



# INQUIRY INTO HOMELESSNESS IN AUSTRALIA

**VICTORIAN PUBLIC  
TENANTS  
ASSOCIATION**

*May 2020*



## Who We Are

The Victorian Public Tenants' Association (VPTA) is the voice of public housing in Victoria.

As the peak body representing existing public housing tenants and those on the waitlist, our goal is to provide advice to tenants, and to improve and expand the public housing system in Victoria. Although not formally part of our role, we also assist community housing tenants where possible.

While our work is in Victoria – we are the only peak body in Australia which exclusively represents public housing tenants or people who live in social housing.

We undertake systemic advocacy and provide policy advice to the Victorian Department of Health and Human Services, undertake community engagement work and operate a free and confidential telephone advice service.

In the 2018-19 financial year, we processed more than 8,000 calls through our advice line. It is not unusual for staff members to spend an hour speaking with a tenant. Most calls generate follow up work.

Our conversations with tenants generally reflect a high level of stress and anxiety in the caller. It is clear that these are people who are struggling with an inability to cope with the day to day challenges of everyday life – and these difficulties are exacerbated by being on very low incomes.

Often, they are people who have been waiting for access to social housing for a long time – sometimes more than 10 years – who live everyday with serious housing insecurity, but who are not in crisis 'enough' for our understocked, residualised system of social housing to be able to take in.

## A note about Terminology

There is a significant level of community confusion regarding the correct way to refer to social housing, community housing and public housing – with the terms and tenures often being conflated.

'Social housing' is an umbrella term that is used to refer to long term rental housing, where rents are generally subsidised, and in many cases, charged as a proportion of the household income. The two different forms of social housing are public housing and community housing.

'Public housing' is provided by State Governments. In Victoria, these properties are owned by the Director of Housing and managed by staff

employed by the Department of Health and Human Services. Similar arrangements operate in other Australian jurisdictions.

‘Community housing’ is provided by Not-for-Profit organisations that, in Victoria, are regulated by the Victorian Housing Registrar. The properties are either owned by the organisation directly or are Director of Housing owned properties that are being managed by the organisation.

There are significant differences between public and community housing, which directly impact on the day to day lives of residents, including the amount of rent that can be charged in each form of tenure, how complaints are dealt with, who is housed and the level of rights and protections for residents.

We firmly believe that public housing is the most equitable, affordable and appropriate form of tenure for the most vulnerable Australians, including those who are experiencing or are at risk of experiencing homelessness.

Where the term ‘social housing’ is used in this submission, it is to accurately report data that is not further broken down between the two forms of tenure, express something that is true of both public and community housing, or to refer to a cohort of people (such as those on joint social housing waiting lists, or tenants of both tenures).

Finally, where this submission refers to the ‘Department’, the reference is to the Victorian Department of Health and Human Services.

## **Public Housing and Homelessness – an indisputable nexus**

For many, public housing is the last line of defence against experiencing homelessness, and the first realistic pathway out of experiencing homelessness.

Evictions out of social housing generally result in a period of homelessness.

The correlation between the availability of public housing, and the prevalence of homelessness in communities cannot be denied.

The Senate Economics References Committee 2015 report following an Inquiry in to Housing Affordability found that “...access to affordable, safe and sustainable housing [is] a vital determinant of wellbeing that is associated with better outcomes in health, education and employment as well as economic and social participation.”<sup>1</sup>

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<sup>1</sup> Australian Productivity Commission, Report on Government Services 2019, Chapter G.



In 2017-18, specialist homelessness services nationwide serviced 288,795 Australians.<sup>2</sup> On any given day, services were supporting more than 65,800 clients, but were forced to turn 253 away due to a lack of capacity.<sup>3</sup>

The number of public housing properties in Victoria declined by 1,015 between 2000 and 2018.<sup>4</sup> In that same time period, the number of people experiencing homelessness increased.<sup>5</sup>

Despite the clear link between availability of public housing and the prevalence of homelessness in communities, public housing stock levels in Australian jurisdictions tend to be relatively stagnant. Between 2001 and 2020, there has been an overall reduction of public housing stock levels in the majority.<sup>6</sup>

<sup>2</sup> Australian Institute of Health and Welfare, Specialist homelessness services annual report 2017-18, accessed online, 31 March 2020. <https://www.aihw.gov.au/reports/homelessness-services/specialist-homelessness-services-2017-18/data> .

<sup>3</sup> Australian Institute of Health and Welfare, Specialist homelessness services annual report 2017-18, <https://www.aihw.gov.au/getmedia/acc2e241-3318-4f07-836b-9b0495eb19f4/Australia.pdf.aspx>.

<sup>4</sup> Calculated using data provided in current and historical editions of the Productivity Commissions 'Report on Government Services' – 2019 and 2001. Calculation based on figures reported under 'public housing – total tenable dwellings' in both reports.

<sup>5</sup> Australian Bureau of Statistics, Census of Population and Housing: Estimating Homelessness 2016.

<sup>6</sup> Calculated using Productivity Commission data from Report on Government Services, years 2020 and 2002.

Changes in Public Housing stock levels between 2001 and 2019

Jurisdiction	2001 stock levels	2019 stock levels	Difference
New South Wales	128,215	100,623	- 27,592
Victoria	65,310	64,428	- 882
Queensland	50,666	51,817	+ 1,151
South Australia	51,760	32,472	- 19,288
Western Australia	32,645	32,905	+ 260
Tasmania	13,178	7,037	- 6,141
Northern Territory	6,038	4,954	- 1,084
Australian Capital Territory	11,510	10,955	- 555
National Total	359,322	305,191	- 54,131

Growing homelessness in Australian communities is often considered a classic ‘wicked problem’ – problems which are resistant to solutions due to a conflation of independent and inter-related issues all having a direct bearing on the evolution of an issue.

But this is incorrect. Homelessness can be addressed, and around the world, is being addressed, through housing first interventions.

The concept is insultingly simple – house people first. Housing is the fundamental touch stone of personal stability. Nothing else can be properly addressed until someone has the security of a home.

Housing first interventions, ensure that people are housed, without requiring them to meet any other conditions (such as undertaking treatment for an illness or engaging with employment providers), and then work from a point of stability to address other issues through wrap around service provision.

## Factors affecting homelessness

A number of factors impact experiences of homelessness in Australia. These include the private property market, but also the lack of mental health supports that are available, family violence and the inadequate nature of our social security safety net. There is significant correlation between these issues, and pressure on social housing waiting lists.

### The Private Property Market

The way our community is housed has been shifting substantially in recent years, as purchasing a home becomes more out of reach for a much wider portion of the population, across a broader section of the income distribution.

This has led to people waiting until later to purchase their first property, if they plan to purchase one at all, and has also increased the average income of people in the private rental market. In turn, this has increased competition and cost in the market.

As a result, there is a growing group of people who would have traditionally been able to afford to rent who are being pushed out. The last option available to this cohort of people is social housing.

Not all the people who are currently on waiting lists around the country have a realistic hope of being housed. This is despite eligibility criteria already limiting applications to those with genuine need.

The likelihood is that those who are not in a Priority Access Category (Victorian terminology) will never be allocated a property.

The economy has locked these people out of both the private rental market and home ownership. They live in insecure accommodation and face significant housing stress, accompanied by other negative impacts such as worse health, mental health and education outcomes for their children.

Many people in this situation have not even applied for social housing, knowing that the wait is so long. The true need is therefore likely to be considerably higher than the total number of applicants on social housing waiting lists. The Australian Housing and Urban Research Institute estimate that by 2036, Australia will need an additional 727,300 social housing properties.<sup>7</sup>

Demand is likely to increase again in the coming years as subsidies afforded to landlords under the National Rental Affordability Scheme expire – along

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<sup>7</sup> Lawson J, Denham T, Dodson D, Flanagan K, Jacobs K, martin C, Ven den Nouwelant R, Pawson H and Troy L, *Social housing as infrastructure: rationale, prioritisation and investment pathway*, Australian Housing and Urban Research Institute Limited, 2019, 1.

with the obligation to charge below market rent – and properties will therefore cease to be affordable for their inhabitants.

Holistically tackling homelessness requires that we address tackling the housing insecurity that places stress on people, communities and waiting lists for social housing. Governments must both increase the level of social housing stock, but also invest in solutions that are tailored to assisting those that are in need of assistance due to housing insecurity and stress – but do not necessarily have multiple and complex needs, don't fit in to a Priority Access Category or otherwise don't need the same depth of subsidy as residents of public and community housing.

Although the need of this cohort is not urgent today, if we continue to only assist people when they hit crisis point, the very system that is meant to ensure people are housed, will push them to homelessness – or the brink of it – eventually.

By failing to ensure a continuum of housing assistance measures are available to address the full continuum of need, we are merely deferring the problem to a time when it is more urgent, more expensive to address and more complicated.

### Mental Health and Family Violence

Recent Royal Commissions in Victoria into Mental Health and Family Violence have begun to see significant changes being made to improve the community response to, and treatment of, these problems. However, a severe lack of housing is impeding these efforts, and we believe that true success will not be achieved until the housing issues are addressed.

The incidence of both mental ill-health and family violence in our communities is a driver of homelessness, and a lack of access to housing likewise exacerbates both.

Housing is fundamental. It is the platform for a healthy and productive life. Without access to housing, we cannot hope to address the mental health of Australians, or family violence in our homes.

We cannot expect people to simply exchange one dangerous living situation for another, or to leave a home when there is nowhere for them to go.

Likewise, a lack of housing makes it difficult for a person experiencing mental ill-health to sustainably seek the support needed to recover.

Further, a lack of attainable housing options is a key driver of poor mental health outcomes.

Housing insecurity or a lack of housing has been found to have negative effects on mental health. This is particularly the case for those in the lower 40 per cent of the income distribution.<sup>8</sup>

Mental ill-health is often a contributing factor of becoming homeless, either by making it more difficult for housing to be afforded or for tenancies to be maintained.

There is another group of people for whom their homelessness perpetuates their mental health issues. These are people who experience primary or secondary homelessness in substandard and insecure tenures, who manage their mental ill-health through community clinics and hospitalisation.<sup>9</sup>

A study conducted in Sydney hostels, with 2,388 participants attending hostel psychiatric clinics found that their discharge from hospital was a key moment on their pathway to homelessness.<sup>10</sup>

We cannot begin to meaningfully address these issues if we do not concurrently address the homelessness and housing affordability crisis gripping the nation.

### Income Support Payments

We recognise that the Government has recently introduced temporary increases to income support payments. Given that these increases are temporary in nature, we have written the following section on the assumption that rates will return to pre-pandemic levels later in 2020.

There are little to no affordable housing options for people on the minimum wage or lower incomes, and many on the waitlist that we assist tell us that they are experiencing homelessness, or are at the precipice.

Access to safe and secure housing is an inalienable human need. It is an essential for health and community participation. And right now, it is beyond the reach of far too many Australians. A key reason is the inadequate and stagnated rate of payments in our safety net.

Anglicare has been conducting an annual Rental Affordability Snapshot for a number of years.

In the last two years, they found almost no affordable rental properties for people who receive allowance payments as their primary source of income.<sup>11</sup>

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<sup>8</sup> Brackertz N, Davidson J and Wilkinson A, *Trajectories: the interplay between mental health and housing pathways, a short summary of the evidence* Australian Housing and Urban Research Institute Limited, 19.

<sup>9</sup> Brackertz et al, *Trajectories*, 6.

<sup>10</sup> Brackertz N, Davison J, Wilkinson A, *Housing, homelessness and mental health: towards systems change* Australian Housing and Urban Research Institute Limited, 2018, 23.

<sup>1111</sup> Anglicare Rental Affordability Snapshots, 2018 and 2019.



[Anglicare Rental Affordability Snapshot results](#)

	2018 (Nationwide)	2019 (Nationwide)
Single people living on Newstart, Youth Allowance and Austudy	<0.1%	0%
Single parent on Newstart	0.27%	0.1%
Couples with two children on Newstart	1.63%	1.1%

In 2019, we undertook a survey of people who live in social housing and receive an allowance payment, about how they manage their budgets, and what gaps they experienced.

We found overwhelmingly, that even when people had heavily subsidised housing costs pegged to their income, the low level of allowance payments put them under significant financial pressure, and respondents would often go without essential items, such as seeing a doctor or filling a script.

We found that:

- Rent was by far most respondents biggest weekly expense (72.7 per cent), followed by energy bills, transportation and costs associated with children;
- For most respondents, food was their second biggest weekly expense (63.6 per cent), energy bills and costs associated with children were also reflected significantly as key expenditure points (9 per cent of respondents for each stated that these were their second biggest weekly expense);
- An alarming number of people are skipping meals in order to make ends meet, 90.9 per cent of respondents said they skip more than one meal a month, while 54.5 per cent said they skip more than one meal a week;
- A similar proportion of respondents (86.3 per cent) avoid using essential services such as lights, the oven, heating or cooling to save

on bills more than once a month, while 59 per cent of respondents said they avoid using these services more than once a week;

- A majority of respondents (77.2 per cent) said that they have often gone without something that is important to them in order to make ends meet; and
- No respondents said that they had more than \$150 left over in a fortnight once bills were paid, 77.2 per cent said that they had less than \$100 a fortnight after paying bills to live on.

When asked what an increase in allowance payments would mean for them, most respondents focussed on increased health, less stress, and basic survival.

Those that were parents specified an increase would allow them to feed their children healthier food, or meet more of their needs.

Many respondents emphasised that an increase in allowance payments would mean they could afford necessary medications and eat regular meals or alternatively stop needing to use emergency relief services for food.

If this is the response from people who live in social housing, the ability of recipients who do not live in social housing to sustain a tenancy or remain in their homes whilst receiving an income support payment is even more hampered. It is almost, if not certainly, impossible.

Homelessness Australia has found that in the past six years, there has been a 75 per cent growth in the number of people accessing Specialist Homelessness Services who receive the Newstart/JobSeeker payment, but in the same time period, the number of individuals receiving that payment only grew by 28 per cent.<sup>12</sup>

Increasing allowance payments will go a long way to addressing the current crisis, but it will not adequately address the persistent, wicked social issues that are challenging Australia's policymakers unless it is accompanied by an investment in housing.

### Recommendations

1. Extend and renew the National Rental Affordability Scheme.
2. Support trials of build-to-rent or other innovative affordable housing models to ensure a variety of options are available to suit all Australians.
3. Support State and Territory Governments to provide additional and better connected mental health services, with sufficient capacity to

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<sup>12</sup> Homelessness Australia, Clear connection between homelessness and inadequate Newstart payments, says Homelessness Australia, <https://chp.org.au/media-releases/clear-connection-between-homelessness-and-inadequate-newstart-payments-says-homelessness-australia/>, 29 August 2019.

ensure patients have safe accommodation throughout their treatment, and assistance to transition to another form of housing following that treatment.

4. Support State and Territory Governments to ensure sufficient housing options are available for people who wish to leave a violent relationship, and that these housing options can be accessed with children and pets.
5. Support State and Territory Governments to ensure that crisis and transitional housing is a meaningful pathway to more long term, affordable and accessible housing tenure.
6. Permanently increase income support payments to a level, which, at a minimum, allows housing to be afforded without placing the recipient in housing stress.

## Addressing Homelessness in Australia

The single most important thing that Governments can do to address the issue of homelessness and marginalised housing in Australia, is to build more public housing.

Public housing is the form of social housing tenure that is best suited to housing the most vulnerable Australians.

In 2018, Emeritus Professor Gavin Wood from RMIT was a key author on a research piece titled, *'How do housing and labour markets affect individual homelessness?'* The research found that public housing is the most protective factor against homelessness, and that community housing did not have the same preventative effect. Specifically, the researchers wrote:

*"Importantly, we found public housing to be a very strong protective factor reducing homelessness. Public housing is particularly effective because it is affordable. It has also traditionally offered a long-term, secure housing option for those at the bottom of the housing market. This is because public housing leases provide the benefits of security of tenure commonly associated with home ownership. Community housing on the other hand appears not to offer the same level of protection. These findings emerge despite community housing being affordable, however security of tenure is weaker possibly because providers are more dependent on rent revenue and therefore less tolerant of rental arrears."*<sup>13</sup>

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<sup>13</sup> Johnson G, Scutella R, Tseng Y and Wood G, *'How do housing and labour markets affect individual homelessness?'*, Housing Studies, 2018, <https://doi.org/10.1080/02673037.2018.1520819>.

Protecting existing public housing stock, and adding to it, are both key to addressing growing levels of homelessness.

To facilitate this, the State Governments must stop transferring management of public housing properties to the community housing sector, as this directly reduces the housing options that are available to the most vulnerable people in our communities.

We are not against community housing.

We believe that the housing problems faced by our communities are immense. Public housing alone cannot hope to deliver a holistic solution. Nor can community housing. Public and community housing must continue to exist and grow side by side, and a robust affordable housing sector must also be created. Only then, can we truly say that the structural foundations are in place for a public/private housing system where there is an appropriate and affordable option for every Australian - a system that leaves nobody behind.

The financial and regulatory model of the community housing sector renders it fundamentally incapable of addressing homelessness.

For example, in Victoria the Victorian Housing Registrar requires that community housing providers remain financially viable.

In order to maintain financial viability, community housing providers are limited in the amount of people they can house who receive an Allowance payment as their main source of income.

This is because rent is usually charged as a proportion of household income, and, until these levels were temporarily increased recently, the low level of these payments did not generate sufficiently high enough rents for the provider to balance their books sustainably. The sector has been given no reason to believe that these payments will be paid beyond the CoVID-19 pandemic at these increased rates.

Those who are the most vulnerable, and the hardest to house, tend to receive an Allowance payment - usually Newstart/JobSeeker.

In response to the Senate Community Affairs Committee's Inquiry into the Adequacy of Newstart and related payment, the peak body for community housing in New South Wales wrote:

*“One effect of a growing number of Newstart recipients in social housing is a reducing rental revenue stream to maintain properties and provide vital services to tenants and people seeking housing. Without an explicit subsidy to meet the gap between rent collected and the cost*

*of maintaining the system, the social housing model is financially unsustainable.”<sup>14</sup>*

St Kilda based community housing provider, South Port Community Housing Group Inc, wrote:

*“...our compassion can only last so long. We are established as ‘social businesses’. Our staff wages are paid by rent collected. The Newstart situation is affecting our sustainability and viability.”<sup>15</sup>*

Additionally, many people in need of housing have multiple and complex needs. Sometimes, this means that they may fall in to rent arrears or exhibit anti-social behaviour from time to time.

Most community housing providers do not have the same financial capacity as a State Government and rely much more directly on rental income for their operations. As a result, they cannot afford to be as tolerant landlords as the Government. This means that when a person who lives in community housing falls in to rent arrears, their landlord is less able to work with them in order to re-establish payment and may need to move through the evictions process significantly quicker.

More often than not, an eviction from a social housing tenure means an eviction into homelessness.

Relying on community housing solely will not address homelessness in any community. Public housing must always be the central pillar.

Other differences also point to public housing as being the most appropriate form of tenure for addressing homelessness. In particular, this is relevant to the different methods of calculating rent between public and community housing, and also the rules about how properties are allocated in each form of tenure. The following examples are taken from the Victorian context.

### Calculation of rent

Rents in public housing are capped at 25 per cent of household income. People who live in public housing therefore pay the lower of:

- Market Rent, or
- 25 per cent of household income (called rebated rent).

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<sup>14</sup> Community Housing Industry Association of NSW, Submission to the *Inquiry into the adequacy of Newstart and related payments and alternative mechanisms to determine the level of income support payments in Australia*. Pg 5.

<sup>15</sup> South Port Community Housing Group Inc, Submission to the *Inquiry into the adequacy of Newstart and related payments and alternative mechanisms to determine the level of income support payments in Australia*, pg 6.

People who live in public housing are not eligible to receive Commonwealth Rent Assistance.

Rents in community housing are more expensive. Community housing providers charge at least 30 per cent of household income as rent, with many providers charging more. Additionally, people who live in community housing are required to claim Commonwealth Rent Assistance, with this payment going directly to the community housing provider.

This means that the person receiving Commonwealth Rent Assistance does not directly receive the benefit of this supplementary payment.

### Allocation of properties

Although both public and community housing applications are held on the Victorian Housing Register, the rules about how properties are allocated to those who have applied for housing are different for each tenure type.

Public housing allocations must always be made to the person with the greatest need for whom the property is suitable. If that applicant, for whatever reason, does not accept the property or cannot be contacted, the property is offered to the person with the next greatest need for whom the property is suitable.

This ensures that those with the most urgent of needs are placed as soon as possible.

Community housing providers have more discretion when offering properties, this can result in allocations being made to people whose need is less urgent than others and allows the provider to choose the tenants who are likely to be easier to manage, or more desirable.

Community housing providers must make 75 per cent of their allocations to people who are on the 'Priority Access' section of the Victorian Housing Register. However, when we consider that the 'Priority Access' section makes up more than half of all applications<sup>16</sup>, it becomes clear that this is still a very wide discretion.

Further, the remaining 25 per cent of allocations into community housing do not necessarily need to be made from the Victorian Housing Register at all.

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<sup>16</sup> Victorian Housing Register and transfer lists by local area, accessible at Victorian Housing Register, <https://www.housing.vic.gov.au/victorian-housing-register>, (accessed 19 December 2019).

The discrepancy in allocations rules is a key reason why we believe the existing proportional split between public and community housing stock levels must be protected – and that public housing must grow.

The nature of the allocations rules means that the only way to ensure that those with the greatest need are housed at the first opportunity, is to create growth in public housing.

Our experience, working with social housing residents in Victoria provides a number of case studies in which, despite living in social housing, many community housing residents are struggling to make ends meet, and cannot afford to pay rent.

### Case studies

The following are anonymized examples of community housing tenants who have approached the VPTA in 2020 regarding unaffordable rents.

These examples illustrate affordability issues of community housing for people receiving income support payments.

#### *Joe*

Joe lives in community housing, he receives an Allowance payment as his main source of income and pays \$230 in rent per week – which he cannot afford.

Even though Joe lives in community housing, he is on the priority wait list for a transfer, due to being at risk of homelessness as a result of his high rent.

A mobile phone, or other form of communication device, is outside of Joe's budget – we communicate with him via other residents in the area.

If Joe lived in public housing, we estimate his rent would be \$139.75 per fortnight, and he would be \$90 better off each fortnight.

#### *George*

George is an Age Pensioner who lives in community housing. George contacted the VPTA concerned that his provider has increased his rent by \$82 each fortnight, which he cannot afford. His rent is now \$395 per fortnight.

The average rent for someone who receives the Age Pension and lives alone in public housing is \$224 per fortnight.

George would be \$171 better off each fortnight if he lived in public housing.

*Betty*

Betty lives in community housing, she receives a Disability Support Pension as her main source of income.

Betty was told that from January of 2020, her rent would be \$304.25 per fortnight, she is actually being charged \$391.35.

Betty's fortnightly income consists of the following:

DSP	\$850.40
CRA	\$133.35
Pension Supplement	\$68.70
Energy Supplement	\$14.10
<b>Total</b>	<b>\$1,066.55</b>

Currently, Betty is paying 36.6% of her fortnightly income in rent.

After paying rent, Betty has \$675 remaining for the fortnight.

The rent setting policy of her provider is to charge a minimum of 25% of gross household income, plus 100% of any Commonwealth Rent Assistance (CRA) that the tenant is entitled to receive.

Under this policy, we calculate the minimum that Betty could be charged as therefore being \$366.65, the equivalent of 34.3% of her income.

If Betty lived in public housing, she would be ineligible to receive CRA, and her fortnightly income would therefore consist of the following:

DSP	\$850.40
Pension Supplement	\$68.70
Energy Supplement	\$14.10
<b>Total</b>	<b>\$933.20</b>

The Pension Supplement is non-assessable income for the purposes of calculating rebated rent in public housing. We estimate Betty's rent in public housing would be \$216.12 per fortnight, which is 23% of her total fortnightly income (including the Pension Supplement) and 25% of her assessable income (excluding the Pension Supplement).

Betty would be \$175 better off each fortnight if she lived in public housing instead of community housing.



We are supportive of community housing as a form of social housing tenure, however we have long been concerned about the strong Federal Government support which exists for community housing – which is being experienced at the expense of public housing stock nationwide.

The series of graphs at Appendix A track figures for homelessness in each Australian State and Territory, as well as nationally, from each of the last four census, against social housing stock levels.

We can see a clear pattern – the level of homelessness increases when the level of public housing decreases, even where there has been an overall increase in either community housing or social housing stock in total.

These figures further prove that public housing is the best form of defence against experiences of homelessness.

As Government's seek to respond to the economic downturn sparked by the CoVid-19 pandemic, we strongly believe that construction stimulus targeted to public housing should be a central pillar. Particularly for the Federal Government, which successfully used this strategy as part of the response to the Global Financial Crisis.

A key part of the Nation Building – Economic Stimulus Plan was the Social Housing Initiative, which had as its object to “stimulate economic activity by increasing the quantity and quality of social housing.”<sup>17</sup> As part of the Social Housing Initiative, the Commonwealth Government provided \$5.638 billion of funding over three years.<sup>18</sup>

The program was a great success, and delivered:

- An estimated \$1.5 billion per annum, on average in additional construction activity over the life of the initiative.
- For every \$1 of construction activity, approximately \$1.30 was generated in the economy.
- Increase of jobs in the construction industry – an overall increase of approximately 14,000 full time equivalent jobs.
- An estimated \$1.1 billion in average annual value-added to the economy, accounting for 0.1 per cent of Australian GDP in 2011-12.<sup>19</sup>

By targeting economic stimulus at public housing construction activity, a unique opportunity exists to return many people to employment, and also to take meaningful steps towards addressing homelessness in Australia.

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<sup>17</sup> KPMG, 'Housing Ministers' Advisory Committee, Social Housing Initiative Review: September 2012', pg 1.

<sup>18</sup> KPMG, pg 1.

<sup>19</sup> KPMG, pg 2.

## Recommendations

7. The Council of Australian Governments agreement that community housing should make up at least 35 per cent of social housing in each jurisdiction be revised with a view to lowering the minimum target.
8. State and Territory Governments to place a moratorium on the transfer of either management or ownership of public housing properties to the community housing sector until there has been a significant drop in homelessness in their jurisdiction.
9. The Federal Government allow States and Territories to access financing through the National Housing Finance Investment Corporation to ease construction of additional public housing.
10. The Federal Government to provide financial assistance to States and Territories to build additional public housing stock following the CoVid19 pandemic, as a means of economic stimulus.

## **Conclusion**

Thank you for providing an opportunity to make a submission to this inquiry.

We would be happy to expand upon or provide further information regarding any of the topics discussed. Please do not hesitate to contact Katelyn Butterss, Manager – Policy and Communications via [REDACTED] should you have any further queries.

## Summary of Recommendations

1. Extend and renew the National Rental Affordability Scheme.
2. Support trials of build-to-rent or other innovative affordable housing models to ensure a variety of options are available to suit all Australians.
3. Support State and Territory Governments to provide additional and better connected mental health services, with sufficient capacity to ensure patients have safe accommodation throughout their treatment, and assistance to transition to another form of housing following that treatment.
4. Support State and Territory Governments to ensure sufficient housing options are available for people who wish to leave a violent relationship, and that these housing options can be accessed with children and pets.
5. Support State and Territory Governments to ensure that crisis and transitional housing is a meaningful pathway to more long term, affordable and accessible housing tenure.
6. Permanently increase income support payments to a level, which, at a minimum, allows housing to be afforded without placing the recipient in housing stress.
7. The Council of Australian Governments agreement that community housing should make up at least 35 per cent of social housing in each jurisdiction be revised with a view to lowering the minimum target.
8. State and Territory Governments to place a moratorium on the transfer of either management or ownership of public housing properties to the community housing sector until there has been a significant drop in homelessness in their jurisdiction.
9. The Federal Government allow States and Territories to access financing through the National Housing Finance Investment Corporation to ease construction of additional public housing.
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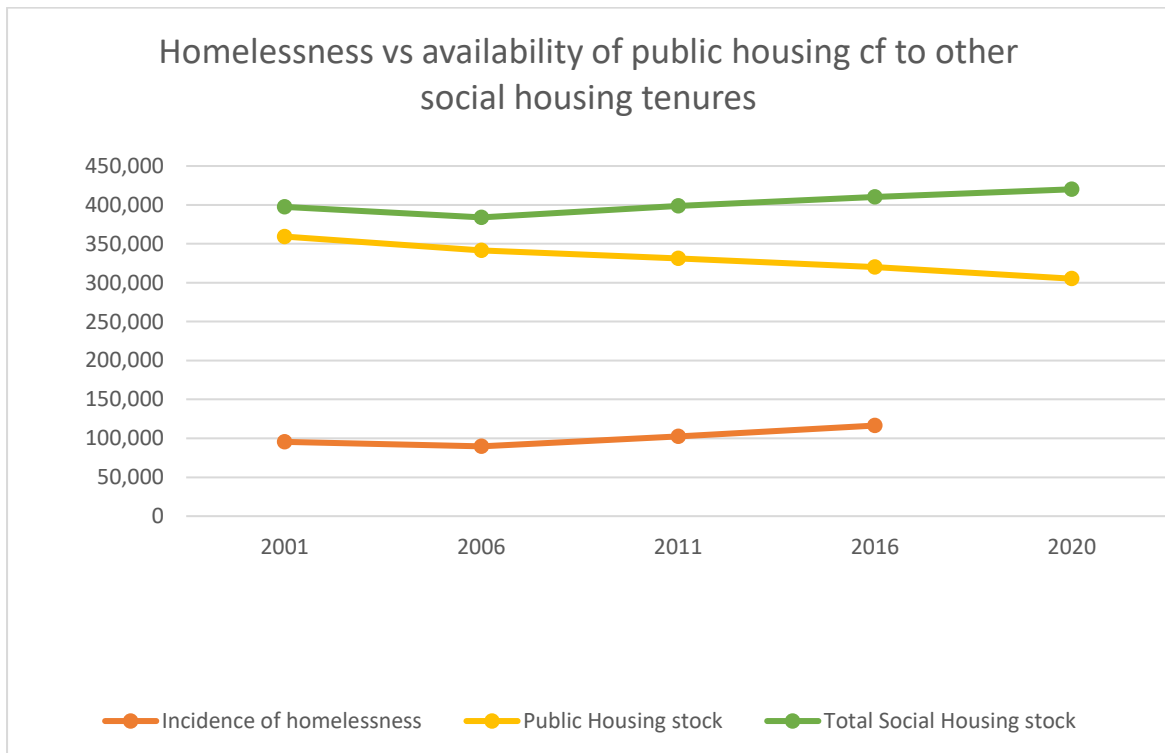
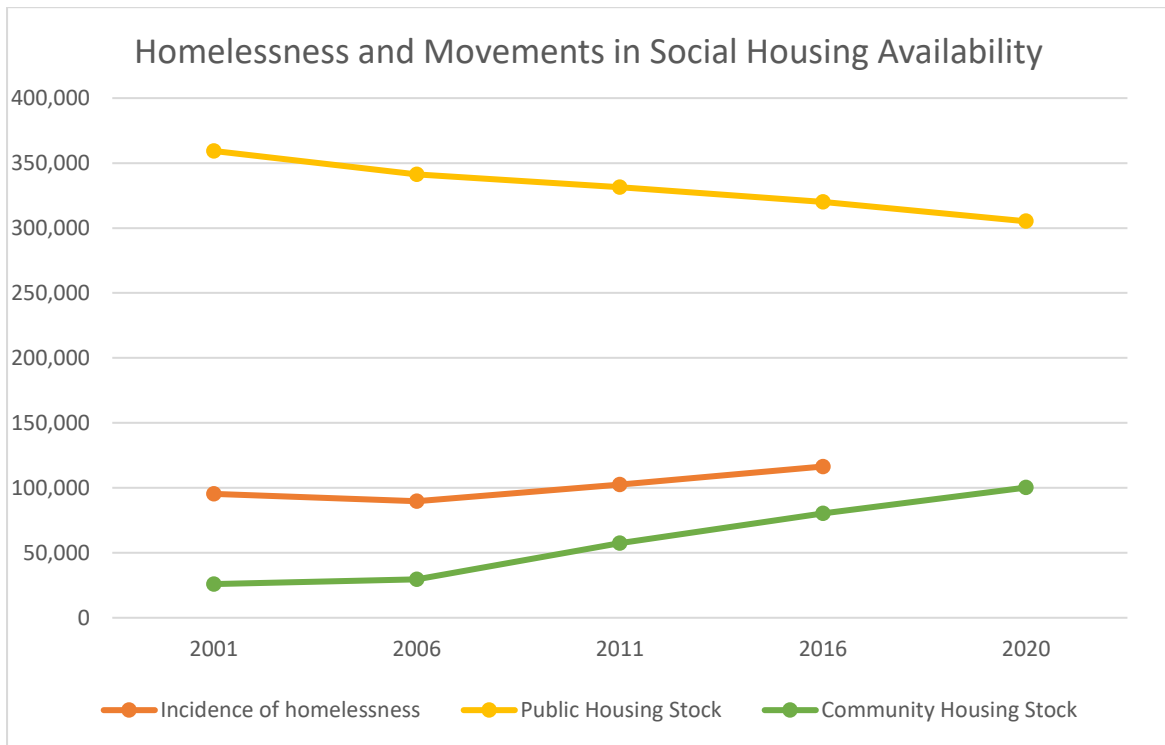
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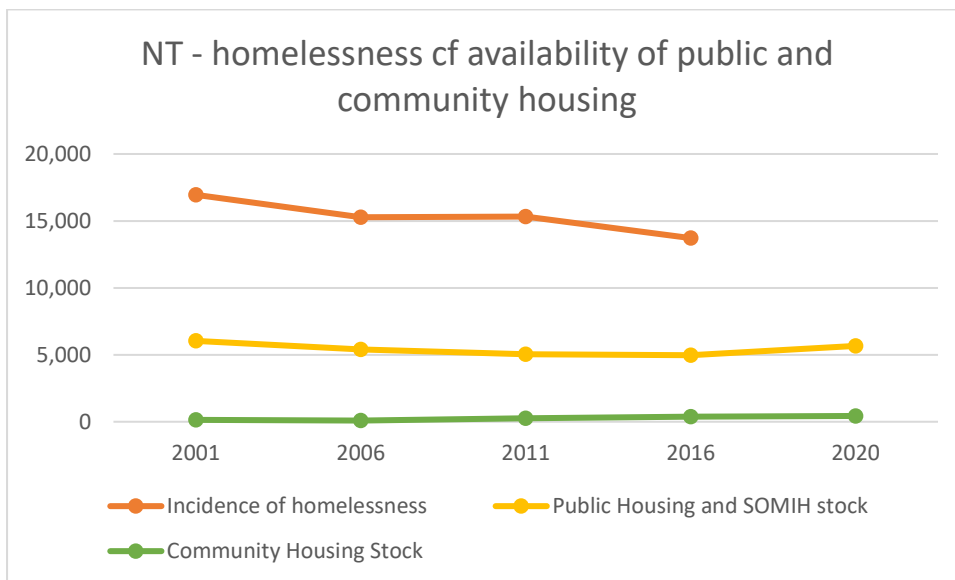
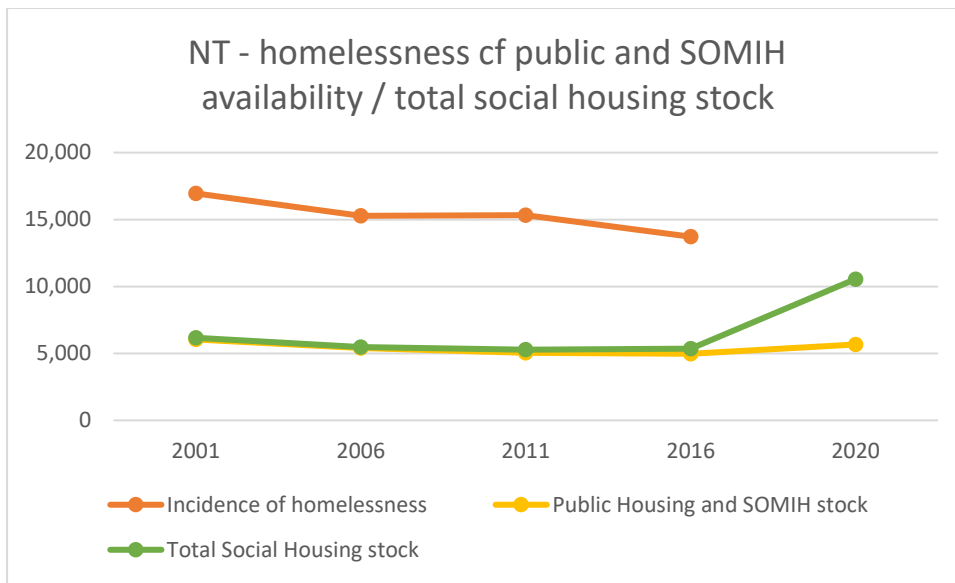
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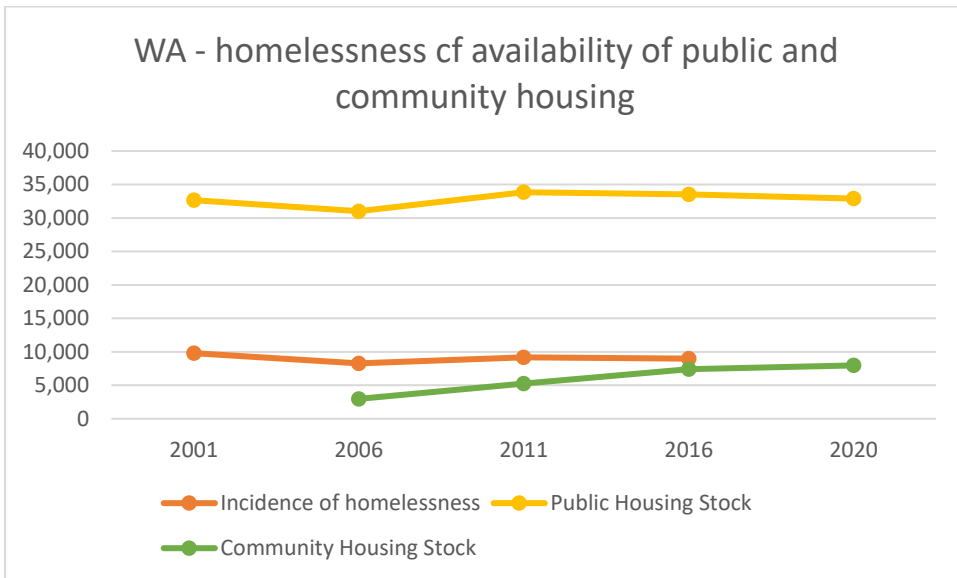
## Appendix A

Nationwide data



The following jurisdictions saw very little movement in the level of homelessness, and this was accompanied by relatively stable levels of public housing. The Northern Territory is the only jurisdiction that saw a decrease in the level of homelessness. It also saw an increase in State owned social housing.





The following jurisdictions saw increases in homelessness coinciding with decreases in public housing stock, despite concurrent increases in either community housing or social housing stock levels overall.

