to homelessness.

The AHM 2022 shows that rising homelessness has continued to outstrip Australia's growing population. The average monthly number of people using homelessness services increased by 8 percent in the four years to 2021-22, double the national population increase over that period.

First Nations Australians and people affected by mental ill health have been the fastest growing cohorts among homelessness service users, up by 23 percent and 20 percent, respectively, while family violence was the single most frequently cited reason for homelessness service assistance.

Evidence presented demonstrates that there is a strong case for greater investment in permanent supportive housing models, to provide at-risk cohorts holistic support, combining long-term affordable housing with wrap-around supports. This requires integrating funding mechanisms and collaborative action from all levels of governments and committed partnerships.

Cost of living and housing stress are impacting everyday Australians. The average number of people accessing homelessness services because of their inability to pay rent, rose by a staggering 27 percent in the last four years.

Recent rental market trends have significantly contributed to this growth in homelessness. Between 2020 – 22 there was sizeable spike in rent inflation in the private market across Australia, with rental prices at rates unobserved since 2008. This is having the greatest impact on low-income households, pushing many into homelessness.

At 2.6%, the expansion of Australia's social housing stock for the period 2016 – 2021 lags both population (5.7%) and household growth (8.2%) and continues to shift downwards. This is cause for grave concern as the private market is evidently unable to respond to the homelessness crisis.

Commitments from the Commonwealth Government to increase social and affordable housing supply through the Housing Australia Future Fund program and to implement Australia's first-ever National Housing and Homelessness Plan has been widely welcomed.

The Fund will generate 20,000 new social dwellings and 10,000 affordable rental dwellings between 2023-24 but renewed investments will be needed beyond 2025.

The National Housing and Homelessness Plan can change the trajectory of homelessness in Australia. The plan should incorporate prevention measures and be underpinned by key policy levers – increasing income support and rent assistance – to improve housing affordability and prevent homelessness for those at risk and to break the cycle of intergenerational disadvantage.

We are at a critical juncture. By ensuring a pipeline of affordable and social housing beyond 2025, making adequate funding available to State, Territory, local governments, and the sector to implement integrated and evidence-based supports, the Federal Government can commit to ending homelessness in Australia.

Launch Housing is proud to have partnered with Professor Hal Pawson from the University of New South Wales and Professor Cameron Parsell from the University of Queensland for this insight into the current state of homelessness in Australia.

We acknowledge our Advisory Committee for volunteering their time and expertise to this important research and report.

We hope that policy and decision makers use the AHM 2022 and its recommendations to implement the changes required to end homelessness in Australia.

Laura Mahoney
Chief Impact Officer
Launch Housing

Executive Summary

Key points

- Across Australia, the average monthly number of specialist homelessness service (SHS) users grew from 84,800 persons in 2017-18 to 91,300 persons in 2021-22, an increase of 8%, double the contemporary growth in national household population.
- Total SHS service user numbers (a proxy for 'people experiencing homelessness') have recently grown at highly contrasting rates across jurisdictions; while South Australia's numbers remained nearly static over the past four years, particularly rapid increases were recorded in Tasmania (24%) and Queensland (22%).
- Nationally, since 2017-18 homelessness (SHS service users) has grown at double the rate in regional Australia as in capital cities (13% compared with 6%); numbers have increased fastest in regional Queensland (up 29%) and in regional Western Australia (up 35%).
- Australia-wide, housing affordability stress stands out as the most rapidly growing homelessness causal factor, over four years to 2021-22, the average monthly number of SHS service users where this issue had triggered the need for aid rose by 27%.
- First Nations Australians and people affected by mental ill health have been the fastest growing cohorts among SHS service users since 2017-18, up by 23% and 20%, respectively. By 2021-22, Indigenous persons (hereafter First Nations) accounted for 27% of all service users – a seven-fold over-representation in relation to the First Nations share of Australia's overall population.
- Recent rental housing market trends have likely contributed to ongoing homelessness growth, and to the risk that this will continue into 2023:
  - The period 2020-22 saw a dramatic spike in private market rent inflation across Australia, with rental prices (asking rents) rising at rates unseen since 2008; latest figures (June 2022) show annual private rent inflation running at 1.5 times the rate of consumer price rises more generally – 9.5% compared with 6.1%.
  - At 2.6%, the marginal expansion of Australia's social housing stock for the period 2016-2021 markedly lagged both population (5.7%) and household growth (8.2%). Consequently, the proportionate share of social housing has continued to drift downwards.
- Service provision innovations triggered by the pandemic have importantly included:
  - Structured housing and support programs in New South Wales and Victoria to assist the most disadvantaged residents of COVID-19 emergency accommodation (EA) in accessing long-term housing; and
  - The de-concentration of emergency housing and enhanced regulation of boarding houses in Queensland, the latter legitimising the use of boarding houses as a private housing outcome for former COVID-19 EA service users.
- The coincidence of state and federal investment programs should generate a net increase of around 9,000 social rental dwellings in 2024, the first year for decades in which production will be sufficient to maintain the sector's share of Australia's overall occupied dwelling stock.
- In order to stave off the resumption of declining social housing representation from 2025, new investment commitments will be needed from Australian governments.
- The role and opportunities for local government authorities (LGAs) in preventing and managing homelessness needs to be made explicit and more coherently integrated within state and national strategies.

Report purpose and methods

Australian Homelessness Monitor (AHM) 2022 presents an independent analysis of this important social problem. Its overarching purpose is to better inform housing and homelessness policymaking. To this end the report investigates the changing scale and nature of the problem and assesses recent policy and practice developments seen in response.

The study involved in-depth interviews with 28 key stakeholder representatives (state and local government, NGOs) across all eight Australian jurisdictions. Primary research components also included an online survey completed by 70 specialist homelessness service provider agencies and a focus group meeting with seven local government staff members. The report also draws on a policy document review and on original statistical analysis of published data on recent housing market conditions as well as on people experiencing homelessness.

Following on from our 2018 and 2020 editions, AHM 2022 is the third in the series of reports commissioned by Launch Housing. While concentrating primarily on the period 2018-2022, the original research for this report was conducted in mid-2022, after the easing of most COVID-19 public health restrictions and pandemic emergency policy settings relevant to homelessness.

In the 4 years to 2021-22:

91,300 **average monthly SHS users across Australia.**

An increase of 8%.

Including rapid total user increases in:
TAS +24% | QLD +22%

Fastest growing groups of SHS users include:

First Nations Australians **+23%**

People with mental ill health **+20%**

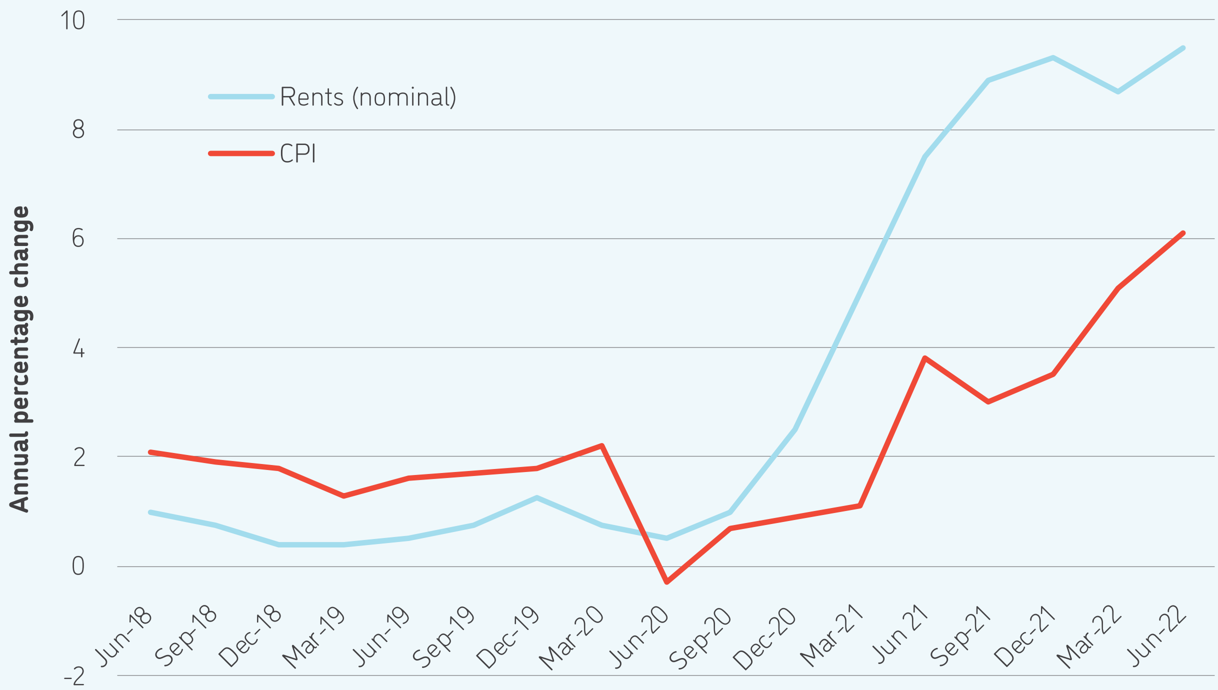
Research findings

Housing market context

Sharply rising house prices during the first 18 months of the COVID-19 pandemic raised the wealth threshold for accessing home ownership (the size of a typical home deposit in relation to average annual earnings) from 8.8 years to 10.2 years during this period. And while Australia has been affected by a general house price downturn from mid-2022, this is unlikely to enhance home ownership affordability due to its coincidence with sharply rising interest rates.

In the rental housing market, of more direct relevance to homelessness pressures, the past two years (2020-2022) have seen a dramatic spike in private tenancy rent inflation across Australia, with rental prices (asking rents) rising at rates unseen since 2008. Latest statistics, for June 2022, show annual private rent inflation running at 1.5 times the rate of consumer price rises more generally – 9.5% compared with 6.1% (see **Figure A**).

Figure A: Annual change in advertised rents and consumer prices, 2018-22



For sources and notes see **Figure 2.5**.

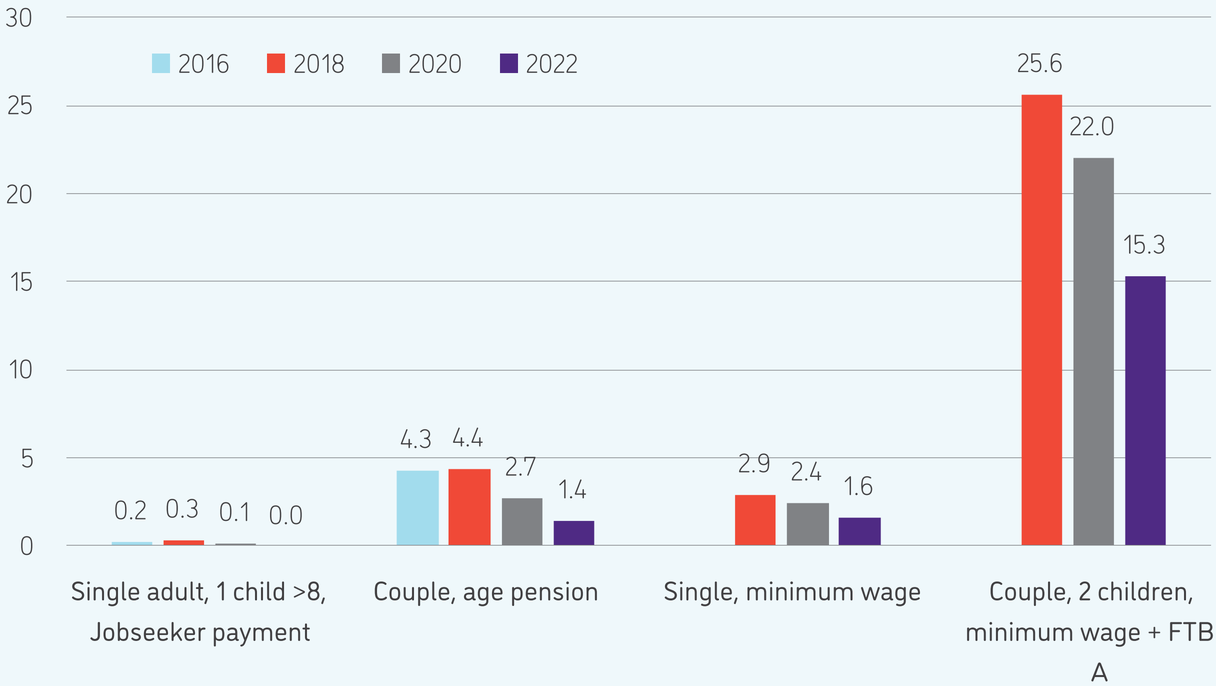
In the two years to June 2022, regional rent increases tended to outpace rising rents in capital cities across Australia, with the high rate of regional rent inflation in Queensland notably exceeding that in Brisbane in successive years. Symptomatic of the supply shortage inflating private rents across many parts of the country, the rental property vacancy rate for non-metropolitan Australia was running at an extraordinarily low 0.6%-0.7% through 2021-22.

At 2.6%, the marginal expansion of Australia's social housing stock for the period 2016-2021 markedly lagged both population (5.7%) and household growth (8.2%). Consequently, the proportionate share of social housing has continued to drift downwards. Over a longer (30 year) timeframe, the flow of social sector lettings – a more meaningful measure of supply – has been declining much more rapidly. Over the period 1991-2021, social housing lettings plunged by 42% - or proportionate to population, 61%. This reflects the recently minimal flow of newly completed dwellings as well as the very low turnover of existing tenancies that, in turn, partly reflects the increasingly intense targeting of tenancy allocations towards the most disadvantaged applicants.

As a stark indication of the rental affordability crisis for the lowest income Australians, among the 46,000 private rental properties advertised for let across Australia in March 2022, just 1.4% were affordable to an age pensioner couple. Moreover, the already small share of private rental properties affordable to a range of low-income groups has tended to shrink steadily over recent years (see **Figure B**).

Again, there are indications that these pressures have been recently escalating most markedly in regional, rather than capital city, settings. While equivalent statistics are unavailable for other jurisdictions, the proportion of new private tenancies in regional Victoria affordable to low-income households declined from 58% in Q2 2017 to only 24% in Q1 2022.

Figure B: Proportion of advertised private tenancies affordable to (selected) low-income household types, 2016-2022



For source and notes see **Figure 2.13**.

Homelessness policy and practice responses following from COVID-19

In addition to triggering extraordinary homelessness emergency expenditure and associated action, the COVID-19 pandemic also stimulated official openness towards experimenting with new approaches in homelessness policy and practice. This has been reflected in, for example, the roll-out of programs to rehouse people out of emergency accommodation (EA) in New South Wales and Victoria, and in new approaches to the management of crisis housing in Queensland.

As typically perceived by stakeholder interviewees, the public health crisis also stimulated significantly enhanced cross-sector working practices during 2020-2021, better integrating government and NGO homelessness service planning and provision. In general, as seen by homelessness service providers and other stakeholders, these developments have improved service delivery in lasting ways.

Such advances nevertheless fall far short of the changes needed to adequately address homelessness and rough sleeping in Australia at current levels:

- Improved conditions in crisis accommodation and boarding houses do not, in themselves, enable access to the kind of safe, affordable and long-term housing required to end homelessness.
- Post-EA housing and support programs rolled out by the New South Wales and Victorian governments are designed as discrete interventions, limited in duration and scope. Their benefits will therefore ultimately be restricted to the finite group of people formerly sleeping rough who accessed EA during the pandemic, and their beneficial impacts on long-term rough sleeper numbers in the two states will quickly dissipate. This reflects the reality that there is an ongoing flow of people falling into rough sleeping, some of whom are unable to avoid long-term homelessness.

Stated aspirations for the programs to have a lasting impact on street homelessness would require them to be transformed from one-off emergency programs to institutionalised features of their states' respective homelessness responses. This would call for ongoing funding to enable new clients to be supported by the programs as the need arises.

Recent homelessness policy developments and areas of concern

Although the outputs are only beginning to filter through in late 2022, several state governments made significant commitments to ramp up self-funded social housing supply in the wake of COVID-19. While spending pledges and programs have been highly variable across jurisdictions, these are projected as generating – in aggregate – some 23,000 new social housing units in the three years from 2021-22. This is comparable with the 2009-11 Social Housing Initiative funded by the Rudd Commonwealth Government in response to the Global Financial Crisis. Allowing for public housing sales and demolitions, a net increase of over 15,000 homes should result over the three years to 2024-25.

Moreover, the incoming 2022 Labor administration in Canberra has begun to re-engage the Commonwealth with the homelessness policy challenge facing the whole country. As part of this, and complementing state-funded initiatives, it has pledged a five-year program to construct 20,000 new social housing units, and 10,000 affordable rental dwellings from around 2023-24.

The coincidence of state and federal programs should generate a net increase of around 9,000 social rental dwellings in 2024, the first year for decades in which production will be sufficient to maintain the sector's share of Australia's overall occupied dwelling stock. However, sustainment of this improved situation will depend on the commitment of new resources (e.g. topping up the Housing Australia Future Fund which, based on its initial resourcing, will have exhausted its capacity to support new additional housebuilding after Year 5 of the program).

Australian policy needs to deepen engagement with homelessness prevention, both narrowly and broadly defined. While there is substantial scope for more effective intervention focused on 'at risk' cohorts, it is also important that governments embrace wider prevention measures at the population level. This chimes with the recent Productivity Commission recognition that the causes of homelessness are substantially 'structural' in nature.

The role of local government authorities (LGA) in responding to homelessness is largely un-recognised and undefined in Australia. To contribute towards national efforts to end homelessness, the role and opportunities for LGAs need to be made explicit and more coherently integrated within a national strategy.

There is an urgent need for Australia to develop a framework and set of principles for the wider and potentially enduring provision of intensive tenancy support consistent with the permanent supportive housing model – i.e. extending beyond the current very limited instances of Common Ground projects and other small-scale funded initiatives. Central to this will be clear funding mechanisms to allow the ongoing (long-term) provision of support services that people require for the duration of their needs.

Recent homelessness trends

Given the absence of any up-to-date statistics directly measuring the incidence of homelessness, this report utilises a proxy measure; that is, the caseload of specialist homelessness service (SHS) providers (i.e. persons using SHS services during any given time period). According to this measure, homelessness increased by 8% in the four years to 2021-22.

It is acknowledged that such statistics provide only an imperfect means of tracking changes in the underlying incidence of homelessness – especially because they enumerate people not only seeking, but also provided with, help. Therefore, rising homelessness measured as described above might reflect a situation where services were managing to help a growing proportion of those seeking such assistance. In fact, however, by a margin of two to one, SHS respondents in our online survey agreed that '[e]xcess demand/reduction in service capacity has led to the turning away of more service users in 2022 when compared to 2019'. In other words, the underlying increase in 'homelessness' is likely to be, if anything, larger than that estimated according to SHS caseload numbers. This strengthens the conclusion that, at the national scale, rising homelessness has continued to significantly outpace overall household growth – this having risen by only 4% over the relevant period.

At the same time, homelessness (SHS caseloads) growth rates have varied substantially across jurisdictions and regions. Numbers have recently expanded most markedly in regional Western Australia and regional Queensland. More generally, and seemingly paralleling wider housing market trends (see above), regions have tended to see more rapidly rising homelessness than capital cities over the past four years.

At the national scale, and again largely extending a pre-existing trend, the past four years have seen disproportionate increases in older adults subject to homelessness; SHS service users aged 50-64 and 65+ increased in number at more than twice the rate of younger age groups. This might reflect, for example, the increasingly difficult situation affecting older people subject to divorce or relationship breakdown in housing markets where both rents and house prices are becoming less and less affordable for low-income single people.

First Nations people, and those affected by mental ill health were the fastest growing cohorts among SHS service users over the past four years, extending previously established trends. The seven-fold over-representation of First Nations Australians among those affected by homelessness as quantified here is of a similar order to that portrayed by Census-based homelessness analyses. For example, as reported in AHM 2018, figures based on the 2016 Census showed First Nations people ten times as likely to be affected as the national population-wide norm.

Homelessness increased by 8%
in the 4 years to 2021-22

Housing affordability stress is the most rapidly growing homelessness causal factor

increasing by **27%**
in the 4 years to 2021-22

Family and domestic violence (FDV) continues to be the single most frequently cited factor prompting applications for SHS assistance. At the same time, housing affordability stress notably stands out as the most rapidly growing homelessness causal factor; over the four years to 2021-22, the average monthly number of SHS service users where this issue had triggered the need for help rose by 27% (see **Figure D**).

Albeit that the absolute numbers involved apparently remain relatively small, those seeking SHS help due to transitioning from custodial arrangements increased by 17% over the past four years – again, far in excess of the overall norm. This might be no more than the result of Australia's rising prison population (and, therefore, the number of ex-offenders being released), but it suggests that this group may come to account for a growing share of people experiencing homelessness in the future.

While the paucity of reliable statistics impedes analysis, it is clear that major reductions in street homelessness were achieved in some cities through state government emergency housing programs in 2020 (see above), but that these were brief and unsustained.

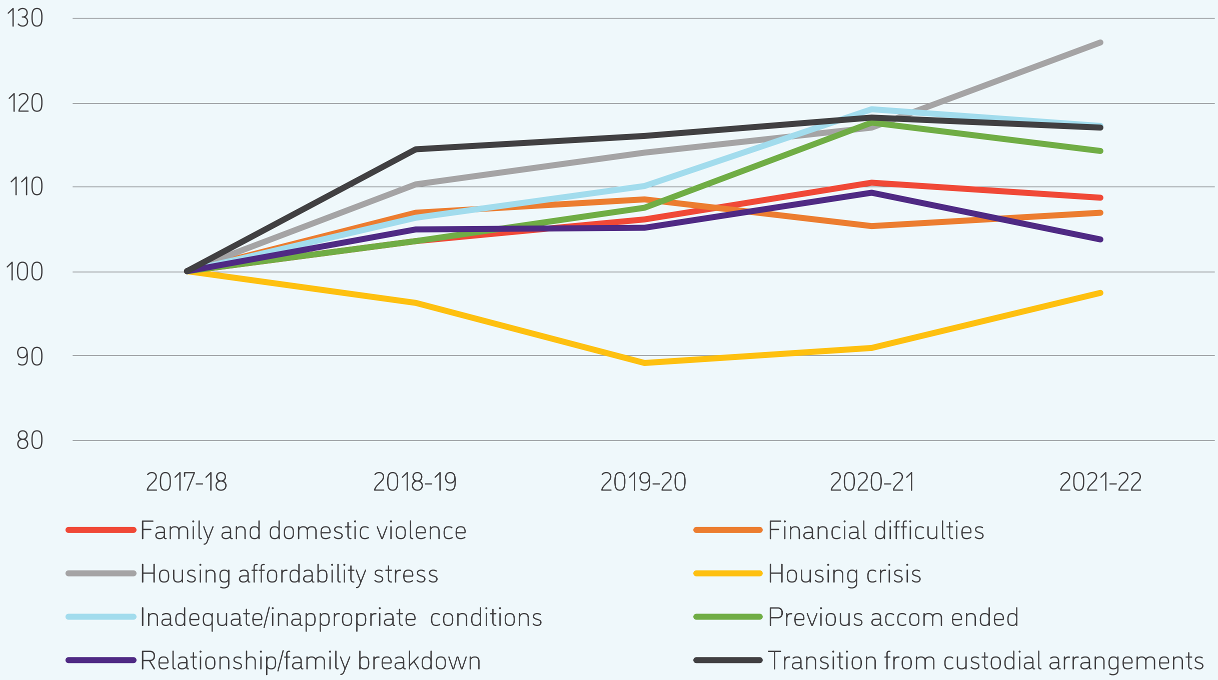
Although comparable statistics on other jurisdictions are unavailable, New South Wales Government surveys suggest that rough sleeping numbers have been recently rising disproportionately in regional areas of the state, with non-metropolitan areas now accounting for the bulk of the statewide rough sleeping population – up from 41% of the state-wide total in 2020 to 59% in 2022.

More definitive analysis of recent change in the scale and distribution of rough sleeping will be possible only with the release of relevant results from the 2021 ABS Census, as expected in 2023.

Figure C: **Total SHS caseloads (persons), mainland states; % change 2017-18 – 2021-22 broken down by capital city vs. regions**

For source and notes see **Figure 5.6**.

Figure D: **SHS caseloads (persons), 2017-18 – 2021-22, breakdown by 'reason(s) for seeking assistance', indexed to 2017-18 (2017-18=100)**



For source and notes see **Figure 5.8**.

Conclusions

Homelessness policies and services have been profoundly affected by the COVID-19 crisis that exploded in 2020. This prompted extraordinary support activity for people experiencing homelessness early in the pandemic. Longer-lasting consequences have also resulted. This is true both in terms of follow-on housing programs for those directly assisted through 2020 EA schemes in New South Wales and Victoria, and with respect to some homelessness strategies and service practices.

More broadly, the pandemic triggered significant commitments to social housing development initiatives on the part of both federal and (some) state governments. This follows a decade of negligible new investment in this vital resource for both resolving and preventing homelessness. These new programs will – at least temporarily – halt the effective contraction of social housing system capacity ongoing for most of the past 25 years.

Some recent trends in homelessness, especially the growing scale of the problem in many parts of regional Australia, appear highly consistent with pandemic-spurred housing market developments. Equally, many other patterns in the scale and nature of the problem pre-date the public health crisis and appear to have been relatively unaffected by it. Examples here include the growing representation of older adults, as well as First Nations peoples and those affected by mental ill-health. Similarly, the expanding role of housing affordability stress as a causal factor.

As the new Federal Government leads the development of Australia's first-ever National Housing and Homelessness Plan during 2023, it is to be hoped that this will be underpinned by recognition that our current mode of developing, operating, and commodifying housing produces homelessness, and this system must be overhauled to tackle the problem. A plan to end homelessness requires a plan to alter our housing system so that it produces sufficient suitable and affordable housing for all Australians.

Key recommendations

- Building on recently announced commitments, Australian governments should jointly pledge to extending recently stepped-up investment in social housing on a scale at least sufficient to ensure continued social housing representation in the national housing stock at current levels.

- The National Housing and Homelessness Plan (NHHP) should also endorse the principle that social housing investment and homelessness service funding should be spatially targeted on measured need.

- In formulating the NHHP, Australian governments should recognize the potentially beneficial role of permanent supportive housing (PSH) and should develop proposals for routine funding for the PSH support element, where required to maximise the prospect of tenancy sustainment – therefore contributing to homelessness prevention.

- The innovative practices developed to meet the needs of people experiencing homelessness during the pandemic (e.g. the re-imagination of crisis and temporary accommodation discussed in Chapter 3. Homelessness policy and practice responses following from COVID-19) should be examined and where evidence exists for effectiveness, incorporated within the NHHP and in jurisdiction-specific homelessness strategies.

- Australian policy needs to deepen engagement with homelessness prevention, both narrowly and broadly defined. While there is substantial scope for more effective state and territory intervention focused on 'at risk' cohorts, it is also important that governments embrace wider prevention measures at the population level.

- The role of local government authorities (LGAs) responding to homelessness in Australia remains largely unrecognised and undefined. To contribute towards national efforts to end homelessness, the role and opportunities for LGAs need to be made explicit and more coherently integrated within national and jurisdiction-specific strategies.

- Existing housing and broader social service systems fail First Nations people at disproportionate and alarming rates. This trend has been observed consistently in the past three Censuses. First Nations people must play key and leading roles in the design, oversight, and delivery of the housing and support interventions needed to address the profound housing injustices that First Nations people experience.

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