

Overstretched and overwhelmed: the strain on homelessness services



AUGUST 2023

Relentless rent increases and record low vacancy rates are driving more Australians into homelessness and services are unable to keep up with demand. The latest data on use of homelessness services reveals a surge in demand for homelessness help in early 2023.

Rising rents and record low vacancy rates

Australian rents have increased relentlessly since a small slowdown in rents at the beginning of the Covid pandemic.

Between April 2020 and March 2023 rents rose by 40 per cent across Australia.¹

Since March 2023, rents have continued to rise and economists predict further increases over the coming year.

In early 2023, vacancy rates fell to a record low of 1.0% nationally.²

While rising rents force existing tenants out of rentals that they can no longer afford, the toxic combination of low vacancy rates and high rents for new tenancies make it difficult, or even impossible, for many households to secure a new home.

Vacancy rates around 1 per cent means it is common for each vacant property to have more than 20 applicants, with demand from over 50 applicants often recorded.

In this competitive market, real estate agents tend to choose the highest earning prospective tenants. Risk of homelessness for tenants from marginalised communities is exacerbated by rental market discrimination on other grounds, to the detriment of prospective Aboriginal and Torres Strait Islander tenants, young people, single parents, people with disabilities and other groups subject to discrimination.

1 SQM research, [National weekly rents data](#)

2 SQM research, [National residential vacancy rates data](#)

Surging demand for homelessness services

Early 2023 has seen a surge in demand for homelessness services driven by people seeking help as a direct result of the housing crisis.

The number of people using a homelessness service increased by 7.5 per cent between December 2022 and March 2023.³

PEOPLE SEEKING HOMELESSNESS ASSISTANCE

	Number of people using homelessness services
December 2022	89,109
January 2023	90,944
February 2023	93,679
March 2023	95,767
Percentage change	7.5%

Queensland saw the biggest increase in 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%

When people come to a homelessness service they are asked about the reasons that they need help.

This data reveals that homelessness service use increased by 11 per cent among people who identified financial stress and housing crisis (eviction) as a reason they needed help.

PEOPLE SEEKING HOMELESSNESS HELP BECAUSE OF FINANCIAL STRESS AND HOUSING CRISIS

December 2022	71,311
January 2023	73,991
February 2023	76,693
March 2023	79,244
Percentage change	11%

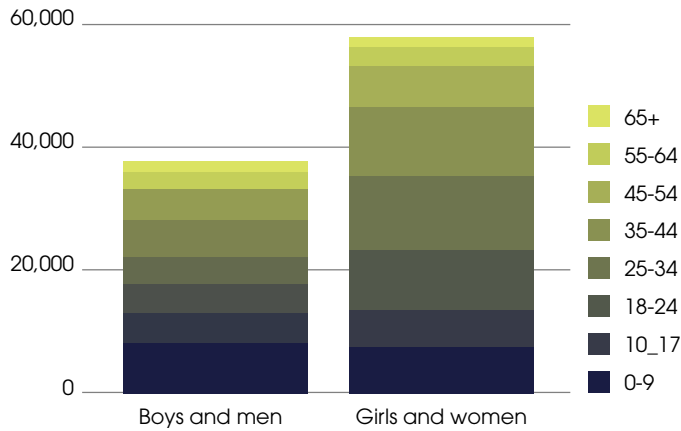
³ Australian Institute of Health and Welfare (AIHW), [Specialist Homelessness Services: monthly data](#), May 2023.

Note: all the data on monthly homelessness statistics in this report is drawn from the AIHW monthly data report

Women and children suffering the worst impact of the housing crisis

Three in four people using homelessness services in March 2023 were women or children, with women under 44 the biggest groups needing support.

YOUNGER WOMEN AND CHILDREN THE BIGGEST GROUPS NEEDING SUPPORT



HOMELESSNESS SERVICE USE BY AGE AND GENDER RANKED FROM BIGGEST TO SMALLEST GROUP

Age and gender of person using services	Number of people
Women 25-34	11,930
Women 35-44	11,152
Young women 18-24	9,647
Boys 0-9	8,045
Girls 0-9	7,379
Women 45-64	6,836
Girls 10-17	6,292
Men 35-44	5,690
Men 45-54	5,182
Boys 10-17	5,107
Young men 18-24	4,627
Young men 25-34	4,608
Older women 55-64	3,065
Older men 55-64	2,810
Older women 65+	1,750
Older men 65+	1,647

Women have also had the biggest increases in homelessness service use between December 2022 and March 2023, with older women recording the highest increases in use of services

Age and gender of person using services	Percentage increase in service use between December 2022 and March 2023
Women over 65	10.0%
Women 55-64	9.8%
Women 18-24	9.7%
Women 45-64	9.3%
Men over 65	9.1%
Women 25-34	8.5%

Women and children turned away from homelessness services with too few resources

Homelessness services are unable to meet surging demand for homelessness support and in 2021-22 turned away 71,962 people per year. Of those turned away, 80% were women and children, and 31% were under 18.⁴

The turn away rates recorded in homelessness data account for people who contacted a homelessness service but the service was unable to provide the support needed. More people, who cannot get through to a service on the phone or who can't get an appointment in a homelessness access point, are not counted in the turn away data.

As the number of people in this circumstance are unknown they are not accounted for in this analysis. This means the demand for homelessness services is far greater than we know.

The number of people recorded as turned away is also not reported in monthly homelessness data so we do not yet know if the number of people turned away in 2023 has increased.

However, a recent survey of services conducted by Everybody's Home to determine the impact of the housing crisis revealed that 95 per cent of survey respondents said that the housing crisis was having an impact on services and workloads.⁵

This impact included growing waiting lists for services, inability to meet clients needs or to provide housing, and fewer resources and less time taken per client

RIGHT: IMPACTS OF INCREASED WORKLOAD ON ORGANISATIONAL SURVEY RESPONDENTS

Impacts on the organisation	(%) Responses
Increased casework complexity	89%
Unable to provide long-term housing	79%
Increased waitlists / waiting times	73%
Unable to meet client needs	67%
Staff burnout or attrition	61%
Fewer resources per client	46%
Budgetary constraints	44%
Reduced staff capacity	43%
Reduced program capacity	40%
Less time taken with each client	31%
Volunteer burnout or attrition	9%
Other	12%
Declined to respond	6%

What are the solutions

Responding to surging homelessness requires a response that tackles the major reasons that people are becoming homeless and provides the support people need to escape homelessness.

While financial stress and housing issues are the biggest problem driving people to homelessness services, they are not the only driver of homelessness.⁶

The most effective and important change we can make to end homelessness is preventing people from becoming homeless in the first place.

Main reason for seeking homelessness assistance 2021-22	% of all clients
Housing issues (including housing crisis, eviction, inappropriate housing and housing situation ended)	35
Financial issues (including financial difficulty and housing affordability stress)	17
Family violence and other violence and abuse	28
Other family relationship issues	5
Health and other issues	15

This requires **people to have adequate incomes and access to housing** they can afford. It also requires **action to stop family violence and child abuse and neglect**, the biggest drivers of homelessness for women and for children and young people, and for people to receive the health, disability, education and other community supports that they need to thrive.

4 AIHW, [Specialist homelessness services annual report 2021-22](#), December 2022

5 Everybody's Home, [Brutal reality: The human cost of Australia's housing crisis](#), July 2023

6 Australian Institute of Health and Welfare, [Specialist homelessness services annual report 2021-22, December 2022](#)

Discrimination in the rental market and homophobia and transphobia are other issues requiring action to reduce homelessness.

Groups who are most vulnerable to homelessness, or who are experiencing a life transition that puts them at risk of homelessness, need additional support to prevent homelessness.

This includes measures to provide:

- pathways for victim survivors to escape violence to a safe permanent home or to stay in their home and have perpetrators leave the home
- ongoing care and support to children in out of home care or youth justice

- family mediation and support for children and young people at risk of homelessness
- support in mental health, hospital and justice services to prevent exits to homelessness
- support for older people in housing crisis to navigate aged care and housing options
- Rent subsidies, legal assistance and financial counselling to support people in financial crisis

If people do lose their home they need homelessness support services and access to housing available when they need it.

For homelessness services to be able to respond to everyone needing assistance, and to provide the level of support people need to exit homelessness, they need significant increases in service capacity.

This will require significant new investment by both federal and state governments.

The Productivity Commission Report on Government Services indicates that the cost per client accessing homelessness services in 2021-22 was \$4,901.⁷

Between December 2022 and March 2023, an additional 6,658 people used homelessness services. If this increase was maintained over a year this would equate to 19,974 new clients.

Each year services turn away 71,962 people needing services.

	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
Total	91,936	\$450.6 million

Providing a service at the average cost per client to all extra people needing support would cost \$450.6 million.

To end homelessness we need a plan to end homelessness

In 2023, the Federal Government will begin the process of developing a 10-year National Housing and Homelessness Plan.

This process is expected to begin within weeks.

The National Housing and Homelessness Plan represents an important opportunity to achieve the changes needed to end homelessness.

If the Government sets an **ambitious goal to end homelessness**, and **establishes targets** to reduce homelessness over time, and ultimately to end homelessness, the scope of reform needed to achieve this goal could be delivered.⁸

7 Productivity Commission, [Report on Government Services 2023](#), Homelessness Services data tables, Table 19A.18 Recurrent cost per client accessing homelessness services, 2021-22 dollars (a), (b)

8 See Homelessness Australia, [A Plan to End Homelessness](#), August 2022 and Homelessness Australia, [Critical issues in Australia's 10-year national homelessness plan](#), June 2023