IMPACT ECONOMICS AND POLICY

CALL UNANSWERED
UNMET DEMAND FOR SPECIALIST HOMELESSNESS SERVICES

IMPACT ECONOMICS AND POLICY

NOVEMBER 2024

Homelessness Australia

About Impact Economics and Policy

Impact Economics and Policy brings together a group of expert economists and policy specialists with experience working for government, non-for-profits and big four consulting. Established at the start of 2022, our mission is to partner with clients for impact through providing robust evidence, fresh analysis, and strategic communication to tackle Australia's biggest public policy challenges.

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Launch Housing IT'S TIME TO END HOMELESSNESS

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St Mary's House of Welcome

Safe + Equal

Southern Youth and Family Services

toward home

Women's and Girls' Emergency Centre

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Overview

When Australians find themselves without somewhere safe to sleep, or at risk of losing their home they turn to Specialist Homelessness Services for support.

In 2022-23 over 250,000 Australians sought and received assistance from a Specialist Homelessness Service. However, with an increasing number of Australians in need of help, too often no one is there to take their call. These Australians must navigate losing their home without support.

Australia is being gripped by a housing crisis with higher rents and lower vacancy rates across the country. This translates into more Australians at risk of homelessness, and needing support to stay in secure housing or find a new home.

New modelling for this report estimates that in 2022 there were between 2.7 million and 3.2 million Australians at risk of homelessness, where one negative shock could result in them losing their home. This represents a 63 per cent increase between 2016 and 2022 in the number of Australians at risk of homelessness.

Specialist Homelessness Services are stretched, and official figures are not capturing the full extent of unmet demand for help. An exclusive survey of 23 Specialist Homelessness Services conducted over a two-week period in September 2024 found that:

- 39 per cent of services were forced to close their doors to people seeking help at least once during the fortnight.
- 83 per cent of services were unable to answer phone calls for some period during the survey, leaving people in crisis without immediate assistance.
- 74 per cent of services were unable to reply to emails during the survey, impacting housing referrals and support requests.

Services are struggling to provide emergency accommodation to families with children or unaccompanied young people. Across the two-week period, services reported:

- families with children who had no accommodation were not assisted on 1 in 5 of the days surveyed
- individuals without dependents were turned away on 1 in 2 of the days surveyed, and
- unaccompanied young people and children with no accommodation were turned away on 1 in 9 days surveyed..

Addressing the housing crisis requires a multi-pronged approach, which includes greater investment in preventing and resolving periods of homelessness. Alongside increases in rent assistance and building more social housing, we need to ensure that calls for help do not continue to go unanswered.

Role of Specialist Homelessness Services

Each year, Specialist Homelessness Services (SHS) in Australia provide assistance to around 270,000 people. This includes people who are homeless or at risk of homelessness, providing support services like emergency accommodation, housing assistance to avoid eviction, and other social services to improve housing stability and help people facing immediate threats to their safety or wellbeing. The extent to which homelessness services can avoid people becoming homeless saves significant resources, with previous AHURI research finding every avoided eviction saves $12,000.[1]

Homelessness services provide a wide range of supports to people experiencing, or at risk of, homelessness. Services include youth and domestic and family violence refuges, crisis and short-term accommodation, as well as assistance for people to stay in their current home. In addition, services target problems contributing to people's housing instability, connecting people with income support, mental health, legal support, or other services. Meals, showers, or essential groceries are often provided to meet people's immediate needs. Other services include outreach, counselling, advocacy, and support with health, education and employment.[2]

Specialist domestic and family violence services that are funded under the umbrella of homelessness responses provide a suite of support focussed on safety and recovery from violence.

In 2022-23 Specialist Homelessness Services assisted 273,648 people across Australia, including:

- **116,267** people experiencing homelessness
- **157,381** people at risk of homelessness
- **80,935** women and children that had experienced family and domestic violence
- **74,713** First Nations people
- **12,677** NDIS participants

All clients have a different experience with homelessness services, depending on their needs and the availability of support. Ideally, services provide quick and effective help, but staffing and housing shortages often lead to long waits. Three example clients are outlined in Figure 1, based on real client experiences and demonstrate how services ideally support clients and how shortages impact services.[3]

1 Impact Economics and Policy calculations using figures from AHURI (2015). The cost effectiveness of Australian tenancy support programs for formerly homeless people. Available: https://www.ahuri.edu.au/research/final-reports/252 (updated to September 2024 dollars).

2 AIHW (2024). Specialist homelessness services annual report 2022–23. Available: https://www.aihw.gov.au/getmedia/3e8872c8-a0a5-4440-bd64-fe8af2b3be06/specialist-homelessness-services-annual-report-2022-23.pdf?v=20240229172419&inline=true

3 Developed through interviews with Specialist Homelessness Services providers.

FIGURE 1: **CLIENT EXPERIENCES OF IDEAL SUPPORT AND SUPPORT IMPACTED BY SHORTAGES**

Example	Stage	Ideal support	Support impacted by shortages
Emma, 32, a single mother of two, sought support after leaving her abusive partner. Couch surfing with friends, she struggled with financial stress and had no family support	Intake	Emma is placed in a women's refuge immediately after fleeing domestic violence.	Emma spends weeks moving between short stays in a motel, couch surfing and sleeping in her car with her children.
	Supports	She receives trauma counselling and child support services within days.	Delays in accessing trauma counselling and support for her children result in one child needing emergency mental health care, and both children missing weeks of school
	Ongoing	Within 6 months, she transitions to social housing, securing financial independence through job training and ongoing support.	After 6 months, Emma and her children are living in a single room in a rooming house, with no clear timeline for social housing due to long waitlists.
John, 58, lost his job due to health issues and lived in his car for months. With no savings and unable to afford rent, he faced long term homelessness and needed medical care	Intake	John is quickly placed in crisis accommodation.	John remains in his car for months due to a shortage of crisis accommodation.
	Supports	He receives immediate medical care, financial support and is connected with Centrelink.	Has some short stays in a motel before moving into a shared room in a supported residential service where John pays 85% of his income on board. After John is assaulted by a fellow resident he moves back to his car.
	Ongoing	Within 6 months, John moves into long-term supported housing, with access to ongoing health services.	Even after 6 months, John is still living in his car with no clear timeline for long-term housing due to the lack of affordable options.
Lisa, 16, was leaving the foster care system with no stable housing. Lacking life skills and income, she was at risk of homelessness and sought help while struggling to find affordable housing	Intake	Lisa is placed in youth crisis accommodation immediately.	Lisa can't get into a youth refuge because all beds are full. She couch surfs with some people she knows from out of home care.
	Supports	She receives life skills training and job-seeking support, and enrols in education within weeks.	Lisa is hospitalised after self harming and is then discharged to a youth refuge for a 6 week stay, where she gets some counselling and support to access mental health care.
	Ongoing	Within 6 months, Lisa transitions to affordable youth housing with ongoing support for independent living	After 6 months, Lisa is living in a sharehouse with a new boyfriend and his friends. Her boyfriend deals drugs and is often violent and abusive. Lisa reconnects with her case manager at the youth refuge and is on a wait list for transitional housing with no clear timeline to get housed.

Source: Developed through interviews with homelessness service providers

Impact of housing crisis on demand for Specialist Homelessness Services

With rental vacancies at record lows and rents increasing 18.5 per cent in the last two years, Australia is in the midst of a housing crisis.[4] Combined with rising cost of living pressures this is resulting in an increasing number of Australians experiencing rental stress.

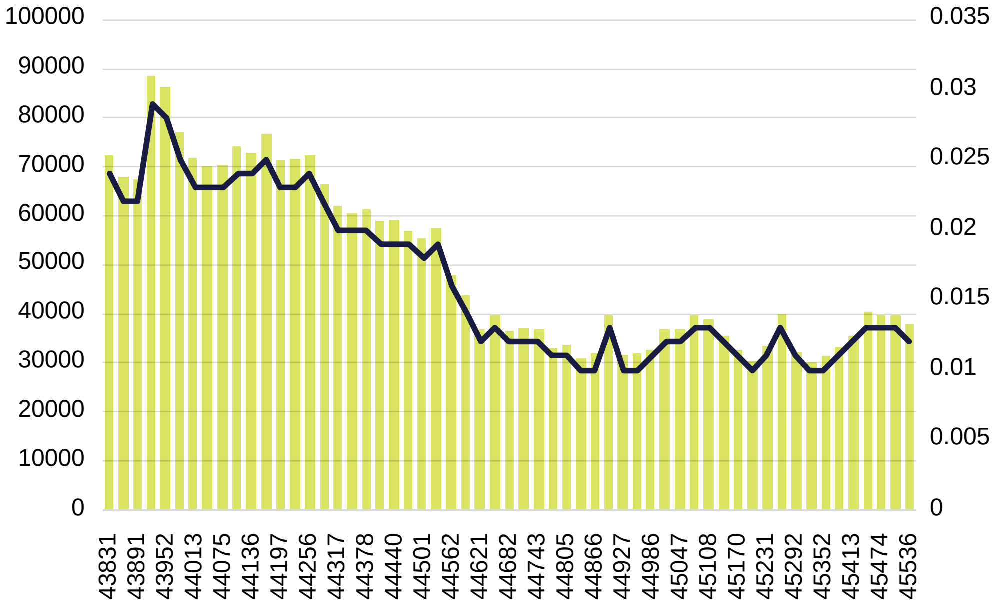
Rental vacancies are falling

Rental vacancies have fallen dramatically and have been at record lows since mid-2022, driven by changing demand for housing and insufficient supply of affordable rental housing. As a result, renters have had less options, and there has been greater competition for rental stock.

In September 2024 the national vacancy rate sat at 1.2 per cent, half the rate that in January 2020 (Figure 2 shows the rental vacancy data).[5] This represents 35,000 fewer rental properties available across the country.

The largest drops in vacancies occurred in Darwin and Perth, where there is now one rental property available for every four that was available in January 2020. Adelaide, Brisbane, and Sydney now have about half as many rentals available as they did in January 2020.

FIGURE 2: **RENTAL LISTINGS AND VACANCY RATES, FROM 2020 TO SEPTEMBER 2024**



Source: SQM

4 ABS (2024), Consumer Price Index September Quarter 2024. Available: https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/consumer-price-index-australia/latest-release

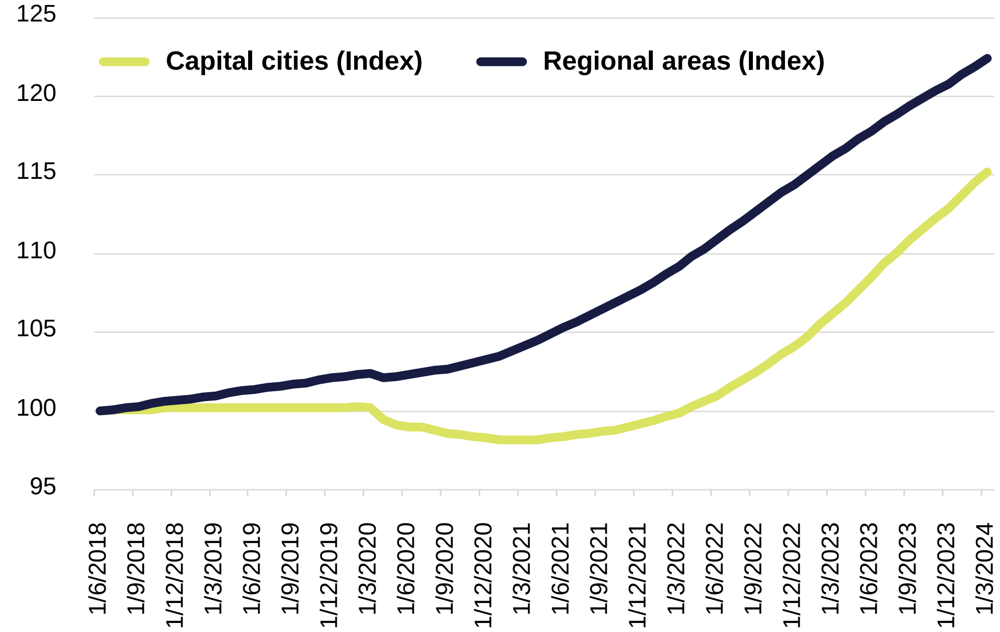
5 SQM (2024). Residential vacancy rates, various. Available: https://sqmresearch.com.au/graph_vacancy.php?national=1&t=1

Rental stress is increasing

Fuelled by the fall in rental vacancies, average rents have been climbing across Australia and increasing the number of households are experiencing rental stress.[6]

The CPI measure of rents has increased by more in the past two years than it increased in the previous ten years, highlighting the rapid increase in rents over the period. Since September 2022, rents across capital cities have increased by 18.5 per cent.[7]

FIGURE 3: **RENTS INCREASING ACROSS AUSTRALIA**



Source: Australian Bureau of Statistics

New modelling by Impact Economics and Policy has estimated that the number of households across Australia experiencing rental stress has increased by 141,000 or 17.9 per cent since the 2021 Census.

The increase in the number of households experiencing rental stress has been estimated across each of the states, including with a breakdown between capital cities and the rest of the state.

6 Rental stress is defined as households in the bottom 40 per cent of income, paying more than 30 per cent of their income on rent.

7 ABS (2024). Private rent inflation: capital cities vs regions. Available: https://www.abs.gov.au/articles/private-rent-inflation-capital-cities-vs-regions

> **Private rental has become simply unattainable for many, especially young people. People who could have afforded private rentals in 2017 are now struggling, in so many places it is like rent doubled overnight.**
>
> Team leader at a large homelessness service

New South Wales

Since the 2021 Census the number of households experiencing rental stress has increased by 14.2 per cent across New South Wales, with the increase concentrated in greater Sydney which has experienced an 18 per cent increase.

In 2024 there were an estimated 312,000 low income households experiencing rental stress in New South Wales, an increase of 38,900 since the 2021 Census.

Victoria

In Victoria the number of households experiencing rental stress has increased by 43,100 since the 2021 Census, an increase of 23.1 per cent. Again, the increase was concentrated in the capital city, Melbourne, which is estimated to have experienced a 27.2 per cent increase.

In 2024, there are an estimated 229,000 low income households in rental stress across Victoria.

Queensland

Across Queensland there are an estimated 200,000 low income households in rental stress, an increase of 16.1 per cent since the 2021 Census.

In Queensland an estimated 88,000 low income households outside of Brisbane are experiencing rental stress, an increase of 5,600 since the 2021 Census. Meanwhile in Greater Brisbane an estimated 112,000 households are experiencing rental stress, a 22,000 increase since 2021.

South Australia

South Australia has experienced a 16.1 per cent increase in the number of households experiencing rental stress, an increase of 8,800 since the 2021 Census. In 2024 it is estimated that there are 62,600 households across South Australia in rental stress.

Western Australia

In 2024 an estimated 83,800 households across Western Australia are in rental stress, which is an increase of 15,700 since the 2021 Census. This represents a 23.1 per cent increase, that is concentrated in Perth where an additional 14,100 households are estimated to be experiencing rental stress.

Tasmania

In Tasmania, the level of rental stress was already high and there has been a smaller increase since 2021. Across the state there has been a 11.3 per cent increase, with an additional 2,000 households experiencing rental stress. This represents 19,700 households, including 10,150 outside of greater Hobart.

ACT

The ACT has seen a large increase in the number of households experiencing rental stress since 2021, with 3,500 additional households. This represents a 31.3 per cent increase and in 2024 an estimated 14,700 households were experiencing rental stress.

Northern Territory

Northern Territory has some of the highest rates of homelessness in Australia, driven by high levels of overcrowding. The analysis highlights that the housing crisis has driven an additional 26 per cent of Territorians into housing stress, including 1,300 in Darwin.

There is nowhere for people to go

During COVID-19 rough sleepers in many states were accommodated in hotels. When these programs ended people returned to the streets.

Since temporary COVID-19 supports ended, providers have reported that demand remains as high as it was during the pandemic, if not higher. The removal of emergency funding and temporary accommodation options has left services struggling to meet the needs of a growing client base. Providers report a doubling of demand for emergency overnight accommodation. One homelessness hub reported an increase from five new clients per month five years ago to five new clients per week in 2024.[8]

The 2024 NSW Statewide Street Count found there were 2,037 people sleeping rough, a 68.7 per cent increase in the number of people sleeping rough since 2022.[9]

People who are homeless are much more common than crisis beds in Australia. In many states, there are only a few hundred crisis beds available compared to tens of thousands of homeless people.

On Census night 2021, 123,000 people were homeless, while 24,000 were in supported accommodation.[10] This equates to one bed for every five homeless people. In major population centres, a couple bed in crisis accommodation may become available only two or three times a week.

On Census night 2021, fewer than 20 per cent of people who were homeless were in supported accommodation.[11]

All we are managing to do is juggle the crisis because we are waiting for options to become available but they don't come along. It never feels like we are moving forward to resolve the issue.

Executive at a small homelessness service

8 Supplied by a Specialist Homelessness Services provider.

9 NSW Department of Communities and Justice (2024). 2024 NSW Statewide Street Count – Technical Paper. Available: https://www.facs.nsw.gov.au/__data/assets/pdf_file/0003/856614/2024-nsw-street-count-technical-paper.pdf

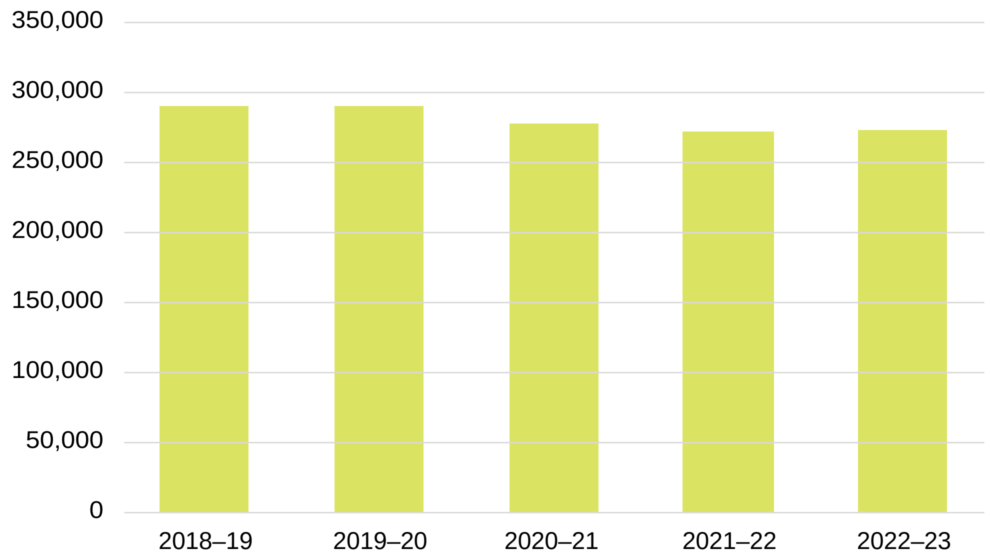
10 AHURI (2023). Crisis accommodation in Australia: now and for the future. Available: https://www.ahuri.edu.au/sites/default/files/documents/2024-01/AHURI-Final-Report-407-Crisis-accommodation-in-Australia-now-and-for-the-future%20%282%29.pdf

11 ABS (2022). 2021 Census of Population and Housing. Available: https://tablebuilder.abs.gov.au/webapi/jsf/dataCatalogueExplorer.xhtml

But official figures show client numbers have not increased?

Notwithstanding the additional pressure on households, official figures indicate that there has not been a large increase in the number of clients assisted by Specialist Homelessness Services each year, or the number of clients recorded as unassisted.[12]

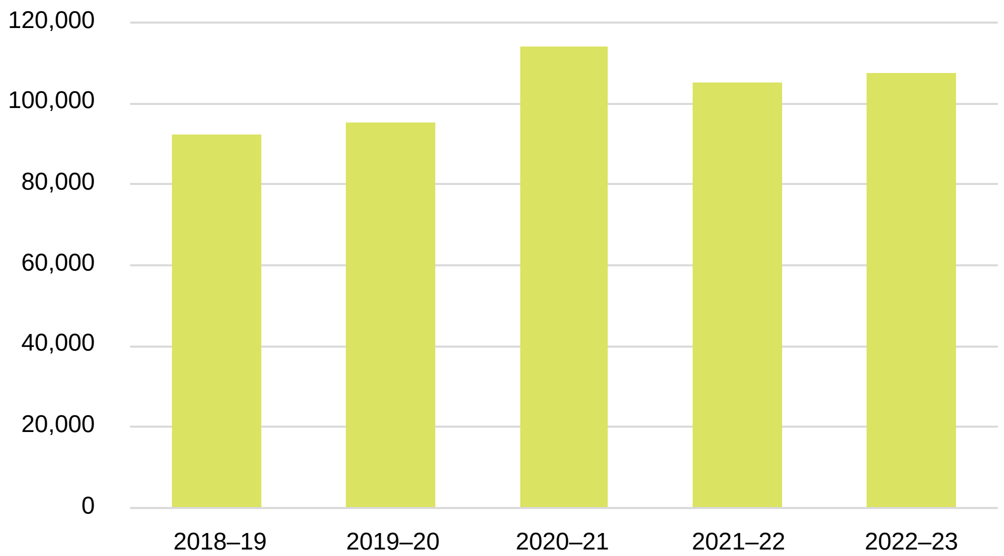
FIGURE 4: **NUMBER OF CLIENTS ASSISTED BY SPECIALIST HOMELESSNESS SERVICES**



Source: AIHW.

Official figures show that in the past two years the number of clients unassisted has fallen by 5.7 per cent, but remains above pre-pandemic levels.[13] This measure of unassisted includes clients that have been assessed but not assisted by Specialist Homelessness Services. It does include those that have not been assessed or have been unable to make contact.

FIGURE 5: **UNASSISTED CLIENTS**



Source: AIHW.

12 AIHW (2024). Specialist Homelessness Services Historical Tables 2011-2024. Available: https://dataexplorer.aihw.gov.au/webapi/jsf/dataCatalogueExplorer.xhtml

13 AIHW (2024). Specialist Homelessness Services Historical Tables 2011-2024. Available: https://dataexplorer.aihw.gov.au/webapi/jsf/dataCatalogueExplorer.xhtml

On the one hand, these official figures seem to indicate that the housing crisis has had a limited impact on Specialist Homelessness Services, and that there is no need for additional investment to meet the needs of those experiencing homelessness or at risk of homelessness. However, these official figures do not capture the increasing complexity of clients being serviced; or the unmet demand for Specialist Homelessness Services.

Funding for Specialist Homelessness Services is not demand driven. As a result, these official figures only capture clients that services have either assisted or been able to assess. And consequently, they reflect a system that is operating at capacity, and which can't expand to meet growing demand due to the housing crisis, leaving calls for assistance unanswered.

Complexity of client needs is increasing

Available data indicates that Specialist Homelessness Services are increasingly providing services to those already experiencing homelessness, rather than those at risk of homelessness. And the lack of medium or long term housing solutions means clients are being provided support for longer periods, creating bottlenecks that limit the ability of homelessness services to support new clients.

Shifting demand for Specialist Homelessness Services

Pressure on the homelessness service system has changed the demand for services, with new clients often reaching out at a much later stage of housing crisis. Increasingly, individuals and families living on the edge of homelessness are using Specialist Homelessness Services because they can no longer afford rent as well as the cost of groceries.

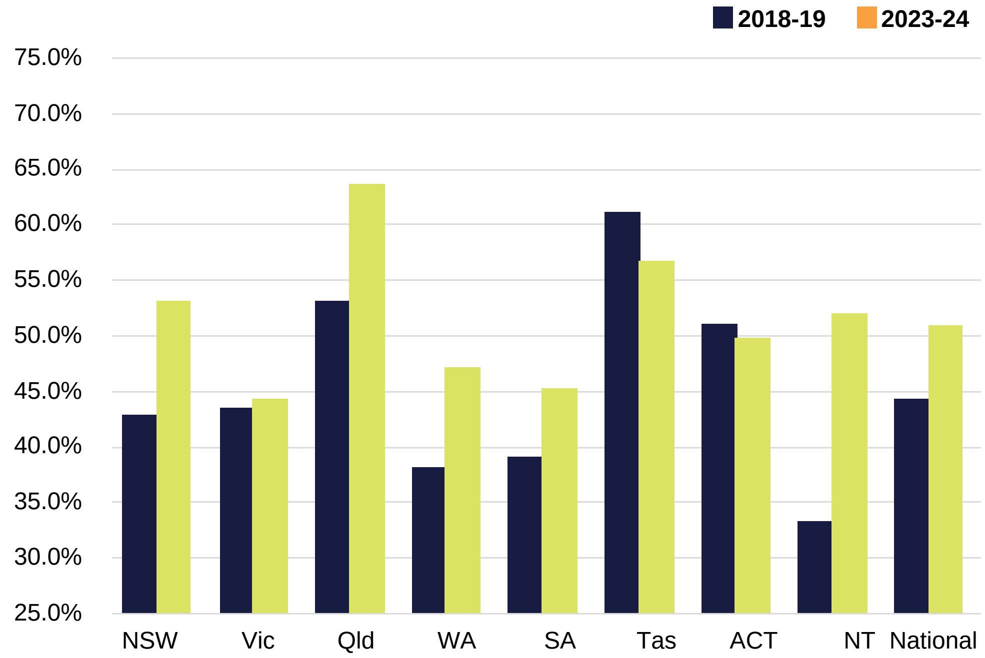
Homelessness services provide support to both those experiencing homelessness, and people at risk of homelessness. However, the proportion of clients that are already homeless has been increasing over time. This reflects the need for services to prioritise people in immediate crisis who are already homeless in the absence of adequate resources, limiting their ability to provide the support needed to prevent people becoming homeless.

In the period since the pandemic there has been a shift from those at risk of homelessness, towards those experiencing homelessness. On average in the last full year before the COVID-19 pandemic (2018-19), 44.3 per cent of clients each month receiving support from Specialist Homelessness Services were homeless. In the last financial year, this had increased to almost 51.0 per cent of clients each month on average being homeless when they receive support; a 15.0 per cent increase:

- In NSW there has been a 24 per cent jump in the proportion of clients that are homeless between 2018-19 and 2023-24
- In QLD there has been a 20 per cent increase in the proportion of clients that are homeless between 2018-19 and 2023-24
- In WA there has been a 24 per cent increase in the proportion of clients that are homeless between 2018-19 and 2023-24
- In SA there has been a 16 per cent increase in the proportion of clients that are homeless between 2018-19 and 2023-24
- In the NT there has been a 56 per cent increase in the proportion of clients that are homeless between 2018-19 and 2023-24[14]

14 AIHW (2024). Specialist Homelessness Services, Monthly Statistics. Available: https://www.aihw.gov.au/reports/homelessness-services/specialist-homelessness-services-monthly-data/contents/monthly-data

FIGURE 6: **INCREASE IN PROPORTION OF CLIENTS THAT ARE HOMELESS**



Source: AIHW (2024). Specialist Homelessness Services, Monthly Statistics.

Complexity has been increasing over time

There is also evidence that the complexity of clients being assisted has changed, and is increasing the duration and cost of support.

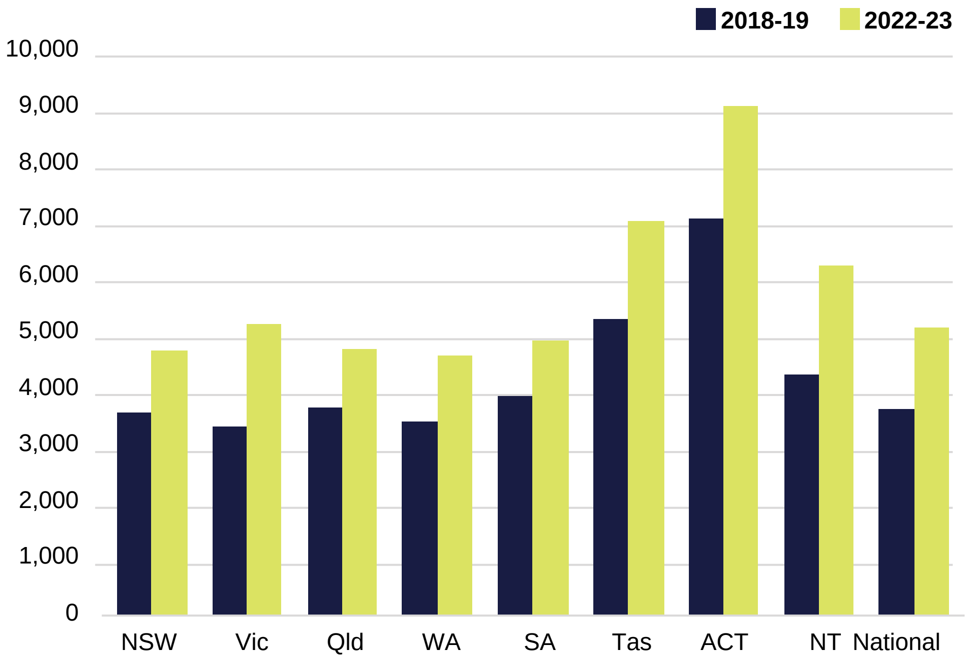
The number of clients that experience persistent homelessness has increased 24 per cent between 2018-19 and 2023-24, representing an additional 7,115 people. This increase reflects the lack housing or support that many people with complex needs need to gain and sustain housing.

The cost per client has increased by 38.9 per cent since 2018-19, and the average number of support days per client has increased by 15.7 per cent over the same period.[15]

I've noticed a lot more clients with complex mental health issues, especially women, which makes getting and maintaining stable housing so much harder.
Initial assessment co-ordinator at a large homelessness service

15 Productivity Commission (2024). Report on Government Services 2024. Homelessness services. Available: https://www.pc.gov.au/ongoing/report-on-government-services/2024/housing-and-homelessness/homelessness-services

FIGURE 7: **RECURRENT COST PER CLIENT ($2022-23)**



Source: Productivity Commission

The lack of available long-term accommodation is contributing to increases in the length of support periods, meaning individuals are staying in temporary accommodation and receiving support from homelessness services for longer. The number of people that received accommodation support for over 12 months increased by 76 per cent between 2011 and 2022.[16]

All this paints a complex picture. Overall, the level of service provision is not increasing substantially, and yet the complexity of need is increasing. This raises the prospect that the official data, by only measuring services provided, is not fully capturing the level of need for services in the community.

16 AIHW (2024). Specialist Homelessness Services Historical Tables 2011-2024. Available: https://dataexplorer.aihw.gov.au/webapi/jsf/dataCatalogueExplorer.xhtml

What official data is missing

While the official data tells us that there is growing complexity in the people seeking support for homelessness services, it is limited in what it can tell us about the impact of the housing crisis on need for homelessness services. There are three main reasons why headline official data is failing to measure the level of need in the community.

1. **To be counted as 'unassisted' individuals have to have been able to make contact with a service**

In order for people to be counted as unassisted they need to have made contact with a service, which may not be possible when services are overwhelmed and have to either close their doors or are unable to answer the phone.

2. **Many people don't reach out because they know services are stretched**

The second issue hiding the scale of the homelessness crisis in headline data is that many people who need support don't ask for it because they believe services are too overwhelmed to assist them.

3. **The definition of 'unassisted' is narrow and inconsistent**

The term 'unassisted' is narrowly defined. For instance, if someone needs long-term accommodation but only receives a meal or shower, they are not counted as 'unassisted'. Service organisations often stretch their resources to provide any form of help, which reduces the number of people recorded as 'unassisted.'

Headline data also might be understating the crisis because 'a service' is defined inconsistently. Workers and organisations use different criteria – some base it on time (e.g. 20 or 30 minutes), while others use a minimum service threshold (e.g. material aid or intake assessment). This lack of standardisation skews data, making it hard to measure the true performance of homelessness services and potentially underestimating the crisis.

> None of the systems we use actually capture demand. We can try to capture all the data, but we don't even have enough time to do the actual job. We can try to capture 'turnaways' but we never know the true amount because people know we are full and don't bother coming in.
>
> Program manager at a mid-sized homelessness service

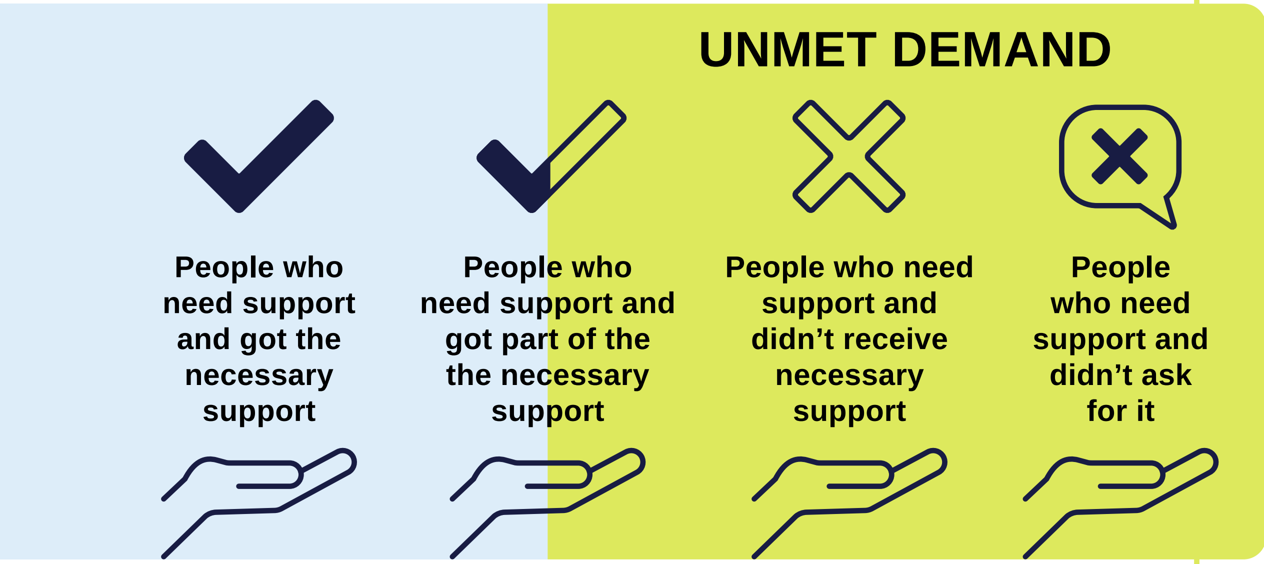
Measuring unmet demand

Understanding unmet demand is crucial for effectively addressing homelessness. It helps service providers and policymakers identify where support gaps exist. By measuring unmet demand, decision makers can assess the effectiveness of existing services. This leads to better outcomes for those in need and lifts the value of the sector.

The most recent ABS General Social Survey found that only a third of homeless people sought help during their most recent experience of homelessness.[17]

Unmet demand is the gap between the support needed by people facing homelessness and the assistance they receive. There are people who need assistance and receive the support they need. Some individuals receive part of the support they require, indicating gaps in service delivery. There are also people who ask for help but do not receive any assistance. Lastly, some people need help but do not ask for it, potentially due to stigma or the belief that services are too overwhelmed.

FIGURE 8: **TYPES OF DEMAND FOR HOMELESSNESS SUPPORT**



Measuring unmet demand is challenging for several reasons. Many people don't ask for help because they believe services are too overwhelmed. Official data always misses those who haven't reached out for support, and sometimes miscategorises those who have. People might be miscategorised because they have some needs met but not their key needs. They might also be misclassified because homelessness workers are too busy providing help to document the support they cannot offer.

17 ABS (2015). General Social Survey 2014. Available: https://www.abs.gov.au/statistics/people/people-and-communities/general-social-survey-summary-results-australia/2014

Varied approaches to official data collection across organisations and teams confuse things further. As a result, the level of unmet demand remains unclear, making it difficult to identify the scale of the homelessness crisis and create effective solutions.

In this research we have taken two approaches to attempt to capture the level of unmet demand and how it has changed over time:

- A survey of 33 teams from 23 Specialist Homelessness Service providers across Australia over a two-week period to capture times when services were unable to be contacted by potential clients, and also understand the clients they could not assist (see Appendix for details).
- Modelling of the increase of the number of households at risk of homelessness using the latest available data from HILDA.
- Survey of Specialist Homelessness Services

In September 2024 Impact Economics and Policy undertook a daily survey of Specialist Homelessness Services across Australia. Over ten days, we collected more than 300 daily responses by surveying 33 homelessness teams working across 23 organisations each day.

The survey captured periods when services could not answer the phone, respond to emails or had to lock their front doors. The survey found that people at risk of homelessness or experiencing homelessness are frequently having calls for help unanswered, with services either locking their front doors, not answering the phone or not responding to emails.

Out of the total 330 response days captured in the survey there were:

- 142 days when services could not answer the phone;
- 114 days when services could not answer emails; and
- 59 days when services locked the front door as they could not accept walk-ins to the service.

During the survey, providers couldn't answer phone calls on 43 per cent of the days due to lack of resources. This led to 325 hours of missed calls – equal to 1 in every 13 operating hours.[18]

There was also a lot of pressure on emails, with providers unable to reply on 34 per cent of survey days, leaving 666 emails unanswered. These emails often included support referrals, housing assistance requests, and queries from other service providers.

> **It can get so busy with helping clients that we don't necessarily have time to record everything we can't help people with.**
> Program manager at a mid-sized homelessness service

18 Impact Economics and Policy survey of Specialist Homelessness Service providers and analysis.

Services on average had to close their front entrances on 1 in 6 days, totalling 200.5 hours – or 1 in every 22 operating hours. During these closures, people seeking emergency housing or help with rent were turned away, making the situation for those facing homelessness even worse.

These bottlenecks were widespread across providers. During the survey, 83 per cent of providers couldn't answer phone calls at times, and 74 per cent couldn't reply to important emails. Additionally, 39 per cent of the 23 providers had to lock their front doors to clients during operating hours at some point during the survey period.

These findings show that many people, especially families and young people, are not getting the support they need. It is important to fix these gaps so that everyone can access help to address and prevent homelessness.

Source: Impact Economics and Policy survey of Specialist Homelessness Service providers and analysis.

State-wide comparisons provide some indication of differences, although given the small sample size caution is needed in these results.

Two thirds of South Australian providers had to close their front door at some point through the two week survey. Half of all providers in Western Australia, Queensland and Tasmania were forced to do the same. New South Wales and Victorian providers were least likely to report a front door closure during the survey fortnight.

We are running a workforce deficit. Each worker is supposed to have 12 to 15 clients of average complexity but most have 20 to 25 clients, and with more complex needs.
Senior case worker at a small homelessness service

LOCKED FRONT DOOR

1 in 22 operating hours

39% of providers were forced to close their front door

CALL NOT CONNECTED

1 in 13 operating hours

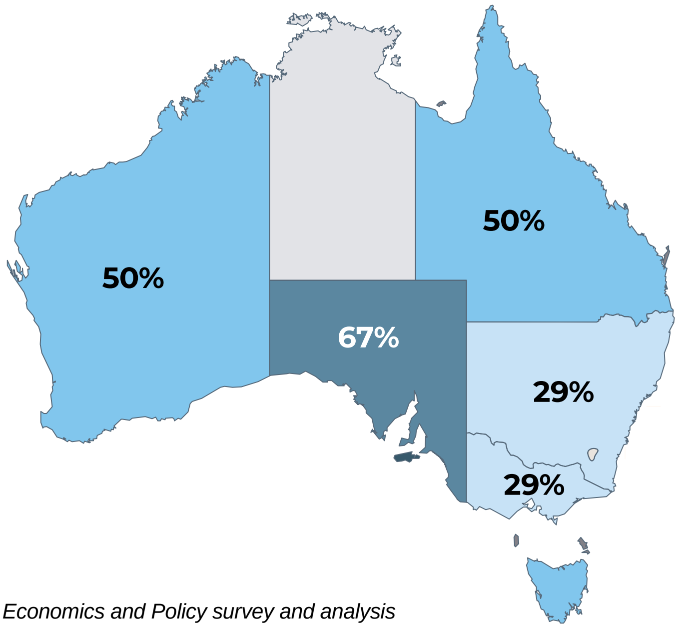
83 % of providers were unable to answer phone calls for some period during the survey, leaving individuals in crisis without immediate assistance.

EMAIL UNANSWERED

67 emails left unanswered every day

74% of providers were unable to reply to emails during the survey, impacting housing referrals and support requests.

FIGURE 9: **SHARE OF HOMELESSNESS SERVICES THAT HAD TO CLOSE THEIR FRONT DOOR DURING THE SURVEY**



Source: Impact Economics and Policy survey and analysis

In urban areas, phones went unanswered in the average team for 1 hour and 22 minutes daily, limiting access for those seeking urgent support. Regional areas had a shorter, yet notable, average of 28 minutes, while mixed geography providers faced a daily gap of 1 hour and 2 minutes in phone availability.

TABLE 1: **AVERAGE HOURS PHONE NOT CONNECTED PER DAY BY GEOGRAPHICAL AREA**

Urban	1:22
Regional	0:28
Mixed	1:02

Source: Impact Economics and Policy survey and analysis

Triaging of services

The survey also asked homelessness service providers about triaging of clients, to understand which services could not be provided to certain groups in the previous 24 hours. These results provide us more information about unmet need for services.

Throughout the survey period homelessness services reported not providing assistance to:

- families with children who had no accommodation on 1 in 5 of the days surveyed
- individuals without dependents were turned away on 1 in 2 of the days surveyed, and
- unaccompanied young people and children with no accommodation were turned away on 1 in 9 days surveyed.

Families with children

Providers had to turn away families with children on **21 per cent** of the days surveyed, totalling 68 instances where support could not be provided.

Individuals without dependents

Providers reported turning away individuals without children on **51 per cent** of the days, which amounted to 168 instances of unmet need for accommodation.

Families with access to vehicle

Families with children who had access to a car were turned away on **13 per cent** of the days, resulting in 42 days.

Individuals with access to a vehicle

People with no dependants that had access to a car were turned away on **26 per cent** of days, 85 instances.

Youth and unaccompanied children

Unaccompanied young people with no accommodation were turned away on **11 per cent** of the days surveyed, 35 instances.

Unable to assist those facing imminent homelessness or eviction

Avoiding homelessness can save substantial resources, previously estimated at $12,000 for each incidence of homelessness avoided. People facing imminent homelessness or eviction often seek help from homelessness services. This can be for financial grants, legal advice or advocacy, or assistance in finding alternative accommodation.

Across the 330 survey days homelessness services reported that they had been unable to assist:

- people with children that faced homelessness within 2 days on 44 days
- people with children that faced homelessness within 7 days on 53 days, and
- people with children that faced homelessness within 4 weeks on 66 days.

Modelling of unmet demand

People face the risk of homelessness due to a complex array of social and economic factors, including inadequate income support and other social safety nets, and circumstances such as family violence, poor health, addiction, and discrimination. Lack of access to affordable housing is one of the biggest drivers of people becoming at risk of and experiencing homelessness.

Previous AHURI research estimated that in 2016 between 1.5 and 2 million Australian households were at risk of homelessness.[19] The estimation approach used HILDA data to categorise individuals as being at risk of homelessness based on five risk factors:

- Low income
- Vulnerability to discrimination
- Low social resources and supports
- Needing support to access or maintain housing
- Rental Stress

Individuals that have two or more risk factors are considered to be at risk of homelessness.

Impact Economics and Policy has estimated that based on a similar methodological approach using the HILDA survey between 2016 and 2022 the number of individuals at risk of homelessness increased by 63 per cent.

This was partly driven by a large increase over the period in the number of people experiencing rental stress.

The analysis of homelessness risk factors shows that many more people meet the risk criteria in 2022 than in 2016. Those with a low income grew from 990,000 to 1,405,000, an increase of 415,000. The number of people facing discrimination also rose significantly, from 2,275,000 to 3,458,000, an increase of 1,183,000.

The population with low social resources more than doubled, going from 126,000 in 2016 to 276,000 in 2022, an increase of 151,000. Additionally, the number of people needing support rose from 1,151,000 to 1,948,000, an increase of 797,000. Lastly, those experiencing rent stress jumped from 1,484,000 to 2,403,000, a rise of 919,000.

19 AHURI (2021). Final Report No. 370 Estimating the population at-risk of homelessness in small areas. Available: https://www.ahuri.edu.au/research/final-reports/370

TABLE 2: **AUSTRALIAN POPULATION WITH HOMELESSNESS RISK FACTORS IN 2016 AND 2022**

	2016	2022	Change
Discrimination	2,275,222	3,458,461	52%
Low income	990,112	1,405,251	42%
Low social resources	125,672	276,316	120%
Rental stress	1,483,918	2,403,093	62%
Support needed	1,151,414	1,948,364	69%

Source: Impact Economics and Policy modelling of 2022 Household Income and Labour Dynamic Survey

Increases in each risk factor have driven a significant rise in the number of people at risk of homelessness across Australia.

In New South Wales, the estimated population at risk of homelessness surged from 425,000 in 2016 to 696,000 in 2022, a 64 per cent increase.

Queensland experienced an 80 per cent rise, growing from 396,000 to 715,000.

South Australia's at risk population is estimated to have grown by 59,000 individuals, increasing from 186,000 to 246,000, or 32 per cent.

Tasmania's population at risk of homelessness is estimated to have jumped from 72,000 to 90,000 (25 per cent), while the Northern Territory rose from 14,000 to 16,000 (7 per cent).

TABLE 3: **AUSTRALIAN POPULATION AT RISK OF HOMELESSNESS IN 2022 AND CHANGE SINCE 2016**

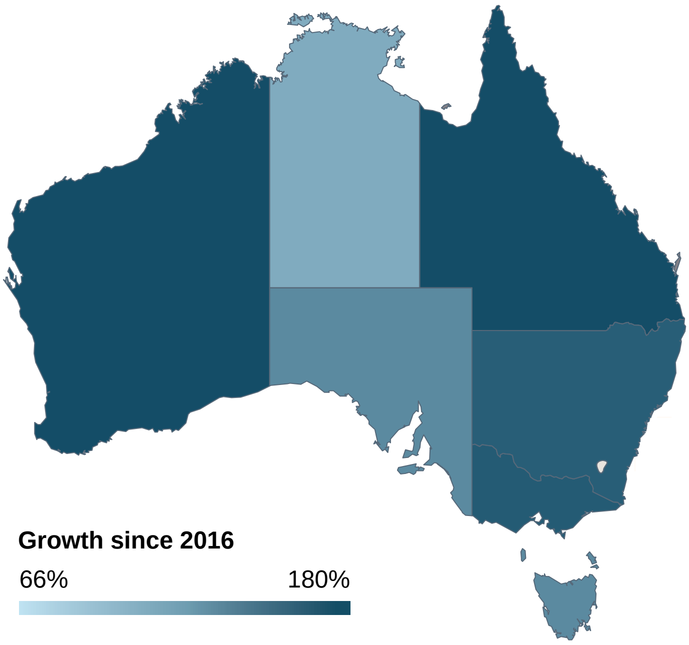
	2022	Change since 2016
Australian Capital Territory	16,688	-8,733
New South Wales	696,442	271,241
Northern Territory	15,841	1,000
Queensland	715,067	318,656
South Australia	245,829	59,346
Tasmania	90,458	18,158
Victoria	987,405	395,994
Western Australia	272,633	118,804
Australia	3,040,362	1,174,465

Source: Impact Economics and Policy modelling of 2022 Household Income and Labour Dynamic Survey

Victoria saw the most significant change, rising from 591,000 to 987,000, a 67 per cent increase. Western Australia grew from 154,000 to 273,000, reflecting a 77 per cent increase. The Australian Capital Territory, however, saw a decrease of 34 per cent.

Overall, Australia's total population at risk of homelessness increased from about 1.87 million in 2016 to over 3.04 million in 2022, an increase of 1.17 million individuals.

FIGURE 10: **CHANGE IN POPULATION AT RISK OF HOMELESSNESS BETWEEN 2016 AND 2022**



Source: Impact Economics and Policy modelling of 2022 Household Income and Labour Dynamic Survey Addressing the unmet demand for services

Addressing the unmet demand for services

Australia is in the middle of a housing and cost of living crisis, and for the increasing number of Australians at risk of or experiencing homelessness there is no one able to take their call for help.

The current Government has recognised the scale of the housing crisis facing Australia, investing to deliver over 45,000 social and affordable housing dwellings across Australia in the next five years, lifting the rate of rent assistance by 10 per cent in 2023 and then a further 15 per cent in 2024, and investing $200 million in crisis and transitional accommodation for women and children fleeing violence over five years.

The new five-year National Agreement on Social Housing and Homelessness includes an estimated $400 million for homelessness services annually, which must be matched by the states. However, additional investment by the Australian government is needed to drive down the number of people at risk of homelessness, and to address growing unmet demand for homelessness services and supports.

Critical areas where the Federal Governments hold the direct levers driving risk of homelessness include the adequacy of income support payments, and availability of social housing. Investment in prevention saves money in other areas, with each avoided period of homelessness saving an estimated $12,000 per year.

Moving to a housing-led approach to addressing homelessness would ensure Australia was at the forefront of homelessness policy, and eliminating homelessness. In Finland, a housing led approach, and considerable investment in Housing First programs have successfully reduced homelessness by 70 per cent, and the country is on track to eliminate homelessness by 2027.

Reform options for Australia in addition to increasing income support and building more social and affordable housing include:

1. Prevention

Early intervention programs help identify and support individuals and families at risk before they experience homelessness. This can include help to address financial issues, family mediation support, support to resolve issues threatening a tenancy, and legal support and advocacy for those facing eviction. Strengthening prevention helps individuals maintain their housing stability.

2. Homelessness service funding

Significant additional funding is critical to improve access to homelessness services. This funding should be used to lift operational capacity across the breadth of homelessness supports and accommodation services, ensuring that services are accessible – keeping phones answered, doors open and supports available.

3. Housing First

Commonwealth and state governments should commit to expanding Housing First and supportive housing programs to drive down the growing number of people experiencing persistent or repeat homelessness who need support to sustain their housing. The

We're seeing a new kind of demand for homelessness services - employed people, even sometimes couples where they are both working.

Program coordinator at a large homelessness service

Housing First model provides immediate access to permanent housing, accompanied by tailored support services designed to address people'sunique needs, such as mental health support, addiction recovery, and employment assistance.

4. Linking data to service capacity and planning

Effective data collection tracks trends in demand for services and client outcomes, enabling the identification of service gaps. Linking service funding and capacity to changes in the population at risk of homelessness would prevent unmet need for services escalating. Effective data also helps identify which types of service responses need to be expanded or strengthened, and helps foster collaboration among homelessness services and related sectors, such as health and housing, leading to more effective support.

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Appendix A: Direct provider research methods overview

This research project utilised two direct insight capturing methods to gather provider insights: a survey of service providers and discussion groups with service providers. These methods were designed to provide both quantitative data on service operations and qualitative insights into the challenges and experiences of homelessness service providers across different regions.

Service provider survey methodology

A survey was conducted to capture operational and demand data from homelessness service providers, aimed at understanding current pressures, service capacity, and unmet needs within the sector.

The survey was distributed via an online platform, collecting both quantitative and qualitative responses. It was designed to take approximately 10 minutes to complete on the first day, followed by a shorter daily survey over the 10 business days of the survey period.

The survey was conducted in two groups. The first group began on 9 September 2024 and ran until 20 September 2024, while the second group started on 11 September 2024 and ran until 24 September 2024.

The 23 responding organisations included homelessness service providers from six Australian states, operating in both urban and regional areas.

The full survey and survey results are available at Appendix B.

Discussion groups methodology

In-depth discussion groups were held with homelessness workers to further explore the challenges and trends identified in the survey. These groups provided participants a platform to share their experiences, elaborate on survey findings, and discuss broader systemic issues affecting the sector.

A total of seven, 45-minute discussion groups were conducted between 14 October and 18 October 2024. Where possible, each group had participants from a single state or territory, though some groups were mixed. A total of 23 individuals attended the discussion groups, representing a wide range of roles, including program managers, senior case workers, service coordinators, and senior executives.

Discussions were focussed on three key areas: trends in demand, resourcing adequacy, and data collection. Participants were asked open ended questions without further prompting to elicit detailed and undirected insights.

Appendix B: Survey and results

Service provider survey

1. Name of Provider/Service
   - [Free text]
1. How many service locations do you provide services at?
   - 1
   - 2
   - 3
   - 4
   - 5
   - 6
   - 7
   - 8
   - 9
   - 10
   - More than 10
2. What Local Government Areas do you operate in? (Please list as LGA/State)
   - [Free text]
3. Do you operate in regional areas, urban areas or both?
   - Regional
   - Urban
   - Both
4. What services do you offer across your locations?
   - Housing/accommodation
   - Family/domestic violence
   - General homelessness assistance, information and referral
   - Specialised homelessness support and/or case management
   - Outreach services
   - Other
5. Are your services specifically targeted at any groups of people? If yes, please list.
   - [Free text]
6. Are there any other aspects of your organisation or the services that you deliver that are unique or specialised?
   - [Free text]
7. How many hours were you operating over the past day?
   - [Free text]

8. Were there periods during the last business day when you were unable to answer the phone because of resourcing?

- Yes
- No
- Do not have a central phone line

9. Approximately how many hours were you unable to answer the phone?

- Up to an hour
- 1 hour
- 2 hours
- 3 hours
- 4 hours
- 5 hours
- 6 hours
- 7 hours
- 8 hours+

10. Can you provide any more information on people unable to reach you via the phone, including the number of people and whether they had been referred?

- [Free text]

11. Were there emails received during the last business day from people seeking assistance that you have not been able to read or respond to yet because of resourcing?

- Yes
- No
- Not applicable

12. How many emails have you received but been unable to read in the last 24 hours?

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10+

13. Were there any periods in the last business day when you closed the front entrance at a service location because of resourcing?

- Yes
- No
- Do not have front door

14. How much time did you close the front entrance?

- Up to an hour
- 1 hour
- 2 hours
- 3 hours
- 4 hours
- 5 hours
- 6 hours
- 7 hours
- 8 hours+

15. Can you provide any more information on people unable to reach you via the front entrance and the period of time the front entrance was closed?

- [Free text]

16. Were there any individuals/families from these groups in need of crisis accommodation in the last business day who could not be provided for?

- People with children that had no accommodation
- People without dependents that had no accommodation
- People with children that had access to a car
- People without dependents that had access to a car
- Unaccompanied children or young people with no accommodation
- Not applicable

17. Were there any individuals/families from these groups needing assistance to avoid imminent homelessness in the last business day that could not be assisted?

- People with children that faced homelessness/eviction within the next 2 days
- People without dependents that faced homelessness/eviction within the next 2 days
- Unaccompanied children or young people that faced homelessness/eviction within the next 2 days
- People with children that faced homelessness/eviction within the next 7 days
- People without dependents that faced homelessness/eviction within the next 7 days
- Unaccompanied children or young people that faced homelessness/eviction within the next 7 days
- People with children that faced homelessness/eviction within the next 4 weeks
- People without dependents that faced homelessness/eviction within the next 4 weeks
- Unaccompanied children or young people that faced homelessness/eviction within the next 4 weeks
- Not applicable (All individuals that received support services today are currently homeless)

Service provider survey results

Organisations	23
Teams	33

Number of locations	Number of responses (by team)
1	19
2	4
3	3
4	3
5	2
8	1
10	1

Locations					
New South Wales	**Victoria**	**Queensland**	**South Australia**	**Tasmania**	**Western Australia**
Bayside	Bayside	Brisbane	Adelaide	Burnie	Stirling
Bellingen	Campaspe		Adelaide Hills	Glenorchy	Joondalup
Coffs Harbour	Central Goldfields		Charles Sturt	Hobart	Perth
Georges River	Colac		Marion	Launceston	Vincent
Nambucca Valley	Geelong		Onkaparinga		
Sutherland	Glen Eira		Port Adelaide		
Wollongong	Greater Bendigo				
Central Coast	Kingston				
	Loddon				
	Macedon Ranges				

Operating area	Number responses	Share
Urban	11	48%
Regional	7	30%
Both regional and urban	5	22%

Service category (by team)	Share of responses
Specialised homelessness support and/or case management	88%
General homelessness assistance, information and referral	76%
Housing / accommodation	70%
Outreach services	61%
Family / domestic violence	39%
Other	24%

Target group (by team)	Number of responses
Youth	3
Families	3
Domestic violence	2
Men with children	1

Aggregates	
Operating days	330
Operating hours	4323

Note: None of the services participating were Aboriginal Community Controlled homelessness services.

Phone responses	
Share of providers that couldn't answer the phone during the survey	83%
Non-answer days	142
Non-answer hours	325

Email responses	
Share of providers that couldn't respond to emails during the survey	74%
Un-replied email days	114
Un-replied emails	666

Front door responses	
Share of providers that closed front door during the survey	39%
Front door closed days	59
Front door closed hours	200.5

Couldn't provide for these groups (days)	
People with children that had no accommodation	68
People with no dependents that have no accommodation	168
People with children that had access to a car	42
People with no dependents that had access to a car	85
Unaccompanied children or young people with no accommodation	35
Not applicable	117
Couldn't be assisted (days)	
People with children that faced homelessness/eviction within the next 2 days	44
People without dependents that faced homelessness/eviction within the next 2 days	77
Unaccompanied children or young people that faced homelessness/eviction within the next 2 days	20
People with children that faced homelessness/eviction within the next 7 days	53
People without dependents that faced homelessness/eviction within the next 7 days	71
Unaccompanied children or young people that faced homelessness/eviction within the next 7 days	18
People with children that faced homelessness/eviction within the next 4 weeks	66
People without dependents that faced homelessness/eviction within the next 4 weeks	66
Unaccompanied children or young people that faced homelessness/eviction within the next 4 weeks	16
Not applicable (All individuals that received support services today are currently homeless / No unmet demand)	170

Missed call categories	Description
Clients (Existing and New)	Existing clients seeking updates or support; self-referrals in crisis, families referred by DV services.
General Information Seekers	People asking about housing options, rent assistance, homelessness services, and crisis accommodation.
Service Providers	Service providers asking about referrals, support for clients, and procedures for client intake.
Crisis-Related Calls	Individuals and families in immediate crisis needing housing, financial aid, or facing critical incidents like family violence.

Missed email categories	Description
Referrals for Support	Individuals and families referred by external services, such as DV providers and Homeless Connect, seeking support with homelessness and financial issues.
Enquiries About Housing Assistance	People asking for assistance with securing rental properties, managing overcrowded accommodation, rent arrears, and general housing information.
Requests from Other Services	Other service providers requesting consultations or sharing information about mutual clients, often seeking secondary consultation for complex housing cases.

Missed email categories	Description
Crisis-Related Emails	Emails involving urgent crises, including requests for immediate housing or financial help, often from individuals in crisis or hospital staff.

Missed front entrance	Description
Individuals Facing Immediate Housing Crises	People seeking support for rent arrears or emergency accommodation, or those planning to self-fund temporary stays and return the next day.
General Housing Information Seekers	Individuals asking for housing options, assistance with rent arrears, and overcrowded accommodations, often needing urgent help for homelessness.
Limited Access Due to Office Closures or Incidents	People turned away or had to wait outside due to early office closures or incidents in the waiting room that temporarily prevented access.

Response Day	1	2	3	4	5	6	7	8	9	10	Total
Group 1	29	29	27	29	31	27	28	29	26	27	**282**
Group 2	4	6	6	6	5	5	5	5	8	8	**58**

Appendix C: Methodology for estimating at-risk homelessness population

This report estimates the number of people at risk of homelessness by analysing data from the Household, Income and Labour Dynamics in Australia survey. Using this survey we identify five homelessness risk factors:

1. Low-income: Earning below the amount needed to cover basic living expenses, making stable housing harder to afford.
2. Vulnerability to discrimination: Being at higher risk of unfair treatment, like being denied housing, due to characteristics such as race, gender, or disability.
3. Low social resources and supports: Lacking family, friends, or community support that could help in a housing crisis.
4. Needing support to access or maintain housing: Requiring assistance (financial, health, or other) to secure or keep stable housing.
5. Rental stress: Spending a significant portion of income on rent, leaving limited funds for other necessities and increasing the risk of housing instability.

Following analysis published by the Australian Housing and Urban Research Institute in 2021, a person is considered at-risk of homelessness if residing in rental housing and experiencing at least two of these five risk factors. A person living in owner-occupied housing is not considered at-risk.

IMPACT
ECONOMICS
AND POLICY