

Surging demand for homelessness services

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A new analysis reveals surging demand for homelessness services as record low rental vacancies and soaring prices push thousands of Australian families to the brink.

Overstretched and overwhelmed: the strain on homelessness services was prepared to mark the start of Homelessness Week. It cross-references Australian Institute of Health and Welfare data against service costs as outlined in the Productivity Commission Report on Government Services to reveal that an additional \$450 million in homelessness support is needed to respond to new people needing homelessness assistance and people currently being turned away.

Between December and March, the number of people seeking homelessness assistance spiked 7.5 per cent, an extra 6,658 clients.

The overwhelming bulk of that need came from people seeking homelessness help because of financial stress and the housing crisis. Of the 95,767 people seeking assistance in March 2023, 83 per cent of them (79,244) needed help due to issues with their housing or financial stress.

Queensland saw the biggest increase in homelessness service use followed by Western Australia and NSW.

People seeking homelessness assistance by state

	NSW	VIC	QLD	WA	SA	TAS
December 2022	22,432	31,088	14,373	6,785	6,669	2,655
March 2023	24,730	32,733	16,225	7,538	7,143	2,686
Percentage change	10.2%	5.3%	12.9%	11.1%	7.1%	1.2%

The report also highlights the impact of the housing crisis on women and children, with women and children making up 74 per cent of all people using homelessness services. Of those turned away from homelessness services because they lacked the resources to assist, 80 per cent were women and children and 31 per cent were children under 18.

The report finds that if the current surge in demand continues, it will equate to an annual increase in demand equivalent to an additional 19,974 people. When combined with the 71,962 people currently turned away from homelessness services each year this adds up to 91,936 extra people needing support. The cost of funding this support is approximately \$451 million.



	Number of extra people needing support	Cost of providing services
Providing services to additional clients	19,974	\$97.9 million
Providing services to people currently turned away	71,962	\$352.7 million
	91,936	\$450.6 million

Homelessness Australia CEO, Kate Colvin, said the surge in demand was making it harder to assist people confronting homelessness.

“A 7.5 per cent increase in demand in just four months is unheard of. It forces homelessness services to make extremely tough decisions about who gets assistance.

“Support services are triaging based on people’s vulnerability and need, but the reality is highly vulnerable people are being turned away because services simply have too few staff and other support resources. When you annualise this demand and add it to the existing people turned away we are looking at a funding shortfall of more than \$450 million. This is just one terrible side effect of the worst housing crisis in living memory.

“The bulk of increased demand comes from women and children, many of whom are fleeing violence. It is beyond comprehension that we have to turn people away, especially in winter.

“The Federal Government has recently committed to new resources for social housing which is welcome, but while the housing crisis continues to drive increased homelessness, a significant funding boost is needed to cope with this unprecedented surge in demand. Australia has the means to end homelessness, we just need the will.”

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