

# Pre-Budget Submission 2023-24

JANUARY 2023



Homelessness  
Australia

# Introduction

Australia is currently facing a perfect storm of housing market conditions that are driving more individuals and families into homelessness. Record rental increases and record low vacancy rates are making it almost impossible for those on low incomes or who face discrimination in the rental market to gain or sustain tenancies. Floods and fires, and the subsequent recovery efforts, have exacerbated tight rental markets in affected communities.

This increased demand is putting enormous pressure on homelessness services who urgently need more resources to respond to the surge in demand, and who instead face an imminent \$56 million Federal Budget cut to service capacity.

In 2022, the Federal Government made a series of commitments to invest in social and affordable housing that will deliver an expected 50,000 social and affordable housing properties over five years from 2024. These commitments are important and welcome and will assist households who gain access to the new properties. But since these commitments were conceived prior to the 2022 election, the experience of low income renters in the housing market has considerably worsened.

The most up to date research on housing need reveals that more than 640,000 Australian households experience housing stress or homelessness, and that need will grow to almost one million households by 2041. Failing to act to arrest this growth in need will deepen the wealth and opportunity gap in our nation, and create devastating and costly social and economic problems.

In 2023, the Federal Government will release the first five year Action Plan to End Violence Against Women and Children alongside the states and territories, to implement its visionary new National Plan to End Violence Against Women and Children. This Plan acknowledges the centrality of housing to women's safety, and commits to fixing the problem of women and children becoming homeless or remaining in violent homes because they have nowhere to go.

Investing in a pipeline of new social housing for women and children in the 2023-24 Budget will be critical to realising this vision.

Labor has also committed to Close the Gap on Aboriginal and Torres Strait Islander health, education, housing and wellbeing outcomes, and to release a First Nations Action Plan to End Violence against First Nations Women and Children.

In June 2023, previous Federal Government commitments for remote Indigenous housing come to an end. Refunding Indigenous housing to at least the level of the National Partnership Agreement on Remote Indigenous Housing is an urgent priority to address the enormous and growing need for affordable homes from First Nations Australians, and support the achievement of Closing the Gap commitments, including the safety of women and children.

# Summary of Budget priorities

This summary outlines the most urgent and effective investments needed in the Federal Budget 2023-24 to reduce homelessness.

## Recommendation ONE

**To address the shortfall of social and Aboriginal housing needed to provide safe homes for women fleeing violence and older women without homes include:**

- an immediate \$2 billion Rapid-Rehousing Fund to stimulate housing acquisition and deliver between 4,000 to 5,000 properties in the first year, and
- commitments to deliver a pipeline of at least 16,000 social housing and Aboriginal community controlled homes per year for women and children fleeing violence and older women, in addition to current commitments, with federal funding to be matched by the States and Territories.

## Recommendation TWO

**To address the urgency of housing need in Aboriginal communities include:**

- a pipeline of investment in Aboriginal community controlled housing at the level of the previous National Partnership Agreement on Remote Indigenous Housing.

## Recommendation THREE

**To immediately address acute rental stress from record rental increases include:**

- a 50 per cent increase in the maximum rate of Commonwealth Rent Assistance, and benchmarking of the maximum rate to actual rents paid from 2023, and
- an increase in working age social security payments to at least \$73 a day.

## Recommendation FOUR

**To address the structural drivers of excessive rent rises over the longer term:**

- build on the Government's existing commitments by increasing investment in the Housing Australia Future Fund so it can resource at least 25,000 social housing properties each year.

## Recommendation FIVE

**Instead of cutting funding to critical homelessness services, include:**

- continued investment to meet the costs of the Equal Remuneration Order and other increased wages costs for homelessness services, and
- increased investment in homelessness services to meet increased community need.

## Recommendation SIX

**To end homelessness for people experiencing long term and recurring homelessness, include:**

- a new national Housing First program that includes a specific allocation of new homes.

# Summary of Budget priorities

## Recommendation SEVEN

**To develop a National Housing and Homelessness Plan that effectively draws on expertise on how to end homelessness in Australia include:**

- resources for an expert homelessness advisory group that includes people with lived experience of homelessness, homelessness sector representatives, academics and government,
- peak body funding to support the homelessness sector's engagement in policy development to advise the National Plan, and
- resources for a deliberative process with people with lived experience.

## Recommendation EIGHT

**To develop a National Child and Youth Housing and Homelessness Plan include:**

- resources for an expert child and youth homelessness advisory group that includes people with lived experience of child and youth homelessness, youth homelessness sector experts, academics and government, and
- peak body funding to support the homelessness sector's engagement in policy development to advise the plan.

# Ending homelessness for women and children and other survivors of domestic and family violence

The National Plan to End Violence Against Women and Children recognises that 'safe affordable and accessible housing is key to ending violence against women and children and commits to 'ensure women and children escaping violence have safe and secure housing, from crisis accommodation to longer-term, sustainable social housing'. This is a welcome and important commitment, but the reality is that only 3 per cent of women fleeing violence get the long term housing that they need, and the proportion being provided a home is reducing.

In 2019-20, 39,408 people fleeing family violence came to homelessness services in need of long term housing and 3.1 per cent were housed. In 2020-21 demand had increased to 39,680 with only 2.9 per cent housed.

The Federal Government's current plans to resource new social housing targeted at women fleeing violence and older women are welcome, but represent only a fraction of need. In 2021, the Nowhere to Go report revealed that each year 9,120 women flee violence into homelessness, and another 7,690 flee and then return to a violent home because they have nowhere to go. This indicates that at least 16,810 social housing properties are needed annually to ensure women and children escaping violence have a safe and secure home, more than 20 times current commitments to new housing for this group.

The need for safe, appropriate and affordable housing has also been identified as a key factor that exacerbates Aboriginal and Torres Strait Islander women's vulnerability to violence, poor health and intervention from child welfare agencies in the Australian Human Rights Commission Wiyi Yani U Thangani report.

AHURI research has shown that acute shortages of safe and affordable housing for women fleeing violence result in Indigenous women and children being routinely turned away from refuges and safe houses and that that contributes to the high rates of domestic and family violence-related injury and death among Indigenous women.

Older women without homes are another extremely vulnerable group requiring urgent housing support.

**To address the shortfall of social and Aboriginal housing needed to end violence for women and children fleeing violence and older women without homes, Homelessness Australia recommends the Federal Budget 2023-24 include:**

- **an immediate \$2 billion Rapid-Rehousing Fund to stimulate housing acquisition and deliver between 4,000 to 5,000 properties in the first year**
- **commitments to deliver a pipeline of at least 16,000 social housing and Aboriginal community controlled homes per year in addition to current commitments, with federal funding to be matched by the States and Territories.**



# Ending Aboriginal homelessness

Aboriginal and Torres Strait Islander people experience homelessness at almost ten times the rate of other Australians, with 29 per cent of Indigenous Australians aged 15 and over having experienced homelessness at some time in their life. Aboriginal and Torres Strait Islander people are also far more likely to be living in overcrowded dwellings and in housing that doesn't meet an acceptable standard and/or has major structural problems. In 2018, half of all Indigenous Australians in very remote areas and more than 30 per cent of Indigenous Australians in major cities were living in homes with major structural problems.

These housing outcomes reflect that Aboriginal people face multiple barriers to accessing housing, including racism in the housing market, poverty and disadvantage. The intense rental market competition resulting from Australia's record low vacancy rates has intensified housing market exclusion for Aboriginal people.

Challenges in accessing quality housing have far reaching impacts on the health and wellbeing and economic opportunities available to First Nations Australians. Lack of housing compounds other injustices, resulting in more women and children trapped in violent homes, children removed due to housing instability, and people denied bail or parole because they lack a fixed address. Investing to deliver affordable, quality homes is critical to achieving justice, and improving Aboriginal and Torres Strait Islander health and wellbeing.

Despite the desperate need for housing, and the enormous impact of poor housing outcomes, federal investment in Indigenous housing has plummeted in recent years from \$794 million in 2011-12 to only \$78.8 million in 2022-23. No resources are budgeted beyond 2023-24.

While Labor's commitment of \$100 million for remote housing in 2022-23 and 2023-24 will deliver some urgently needed resources, these are limited to remote communities in the Northern Territory. Yet unmet First Nations housing need and high rates of homelessness are present across the nation in major cities, regional areas, as well as in remote communities.

Achieving improved outcomes and justice for Aboriginal communities requires the Federal Government to resume its leadership role in Aboriginal housing. In 2023, the Federal Government has a unique opportunity to demonstrate leadership by developing a National Aboriginal and Torres Strait Islander Housing and Homelessness Strategy that is self-determined and codesigned to complement its existing commitment to a National Housing and Homelessness Plan.

**To address the urgency of housing need in Aboriginal communities Homelessness Australia recommends the Federal Budget 2023-24 include:**

- **a pipeline of investment in Aboriginal community controlled housing at the level of the previous National Partnership Agreement on Remote Indigenous Housing.**

To achieve the most impact, the deployment of these resources needs to be guided by the National Aboriginal and Torres Strait Islander Housing Authority in partnership with Housing Australia and the States and Territories.



# Addressing acute rental stress and cost of living

In the 12 months to December 2022, rents in Australia increased 10.2 per cent, marking a new record high in annual rent growth. Over 2023 rents are likely to continue to surge upwards as rising interest rates and increased migration exacerbate inflationary pressure in what is already a fiercely competitive rental market with record low vacancy rates.

Rents are the biggest single cost in household budgets, but the cost of other essentials have also increased. For people on low incomes, who spend a very high proportion of their income on basics, these combined cost of living increases far exceed wage rises or increases in income support payments. From September 2021 to September 2022 Australian wages increased only 3.1 per cent on average, and in January 2023, annual indexation applied to Youth Allowance among other payments was only 6.1 per cent.

Cost of living pressures are placing an intolerable burden on low income households, making it impossible for Australians to put food on the table and keep a roof over their heads. Housing stress is now the fastest growing cause of homelessness, with 9.2 per cent more people needing homelessness support because of financial stress or housing crisis in 2021-22. Housing stress is also the major driver of homelessness for older people, who are the fastest growing group being pushed into homelessness.

Commonwealth Rent Assistance (CRA) is one way that the Federal Government relieves cost of living impacts on people with low incomes, but the value of the payment has fallen well behind the cost of rents. In 2021, 45.7 per cent of all people who received CRA were still in rent stress after receiving the payment, but 65 per cent of those receiving JobSeeker payments and 72 per cent of people receiving Youth Allowance were still rent stressed.

This acute pressure can be immediately alleviated by increasing income support payments. In 2020, when most people receiving CRA were also receiving the Coronavirus supplement or JobKeeper, we saw rent stress among people on the lowest benefits more than halved: to 31 per cent of people on JobSeeker and 27 per cent of those on Youth Allowance.

**To address acute rental stress driving people into homelessness, Homelessness Australia recommends the Federal Budget 2023-24 include:**

- **a 50 per cent increase in the maximum rate of Commonwealth Rent Assistance, and benchmarking of the maximum rate to actual rents paid from 2023, and**
- **an increase in working age social security payments to at least \$73 a day.**

Longer term, excessive rent rises will only be resolved by significantly increasing the supply of low cost rentals.

**Homelessness Australia recommends the Federal Budget 2023-24 build on the Government's existing commitments by increasing investment in the Housing Australia Future Fund so it can resource at least 25,000 social housing properties each year.**



# Don't cut homelessness services

In 2021-22 more than 278,000 Australians came to homelessness services needing help. Every day 288 people were turned away because of a lack of resources to assist them. Of those needing help, more than 38 per cent have experienced domestic and family violence, and 42 per cent are children or young people under 24.

Record rent rises and record low vacancy rates are significantly adding to this pressure. Yet despite surging demand, the Federal Government has budgeted a \$56 million cut in funding to homelessness services to take effect on 1 July 2023. The cut relates to the end of supplementation funding to meet the cost of higher wages for community sector workers as a result of the 2012 Equal Remuneration Order (ERO).

This equates to around 560 homelessness workers across the country. With less workers more people will inevitably be turned away.

**Instead of cutting funding to critical homelessness services in 2023, Homelessness Australia recommends the Federal Budget 2023-24 make a material difference to people at risk of homelessness by including:**

- **continued investment to meet the costs of the Equal Remuneration Order and other increased wages costs for homelessness services, and**
- **increased investment in homelessness services to meet increased community need.**

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This includes increased support for programs across the spectrum of prevention, early intervention and support, including resources:

- for homelessness prevention workers and brokerage to support people struggling with affordability to maintain an existing tenancy, or gain a new tenancy
- for rapid interventions to prevent tenancy breakdown for people with more complex needs whose tenancies are at risk
- to support women and children and other victim survivors to gain a tenancy after leaving violence
- for specialist support to older people experiencing homelessness to gain housing
- to expand Reconnect to help prevent more homelessness among young people, and
- to provide a suite of support to children and young people to prevent and respond to homelessness



# Expand proven programs to end long term and recurring homelessness

Housing First programs have increasingly been recognised as best practice in providing sustainable housing outcomes for people experiencing homelessness over a long period and who have more complex needs. These programs couple assertive outreach to people who are sleeping rough, or who are experiencing recurring homelessness, with rapid access to long term housing and ongoing flexible support. Both internationally and in Australia, these programs have consistently delivered sustained housing outcomes for more than 80 per cent of participants, and achieve significant improvements in people's health, wellbeing and employment.

Many people who benefit from Housing First models also rely on acute mental health services, and are clients of or potentially eligible for the NDIS. Housing First programs provide the housing stability and support people need to improve and better manage their mental health and can knit together the gaps in accessing and gaining benefit from the NDIS for people with more complex needs.

Initial pilots called 'streets to home' were funded in the National Partnership Agreement on Homelessness, but were never significantly increased beyond the initial small programs and lacked specific allocations of housing. More recently NSW and Victoria funded Housing First type programs for people with complex needs in Covid emergency accommodation, but with time limited head leased accommodation. As leases have ended some people have returned to homelessness.

**To end homelessness for people experiencing long term and recurring homelessness, Homelessness Australia recommends the Federal Budget 2023-24 include a new national program of Housing First with a specific allocation of new homes.**

A national Housing First program could develop new specialist models, including Housing First for Young People, expand Housing First delivery to more locations including regional Australia, and resource training and evaluation to better embed the model in practice.



# Resource the homelessness sector to engage

In 2022, the Government committed to developing a National Housing and Homelessness Plan, creating an opportunity to map a course towards addressing the housing affordability crisis and ending homelessness in Australia.

The last time the Government developed a National Homelessness Plan in 2008, the deliberative process involving the homelessness sector, people with lived experience of homelessness, academics and government achieved the delivery of a plan that reset homelessness policy and practice and achieved significant gains in homelessness reduction.

Since then national policy development in relation to homelessness has languished. The homelessness context in Australia has also significantly changed since 2008. Affordable rental housing is far more scarce, natural disasters have increased in frequency and severity pushing thousands into homelessness overnight, and human services have evolved, with new services like the NDIS becoming available.

Other issues driving homelessness, such as poverty, domestic and family violence, child abuse and neglect and unmet support needs, have persisted without the resources needed to prevent these issues occurring or to respond adequately to the children, young people, women and men made homeless as a consequence.

The plan developed in 2023-24 needs significant policy development involving the homelessness sector, people with lived experience of homelessness, academics and government to engage with the breadth and complexity of these issues and set the course for change.

Resources are also needed to support the homelessness sector and people with lived experience of homelessness to fully engage in a deliberative process.

Since the Federal Government defunded national housing and homelessness peak bodies in 2015, the capacity to engage and support policy leadership in the sector has been limited, and the national policy conversation has missed important insights and expertise.

Funding for the peak body for homelessness, Homelessness Australia to support the homelessness sector's engagement is an important element of this engagement plan. With resources Homelessness Australia can lead policy development forums to bring together homelessness experts around key issues in homelessness service delivery, bring forward innovation from within the homelessness sector, effectively represent the sector to Government, and actively support the deliberative process.

Resources are also needed to support a deliberative process with people with lived experience, similar to the extensive consultation process that informed the National Plan to End Violence Against Women and Children.

**To develop a National Housing and Homelessness Plan that effectively draws on expertise relating to ending homelessness in Australia, Homelessness Australia recommends the Budget 2023-24 include:**

- **resources for an expert homelessness advisory group that includes people with lived experience of homelessness, homelessness sector representatives, academics and government,**
- **peak body funding to support the homelessness sector's engagement in policy development to advise the plan, and**
- **resources for a deliberative process with people with lived experience.**

# Ending child and youth homelessness

Children and young people become homeless for different reasons, and have different experiences of homelessness than adults. They also need different homelessness responses to escape and recover from experiences of being without a home. The younger children and young people are when they experience homelessness, the more acute these differences from adult experiences.

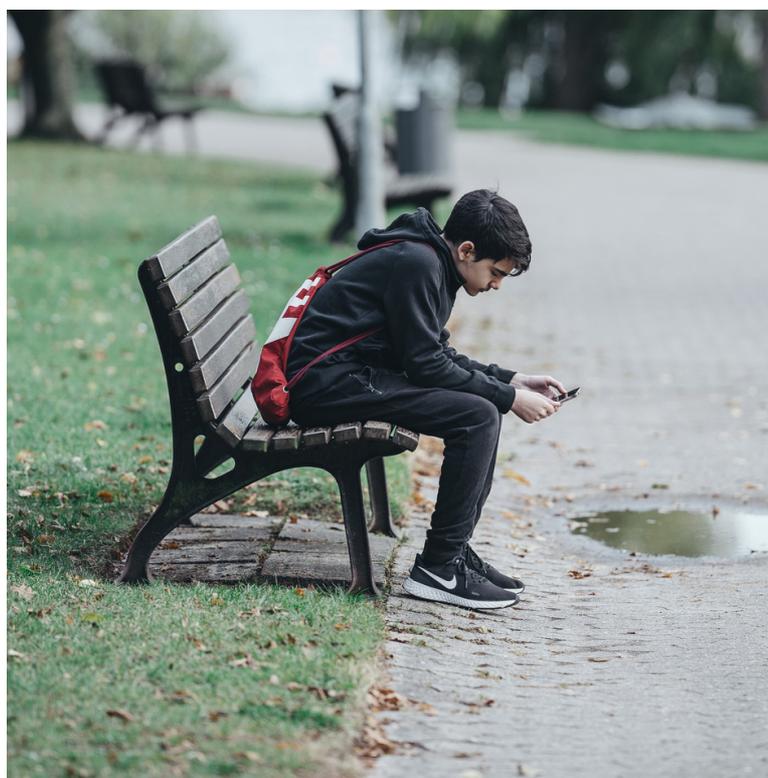
Each year in Australia more than 3,315 children aged 10-14 become homeless unaccompanied by parents or other adult supports. A further 39,300 young people aged 15-24 years seek homelessness support each year. These children and young people are extremely vulnerable, and require urgent specialist support that is commonly not available. They are also most likely to become homeless adults, with many people who experience recurring homelessness having had their first experience of homelessness as a child.

The uniqueness of child and youth homelessness is so distinct, it needs a specialist focus within the national housing and homelessness plan. Similarly to the mainstream plan, this process should be driven by an expert children and youth homelessness advisory group that includes people with lived experience of child and youth homelessness, youth homelessness sector experts, academics and government.

Similar to the process for the mainstream national plan, funding is also needed for a national child and youth homelessness engagement plan. The engagement plan would support peak body leadership to bring the sector together for policy development forums in relation to the breadth of issues relevant to child and youth homelessness and specific cohort issues, including prevention, family support and reconciliation, First Nations child and youth homelessness, disability, family violence, sexual violence, LGBTIQ+, child protection, mental health, and substance abuse.

**To develop a National Child and Youth Housing and Homelessness Plan, Homelessness Australia recommends the Budget 2023-24 include:**

- **resources for an expert child and youth homelessness advisory group that includes people with lived experience of child and youth homelessness, youth homelessness sector experts, academics and government, and**
- **peak body funding to support the homelessness sector's engagement in policy development to advise the plan.**



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## ABOUT HOMELESSNESS AUSTRALIA

Homelessness Australia is the national peak body for homelessness in Australia. We provide systemic advocacy for the homelessness sector. We work with a large network of organisations to provide a unified voice when it comes to preventing and responding to homelessness.

Visit [homelessnessaustralia.org.au](https://homelessnessaustralia.org.au)

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Homelessness Australia acknowledges the Traditional Custodians of all of the lands on which we meet and work. We pay our respects to First Nations peoples and elders past, present and future. Always was, always will be, Aboriginal land.