



HOMELESSNESS IN AUSTRALIAN CAPITAL CITIES



COUNCIL OF CAPITAL CITY LORD MAYORS

CAPITAL CONCERN: CAPITAL CITY LORD MAYORS CALL FOR URGENT ACTION ON HOMELESSNESS

EXECUTIVE SUMMARY

Australia's capital city Lord Mayors and the ACT Chief Minister ask the Federal Government to prioritise social and affordable housing in inner-cities as a key infrastructure priority.

The Council of Capital City Lord Mayors (CCCLM) calls on the Federal Government to work with states and territories to fund and deliver the urgent development of inner-city sites as social and affordable housing. This would have a transformative effect on Australia's economy and society:

- **Providing a vital pathway out of homelessness and preventing people from becoming homeless by rapidly increasing social housing stock;**
- **Addressing extreme and severe rental stress experienced by people on low incomes in the private rental market by enabling them to rent affordable housing;**
- **Addressing the housing affordability crisis by ensuring essential and key workers such as nurses, paramedics, teachers, retail and hospitality staff can afford to live in our cities; and**
- **Generating jobs in the construction sector providing much needed support for this sector of the economy.**

CCCLM has worked with its members to identify sites located on public land, suitable for development or redevelopment as social and affordable housing*. These include:

City	Site
Brisbane	Woolloongabba Urban Development Area
Hobart [‡]	Northern Transit Corridor
Melbourne	Fisherman's Bend urban renewal site Arden urban renewal site
Sydney	Waterloo Estate redevelopment

CCCLM recognises the need for culturally appropriate housing for Aboriginal and Torres Strait Islander people in inner cities, remote and rural communities. In addition to these inner city sites, further investment is also required for housing in remote and rural communities that is culturally appropriate, recognises kinship and acknowledges that a large number of people may end up residing in the home.

Melbourne, Perth and Hobart have also identified an urgent need for the construction or refurbishment of properties for crisis and emergency accommodation, and have earmarked several inner city sites that could house rough sleepers who currently have no access to a bed or services.

National social and affordable housing infrastructure development needs to be urgently addressed through the Council of Australian Governments (COAG).

* The City of Perth is currently undertaking a similar scoping, with results expected in the next few months.

[‡] Hobart recognises that the State Government has recently had its housing debt relieved, and is advocating that this funding be used to purchase and redevelop sites on the corridor.

CCCLM proposes that a new COAG Council be formed to negotiate a revised National Housing and Homelessness Agreement (NHHA) or National Partnership Agreement that delivers funding to this critical infrastructure, including to the strategic sites identified by CCCLM.

CCCLM recognises that the pathways into and out of homelessness are complex and varied, and therefore calls on the Federal Government to develop a National Housing and Homelessness Strategy that accounts for the provision of additional social and affordable housing, addresses the delivery of wrap around support services, supports preventative programs that address the drivers of homelessness, provides further assistance for crisis accommodation and manages the relief and reinvestment of housing debt.

This strategy must be developed in consultation with all stakeholders, including local government, the private sector, and the housing, homelessness and social services sectors.

KEY POINTS

- Australia is facing a housing and homeless crisis and it is particularly severe in Australia's capital cities.
- The majority (63 per cent) of people experiencing homelessness are in capital cities.
- CCCLM members have also seen an increase in people sleeping rough – the most acute form of homelessness – in our cities with nearly half (47 per cent) of all people sleeping rough in Australia located in capital cities.
- There are a number of factors contributing to these unprecedented levels of homelessness in our capital cities. Access to social and affordable housing is a proven

mechanism to prevent people becoming homeless and provides a pathway out of homelessness.

- Homelessness and housing rental stress are rising in areas with a shortage of affordable[§] rental housing. This can be demonstrated by the relationship between the supply of and demand for low cost housing.
- The proportion of social housing has dropped across Australia since 1991¹ and Homelessness Australia notes that Federal investment in social housing and homelessness has decreased in real terms since 2014.
- The Australian Housing and Urban Research Institute estimates that addressing the deficit and future need for housing will call for the construction of some 730,000 new social dwellings over the next 20 years.²
- Relying on emergency and crisis support services to meet the demands of people experiencing homelessness in cities is not sustainable. Investment in social and affordable housing will serve to reduce levels of homelessness, ensure key workers are able to afford to live in the city and prevent people from becoming homeless in the first place.

[§]Affordable housing is appropriate for the needs of a range of very low to moderate income households and priced so that these households are also able to meet other basic living costs such as food, clothing, transport, medical care and education. As a rule of thumb, housing is usually considered affordable if it costs less than 30% of gross household income. In this context, affordable housing refers to housing that has been developed with some assistance from Government, including through planning incentives. It is only available in some locations and eligibility criteria apply.

POLICY PRIORITIES TO ADDRESS HOMELESSNESS IN OUR CAPITAL CITIES

CCCLM IS CALLING FOR:

- **A COAG Council to be created as a priority to facilitate action on housing and homelessness.**
- **The Federal Government to develop a long-term and integrated National Housing and Homelessness Strategy**, based on a housing first approach, to be implemented with participation by all levels of government, private sector and service providers.
- Key priorities within a National Housing and Homelessness Strategy to include:
 - Increasing targeted housing and support to prevent homelessness, for example by enabling planned exits from institutions to stable affordable housing.
 - **Supporting preventative programs that address the drivers of homelessness**, including family violence, mental health, drug and alcohol use.
 - **Providing more assistance for crisis accommodation** that includes support for people to transition to sustainable long-term housing.
 - **Committing funding to the development of key inner-city strategic sites and treat housing as critical infrastructure** that provides:
 - ~ Transformative investment that significantly increases social housing stock for those experiencing or at risk of homelessness;
 - ~ Affordable housing units that support low income earners and key workers;
 - ~ Adequate post crisis and wrap around support to ensure successful tenancies.
- **Review the National Housing and Homelessness Agreement and Commonwealth rent assistance program** to ensure adequate support programs are in place.
- **Commission a review of Centrelink policy that contributes to housing stress and homelessness**, such as welfare policies, proof of identity practices to ensure the most vulnerable people in our cities can access social security.
- **Federal government to conduct a review of State and Territory housing debt**, on the basis that savings are channelled to into new and maintained social housing.

BACKGROUND BRIEF

CAPITAL CITIES IN AUSTRALIA EXPERIENCE THE HIGHEST RATES OF HOMELESSNESS IN THE COUNTRY

Homelessness in Australia is a significant issue with an estimated 116,427 people staying in temporary or emergency accommodation, in severely overcrowded dwellings** or sleeping rough†† on the 2016 census night.³ This means that 50 in every 10,000 people were experiencing homelessness in 2016, compared to 48 people in 2011, an increase of five per cent.⁴ Overcrowding is the largest single cohort of homeless people (51,088) accounting for 44 per cent of the homeless population in 2016.⁵

This is particularly evident in our capital cities, where rates of homelessness and housing rental stress are increasing. When comparing data from the two most recent Census an increase can be found across all capital cities, except for the Australian Capital Territory. Brisbane Inner City experienced the largest increase of 88 per cent, followed by the Melbourne City with an increase of 86 per cent. The table below provides an overview of the number of homelessness reported in the 2016 and 2011 Census and the percentage change between the two.

	2011	2016	% Change
Sydney Inner City††	2,965	4,979	+68%
Melbourne City††	926	1,721	+86%
Brisbane Inner City††	1,161	2,188	+88%
Perth City††	769	886	+15%
Adelaide City††	562	644	+15%
Hobart Inner††	273	309	+13%
Darwin City††	644	825	+28%
Australian Capital Territory§§	1,739	1,599	-8%

Table 2: Census comparisons

The changing geography of homelessness: a spatial analysis from 2001 to 2016 report from the Australian Housing and Urban Research Institute found that 63 per cent of homelessness is found in capital cities across the country.⁶ This has increased from 48 per cent in 2001.

People sleeping rough and households living in severely crowded dwellings increased over the 15 years.

Sleeping rough has “transformed from a remote phenomenon to an urban phenomenon in the 15 years to 2016,”⁷ and there has been a particular increase in people sleeping rough in our cities, with nearly half (47 per cent) of all people sleeping rough in Australia are now found in capital cities.

People living in severely overcrowded dwellings has also shifted from occurring predominantly in regional and remote Australia to occurring in urban settings. In 2016, 60 per cent

*People living in ‘severely’ crowded dwellings are considered to be homeless because they do not have control of, or access to space for social relations. Severely crowded conditions are operationalised in the Census as living in a dwelling which requires 4 or more extra bedrooms to accommodate the people who usually live there.

††Persons living in improvised dwellings, tents, or sleeping out.

††Data from the Australian Bureau of Statistics Census using Statistical Area Level 3.

§§Data from the Australian Bureau of Statistics Census using Statistical Area Level 4.

of those living in severely overcrowded dwellings were in capital cities compared to 27 per cent in 2011.⁸

The changing geography of homelessness: a spatial analysis from 2001 to 2016 has stated that “the numbers of households living in severely crowded dwellings in capital cities have doubled in 15 years, accounting for much of the growth in homelessness overall.”⁹

AUSTRALIA'S HOUSING SYSTEM IS FAILING OUR CITIES' MOST VULNERABLE PEOPLE

There are a number of factors contributing to these unprecedented levels of homelessness.

Australians of all incomes are spending more of their incomes on housing than they used to.¹⁰ However, worsening affordability is hitting those at the bottom the hardest. This means that more Australian's on low-income are experiencing rental stress.¹¹

Homelessness is rising in areas with a shortage of affordable private rental housing, this can be demonstrated by the relationship between the supply of and demand for low cost housing, as well as the geographical pattern of median rents. This rise is most acute in capital city areas, particularly Sydney, Hobart and Melbourne.¹² Increases in median rents and access to affordable rental housing have had an impact on the rates of severe crowding.¹³ Data provided by the capital cities shows that there are large numbers of people on public and social housing waitlist.

One of the reasons for the shortfall in affordable housing is the lack of investment in social housing for people on the lowest incomes, which has decreased from 5.6 per cent to 4.7 per cent of all housing over the past decade and a half.¹⁴

The housing challenge cities are facing is likely to continue with six out of every ten people expected to reside in urban areas by 2030.¹⁵ Australian capital cities are not immune from this growing concern and things will not improve unless action is taken.

SPECIALIST HOMELESSNESS SERVICES IN OUR CITIES ARE NOT ABLE TO MEET DEMAND

There are over 1,500 Specialist Homelessness Services (SHS) currently providing support and accommodation services to people who are homeless or 'at risk' of homelessness in Australia. Services include, but are not limited to, case management, referrals, practical support, material aid, alcohol and other drug and mental health support, counselling, legal and court support, advice and information; and in some cases, immediate, short or medium-term accommodation.¹⁶

Across Australia, the number of people seeking help each year from specialist homelessness services increased by 18 per cent from 244,176 in 2012-13 to 288,795 in 2017-18.¹⁷ In 2017-2018, 32 per cent of people accessing services did so because of domestic and family violence and 22 per cent because of housing crisis.¹⁸

While it is positive that this data reveals people are accessing services, it also demonstrates that services are at capacity and struggling to provide pathways out of homelessness. The Australian Institute of Health and Welfare's Specialist homelessness services annual report 2017-18 found that 67 per cent of clients accessing services in major cities were the least likely to end up in stable housing.¹⁹

In Victoria there are only 423 government funded crisis beds, and demand from people sleeping rough and service providers exceeds this number.²⁰ To make up the shortfall, homelessness services have to refer homeless people to private accommodation such as low end hotels and private rooming houses. This is not ideal, as conditions in such private accommodation is often sub-standard and sometimes unsafe.²¹

While the most recent City of Sydney street count found that the number of people sleeping rough decreased by 8.6 percent when compared to the same month the year before, it also found that the total numbers of homeless in the city had increased. Emergency accommodation facilities were at 94 percent capacity, up 16.8 percent on the previous year. This is a band aid solution to a systemic problem.

Reports from capital cities highlight that, not only are services unable to meet demand but, in some instances, are unable to provide appropriate support. Anecdotal reports suggest that there are cohorts of people in capital cities that the existing service system is not supporting appropriately, because mainstream homelessness accommodation services sometimes lack specialised skills and capacity. This is often attributed to behavioural or personality-based disorders, problematic Alcohol or Other Drug (AOD) use, brain injuries, other psycho/social disabilities or a combination of these things.

Capital city councils are on the frontline of responding to homelessness. With increasing demand for complex services, there is a clear need to support our capital cities to ensure that people who are leaving homelessness enter stable housing with adequate service provision.

ALL LEVELS OF GOVERNMENT HAVE A ROLE IN ASSISTING AND SUPPORTING AUSTRALIANS EXPERIENCING HOMELESSNESS

Local councils and the ACT Government respond to homelessness at the crisis point, however state governments and the Commonwealth have a role in addressing and preventing the increasing rates of homelessness in our capital cities.

There has been no overarching national housing and homelessness policy in over a decade. The latest action from the governments at the Federal and state level is the commencement of the National Housing and Homelessness Agreement (NHHA) in July 2018. This agreement provides \$4.6 billion in Federal funding to states and territories over three years, including \$375 million for homelessness services, matched by state government commitments.²²

An analysis conducted by Homelessness Australia found that the Federal government's investment in social housing and homelessness has decreased in real terms. It found that spending had not kept up with population growth and inflation since 2014-15 and services were \$82 million worse off in 2019-20 year as a result.²³ This would represent a shortfall totalling over \$400 million in real terms between 2014-15 and 2020-21.

	Social housing and homelessness spending needed to match population growth and inflation	Actual social housing and homelessness spending, nominal dollars	Loss in real value
2014-15	\$1,432.5M	\$1,432.5M	-
2015-16	\$1,471.3M	\$1,439.1M	-\$32.2M
2016-17	\$1,514.3M	\$1,457.6M	-\$56.7M
2017-18	\$1,552.5M	\$1,477.2M	-\$75.3M
2018-19	\$1,602.3M	\$1,535.8M	-\$66.5M
2019-20	\$1,646.6M	\$1,564.9M	-\$81.7M
2020-21	\$1,693.7M	\$1,597.6M	-\$96.1M

Table 3: Social housing and homelessness investment.

In order to deliver the necessary social and affordable housing, a COAG Council must revise the NHHA or negotiate a National Partnership Agreement. CCCLM notes National Shelter's policy that any revised agreement should:

- establish a cost sharing formula for social housing between the Commonwealth and the States. Given social housing across Australia is in serious decline and in urgent need of a major boost to funding, additional resources should be split into operational costs and capital costs with specific outcomes in the form of net new additional supply demanded for any funding increase;
- incentivise and create a suite of measures which enable providers to build the scale of social and affordable housing required to fulfil a social safety net and improve the productive capacity of our low income workforce;
- set national targets and benchmarks for the proportions of social housing and affordable housing provided by state governments and community housing providers;
- strengthen the accountabilities between the Commonwealth and states/territories to include that the role of governments should be to provide the necessary incentives to attract scale investment into the provision of social and affordable housing. Funding should combine

the use of National Housing Finance and Investment Corporation, direct capital grants, rental incentives and Commonwealth Rent Assistance.

Greater focus must also be placed on the structural factors that contribute to homelessness across the country and how addressing these structural factors can prevent homelessness from occurring.

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