



MCKELL INSTITUTE VICTORIA

The Crumbling Australian Dream:

AN EXAMINATION *of*
AUSTRALIA'S HOUSING SECTOR

MARCH 2021

About the McKell Institute Victoria

The McKell Institute is an independent, not-for-profit, public policy institute dedicated to developing practical policy ideas and contributing to public debate. The McKell Institute takes its name from New South Wales' wartime Premier and Governor-General of Australia, William McKell. William McKell made a powerful contribution to both New South Wales and Australian society through significant social, economic and environmental reforms.

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Born and raised in Caulfield, Josh is the grandson of migrants who left Europe and settled in Melbourne in search of a safe place to raise their families. From their experiences, Josh has learnt the importance of upholding a multicultural and multifaith Australia, and the profound role education can play in changing lives.

Josh graduated from Monash University with a Bachelor of Arts, majoring in Political Studies. Josh has previously worked as a teacher's aide and a factory hand, and served as a Senior Adviser to the Premier of Victoria, Daniel Andrews.

Since being elected, he has been a passionate advocate for support for local businesses and workers during the COVID pandemic. Josh has written and advocated for an ambitious economic recovery agenda through tackling Australia's housing affordability and homelessness crisis and investing in clean energy.

Josh is deeply committed to reconciliation with our First Australians.

Josh lives in Macnamara with his wife Zoe, their beautiful daughter Tia, and their dog Larry.

THIS REPORT WAS WRITTEN ON THE LANDS OF THE BOON WURRUNG PEOPLE OF THE KULIN NATIONS AND WE PAY RESPECT TO THEIR ELDERS PAST AND PRESENT.

The opinions in this report are those of the author and do not necessarily represent the views of the McKell Institute's members, affiliates, individual board members or research committee members. Any remaining errors or omissions are the responsibility of the authors.





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CONTENTS

FOREWORD	7
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INTRODUCTION	8
---------------------	----------

Our housing dream.....	8
What this report is about.....	9

PART ONE: HOME OWNERSHIP	11
---------------------------------	-----------

State of play.....	12
Current government policy.....	14

PART TWO: RENTAL MARKET	16
--------------------------------	-----------

State of play.....	18
The residential rental market and COVID-19.....	18
Young Australians.....	19
Commercial rental market.....	20
Current government policy.....	21

PART THREE: SOCIAL HOUSING	25
-----------------------------------	-----------

Labor and social housing.....	26
State of play.....	26
Demand is growing.....	28
Social housing matters.....	28
Current government policy.....	29

PART FOUR: INDIGENOUS AUSTRALIANS AND HOUSING	32
PART FIVE: CRISIS ACCOMODATION	35
State of play.....	35
Labor and crisis accommodation.....	35
Emergency housing, DFV services, and COVID-19.....	36
Problems with data on family violence and homelessness.....	40
Current government policy.....	42
PART SIX: POLICY PROPOSALS	46
The challenges.....	48
2020/21 Federal Budget – a missed opportunity.....	48
Government must play a role.....	49
Policy proposals.....	49
1. Supply.....	49
2. Emergency housing.....	54
3. Housing as a human right.....	55
4. Liveability and stability in rental accommodation.....	56
Establishing the machinery for change.....	57
CONCLUSION	58
REFERENCES	60



FOREWORD

The unexpected impacts of the COVID-19 pandemic are reverberating around all parts of our lives. 2020 was a year like no other and changed many of the ways we live and work, and many of these changes will be with us for a long time. But COVID-19 also reminded us of some fundamentals that don't change, and one of those was access to housing as the foundation of safety and security.

As the pandemic closed in around us, and new public health restrictions kept us close to home, the importance of having that home became clearer and clearer. Home provides us and our family with a place to connect with each other, to feel secure, and provide shelter from not only the outside elements but, when danger presents, from the outside world.

Too many Australians don't have a place to call home.

A home of one's own has always been a cornerstone of the Australian dream. As this new research paper from Josh Burns demonstrates, it is a dream that is crumbling for far too many Australians.

Housing is becoming more and more expensive, out of reach for many first home buyers. Those who are renting face a lack of long term security in their tenure, and many of the protections that rights to quality rental stock would provide.

Many of those who do not have a place to call home were offered emergency support and crisis accommodation during the pandemic for the first time in a long time. It should not have taken a global pandemic to spur action to better support people experiencing homelessness, and as our recovery approaches, support must be extended.

Given the decades of under investment in social housing, and the chronic waiting lists for access,

we now have an important opportunity to use the need for stimulus to support jobs and our economic recovery to invest in building more social housing. Investing in more social housing makes a lot of sense for the short term and the long term.

A central argument of this paper is that government must play a role to ensure housing is accessible, affordable and high quality. It's not a job for just one level of government, but for all governments as it's an issue that affects all Australians.

The McKell Institute has a proud history of undertaking research on housing policy in Australia. We regard it as an issue fundamental to our individual and collective prosperity, and a policy domain that deserves constant consideration and improvement. We are proud to have worked with Josh Burns to produce this report examining the current state of housing policy in Australia, and present some practical ideas to once again lift the issue to national prominence and get the policy responses that Australians deserve.



INTRODUCTION

“Housing is probably the number one structural barrier to success, security, and a life without trauma and stress”

SIVAN – PRIVATE RENTAL TENANT

Our housing dream

Every Australian should have access to safe and secure housing.

As time passes, this simple idea has become less of a reality for too many Australians.

And it has only become more pressing throughout the COVID-19 pandemic.

Our homes were our first and strongest defence against spreading the wildly infectious COVID-19.

But that raises some key questions. How can you stay at home if you don't have one, if you cannot afford to stay there, or if your home is not a safe place to stay?

And how do we ensure that after all the economic hardship and devastation suffered throughout the coronavirus pandemic, people have a home to return to?

The truth is that before coronavirus, Australia had a serious shortage in housing – especially affordable and social housing.

And for decades, housing policy has been put in the ‘too hard basket’.

But that should change, and the coronavirus has given us a profound reminder of just how important our homes are.

I knew growing up that I was very lucky to have a safe and secure home. But my awareness of this increased the older I got, as I became more informed on the serious issues that existed within Australia's housing sector.

My interest in this policy area grew during my own journey into the housing market. My partner (now wife) and I were living together, renting a room in suburban Melbourne. We were both in our mid-20s, working full time and earning slightly above average wages. But the hope of saving enough for a deposit was reduced with each rental payment.

So, we decided to take an option that isn't available to most, and moved in with my parents to save for a deposit.

Fast forward 18 months and we were able to save enough for the 10% deposit on a second-floor apartment built in the 1960s.

On the one hand, we were thrilled. We had a new little home, and were officially in the housing market.

But at that moment, the magnitude of the housing crisis dawned on me; if it took two full-time workers 18 months, living rent free, to save enough to get into the housing market, what hope is there for single people or those in insecure work? Most importantly, what about those who are not able to benefit from rent free accommodation for a period in order to save up for a deposit?

It was apparent then the stark reality facing younger Australians who want to enter the housing market.

We have been told by successive Prime Ministers that, in Australia, with some grit and determination, the dream of home-ownership can become a reality.

But that dream is dissolving each day.

We know that a house is bigger than its four walls – it gives each Australian a stake in the collective success of our economy.

Our housing dreams and the financial security that comes with it, came to inspire our uniquely Australian way of explaining fairness and economic opportunity.

For the Australians who are locked out of home ownership we need to do more.

For those who can't make their rent, or whose capacity to save is hollowed out every four weeks, the stress can be crippling.

In my electorate of Macnamara alone, 53% of dwellings are rented, and 36% of those renters live under rental stress. And that was last assessed some four years before this pandemic struck.

This pandemic has exacerbated the struggles of housing affordability for too many Australians. Hundreds of thousands of our lowest paid workers have been thrown out of work, and nearly half of young people are unable to cover their rent or mortgage on time.¹ As the Morrison Government continues to reduce its pandemic-level income support payments, without urgent government intervention, we face a frightening housing emergency.

What this report is about

This report has an overarching objective – to revive the simple Australian idea that everyone should have access to affordable and safe housing.

In my view, achieving that requires answering at least four important questions:

1. How will we make **home ownership** attainable for more Australians?
2. How will we make residential **rental** more secure and affordable?
3. How will we generate quality **social housing** in sufficient numbers to meet the demand of our most disadvantaged Australians?
4. How will we produce a sufficient supply of **crisis accommodation** for Australians in urgent need?

For each of these questions, I analyse the state of play in Australia using research carried out by experts. I also refer to firsthand conversations I have had with young people and tenants in public housing, as well as housing professionals and crisis support workers. With their permission, you will read their stories which illustrate the consequences of Australia's housing shortages and the sense of frustration in the sector towards the government's policy inertia.

Three things have become clear from this policy examination:

Firstly, meaningful progress will be almost impossible unless the Federal Government involves itself in tackling this problem. The sector is essentially composed of local governments and not-for-profits fighting over funding scraps, all held back by a tax system that incentivises multiple home ownership as a financial asset and drives up its price. Nothing suggests the sector is fixing itself. The Government has an essential role to play – and it must start with uniting the sector behind a common and well-funded plan to build new homes.

Secondly, we need to listen to those who are most vulnerable to the lack of safe and secure housing in the sector, including women over 55, young Australians and domestic violence survivors. This involves a significant political shift. We need to stop viewing housing largely as the plaything of developers and start positioning it as an essential component of our public infrastructure.

Thirdly, the Federal Government must be bold. In the last 20 years of policy patchwork and piecemeal interventions, our housing policy in this country has been left a quagmire. A few savvy election announcements won't make a dent. The Government of the day must lay down a comprehensive, creative and ambitious vision for housing which fundamentally changes the game across the sector's four critical areas – for buyers, renters, those in need, and our most disadvantaged.



PART ONE:

HOME OWNERSHIP

“Thirty years ago, six out of ten people my age owned their own home. Today that number is closer to four and rapidly diminishing. It’s clear the old road to financial security is closed for too many Australians. People are working harder than ever, but they are finding it more and more difficult to find financial security. It’s why we as a nation need to be willing to have an honest conversation about the way our economy is working and exactly who it is working for.”

- MY FIRST SPEECH IN PARLIAMENT

Financial security for generations of Australians has been tied to property ownership. For many in the baby boomer generation, buying a block of land was not only affordable but also the key for accumulating wealth, as population and demand for land, especially in the major cities, has increased rapidly.

However, if owning one's home was once the centrepiece of Australian aspiration, it is fast becoming a dream that a rapidly increasing number of Australians will never realise.

As each generation passes, the dream of home ownership slips further and further out of reach. While ordinary cost of living outstrips stagnant wage growth, the cost of housing has risen far above and beyond either.

Many young Australians in the 2020s simply have no reasonable belief they will ever own their own home.

State of play

Property ownership is one of the biggest indicators of financial security in retirement. ABS data shows that property-owning households retire on average with 20 times more assets than those who retire without owning one.² The median net-worth for those over 65 with at least one property owned was \$960,000, compared to just \$40,800 for a similarly aged household with no property ownership.

As intergenerational inequality rises as an issue in Australia, this is perhaps its most significant driver.

Nationally there is a shortfall of over 430,000 affordable homes.³ It grows year on year. In fact, just to stay at this level of shortfall, 15,000 homes will need to be built annually over the next 20 years.⁴

The Australian Council of Social Service (ACOSS) detailed that between 2002 and 2012, “average prices rose by 92% for houses and 40% for flats while average rents rose by 76% for houses and 92% for flats”.⁵

FIGURE 1 RESIDENTIAL PROPERTY PRICE INDEX, 2003 TO PRESENT⁶

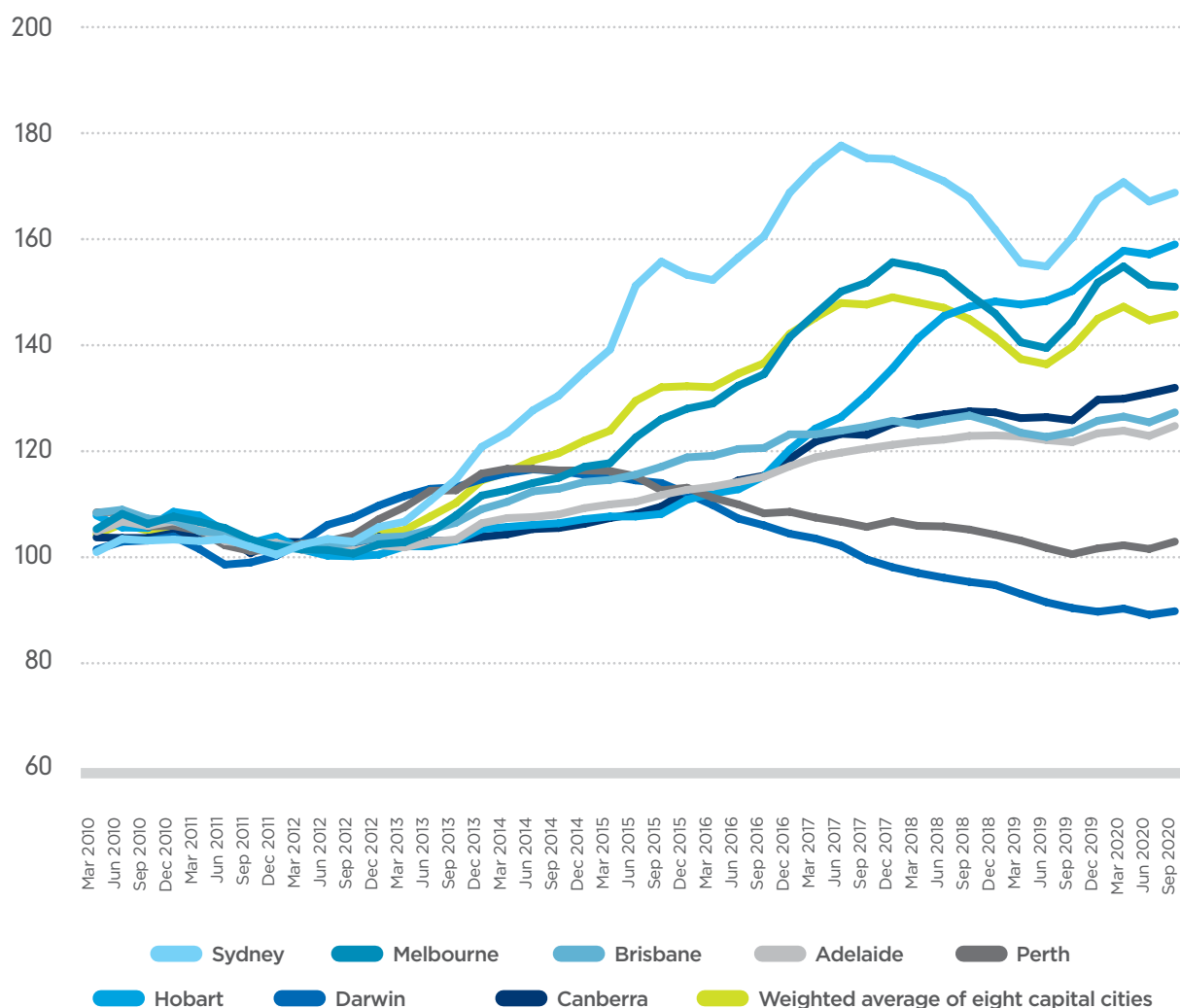
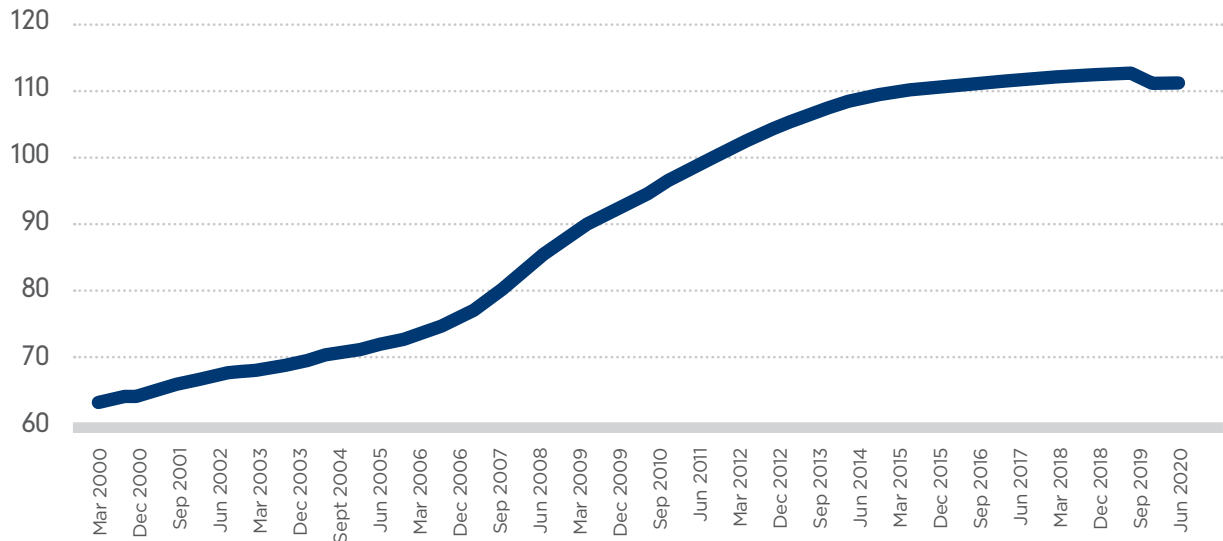


FIGURE 2 RENTS IN THE CPI⁷

These trends have continued since then and if they carry on at their current trajectory, we are on track to reach a situation where for the first time in our modern history, the majority of adult Australians won't own their own home.

Australia will see its people face substantial financial constraints and a growing portion face homelessness due to the increased cost of rent. It is no wonder homeownership rates declined by 11% for those aged between 25 and 44 between 1986 and 2016.⁸

With home ownership rates falling, more Australians are facing financial stress later in life as well, again leaving women particularly vulnerable. For decades, we have relied on home ownership as a pathway to financial security upon retirement; however, this will not continue to be a viable framework if we do not take action to curb current trends.

As a result of entrenched factors within our economy, one such group who are particularly vulnerable amongst these trends are women aged over 55.

Those factors include the gender wage gap and tendency of female-dominated industries to be low paid, women's lower superannuation balances on retirement, the loss of time in the workforce due to family commitments, the prevalence of family violence, and gender discrimination in the workplace among others.

These are all economic and social issues that plague society in and of themselves, yet when combined make access to stable housing increasingly difficult and home ownership often unimaginable.⁹

Another contributing factor is that the window for attaining home ownership has continued to narrow. If you haven't been able to buy your own home by the time you reach 55, the chances are you won't ever get to. For our country's youth, a sizeable number are unable to purchase a home at the age their parents once did.¹⁰

There was a time when Australia could boast to be a society with high degrees of home ownership, however, it no longer befits that title.

"A few people in my community have good jobs, permanent jobs, and have purchased their own homes. Some of them have tried to buy their homes but stop working, are cut off from employment, so must go back to renting again. It's an ongoing struggle and challenge for the community."

**KOMI - VICTORIAN BASED SUDANESE
COMMUNITY LEADER**



Current government policy

Housing prices began to rise dramatically in 1986. In 1986, you could reasonably expect to buy an average (median-priced) house for \$250,000, and by 2018 it was \$700,000. In that same period, wage growth remained relatively unchanged, making the 250% cost rise completely unachievable.¹¹

On the drivers that created this housing price increase, associate professor Judith Yates wrote in 2015:

“It’s easier for better-off households to accumulate housing assets through our income taxation system, which provides these households with an incentive to treat property as a means of accumulating wealth, ahead of its more essential role - providing shelter”.¹²

Our income tax system also has the added benefit of reducing an investor’s income tax for any losses made on their properties. The special treatment housing gets by way of negative gearing is often the attractive lure for an investor deciding to commit their funds into housing rather than other assets.¹³

A decade ago, the Henry Tax Review concluded that, however unintended, negative gearing rules exacerbated the rapid rise in house prices and the growing gap in wealth between socio-economic groups and generations. The review urged for a “fairer” and more efficient housing market by removing or reducing negative gearing and reducing Capital Gains Tax (CGT) discounts, specifically, by capping negative geared losses at 40%.¹⁴

The McKell Institute has much in the same way emphasised that there is a robust economic rationale for reforming negative gearing – it can be good for the budget and drive construction of new housing.

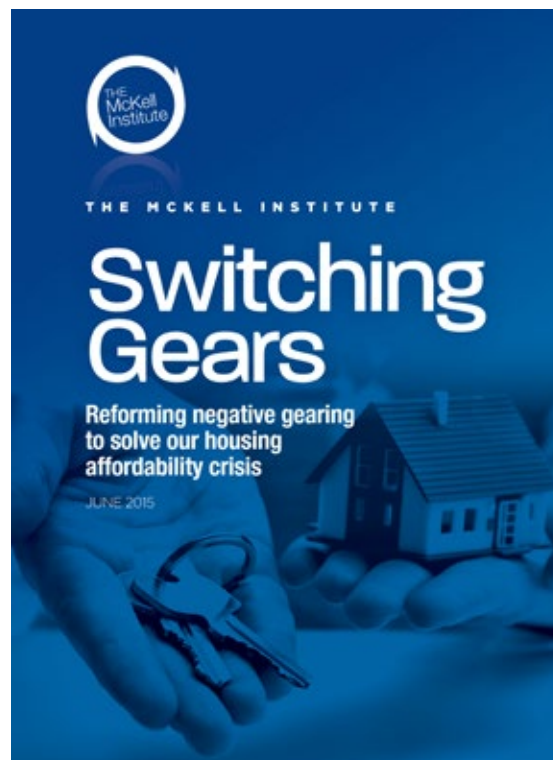
McKell’s 2015 report *Switching Gears* made the case for negative gearing reform, arguing that the tax concessions should be available

to new properties only to drive investment in new housing stock, while existing assets were grandfathered.

In November 2018, a follow up report *Levelling the Playing Field* assessed critiques against the earlier reform proposals and found that the case for sensible reform was still relevant.

In April 2020, Per Capita released a housing report which notes “in 2017-18, combined federal and state or territory expenditure on housing and homelessness services totalled approximately \$5 billion. Over the same period, the federal government subsidised investors with multiple homes through negative gearing, the capital gains tax discount, and other tax concessions to the tune of more than \$11 billion”.¹⁵

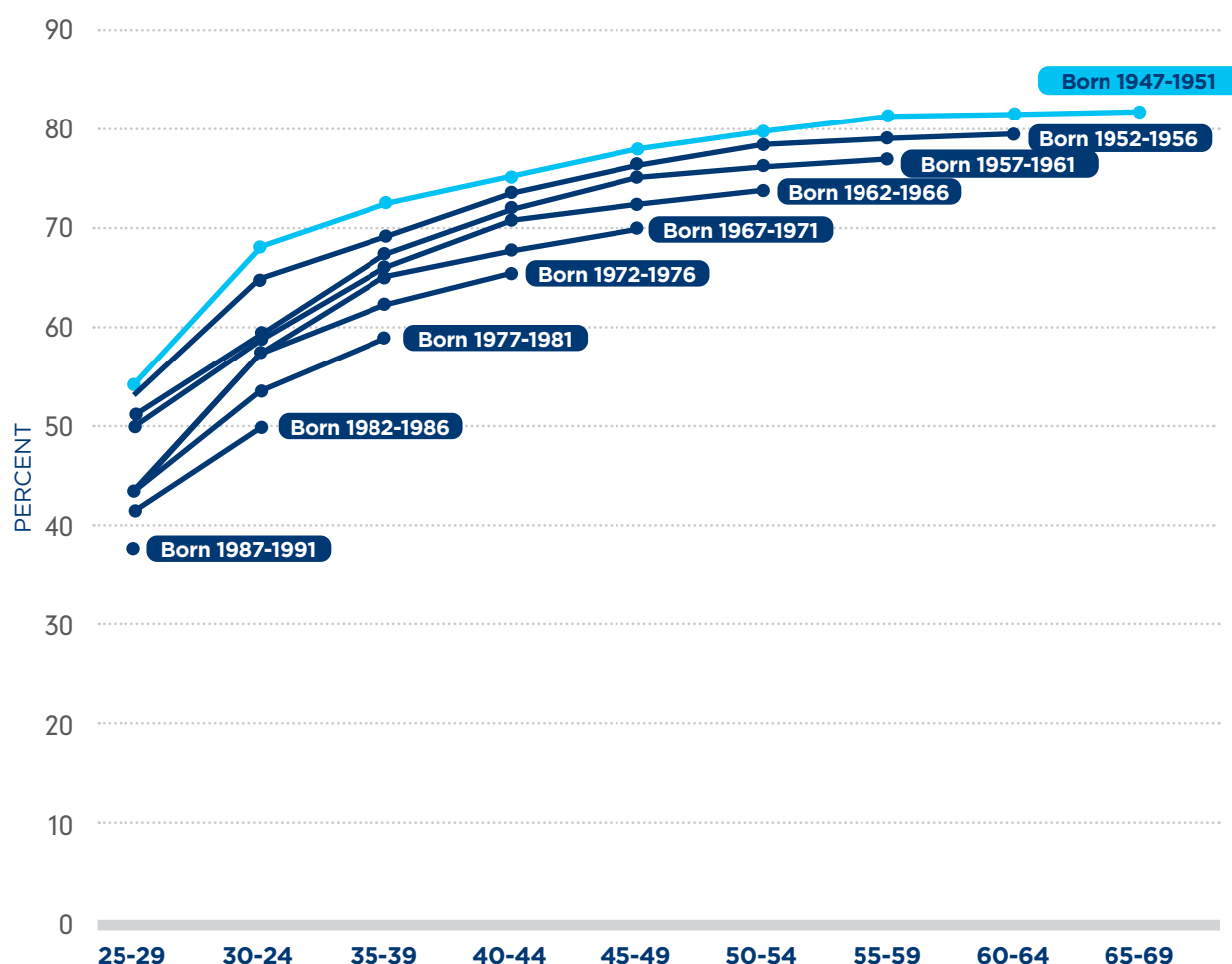
One-third of Australians are currently renting, meanwhile, one in five Australian households own more than one property. About one-third of those households own three or more properties. Our current income tax system delivers a significant advantage to those with one or more investment properties compared to those renting.



The system is stacked towards existing investors – over time, the more it is used, the easier it is for existing owners to continue to invest, and the harder it is for those seeking to enter the market.

Put simply, we have created an economic incentive to increase supply of housing and reduce rental costs, but in practice, it has created an incentive to hoard houses and has led to increases in rental costs, decreases in home ownership rates and a growing wealth gap.

FIGURE 3 HOME OWNERSHIP RATE BY BIRTH COHORT AND AGE GROUP¹⁶



Labor took policies which addressed these inequities to the 2019 election. While unsuccessful, we do need to face the reality that the current system is having a negative impact on the affordability of housing. Addressing these policies has become a politically challenging matter, but the problems they have created are not going away and continue to skew the market towards investors rather than first homebuyers – both young and old.

The final chapter of this report explores what can be done to address the declining home ownership rates. But ultimately it begins with government accepting that it needs to be involved in the solution by supporting Australians to enter the market.

If left unchecked, things will continue to become harder as each generation arrives at the gates of the housing market.

PART TWO: RENTAL MARKET

“After going back to study and completing my master’s degree, for the first time in my life I’ve been able to access and maintain secure, ongoing work. And just because I’m employed, I know that [my landlord] is highly unlikely not to renew my lease.

On the other side of the equation, my friend has raised two kids from two different fathers who have never supported her. She has worked in very insecure work most of her life. And a woman on her own with an insecure income is not first on the list of applicants to get a private rental property. She’s living in this incredible rental stress.

There’s a terrible power imbalance that’s happened, both towards us as people who are renting, but also between me and my friend. I can advocate really strongly if something needs to be fixed, I’m not scared I’ll be kicked out, whereas in the same situation, she’s terrified.”

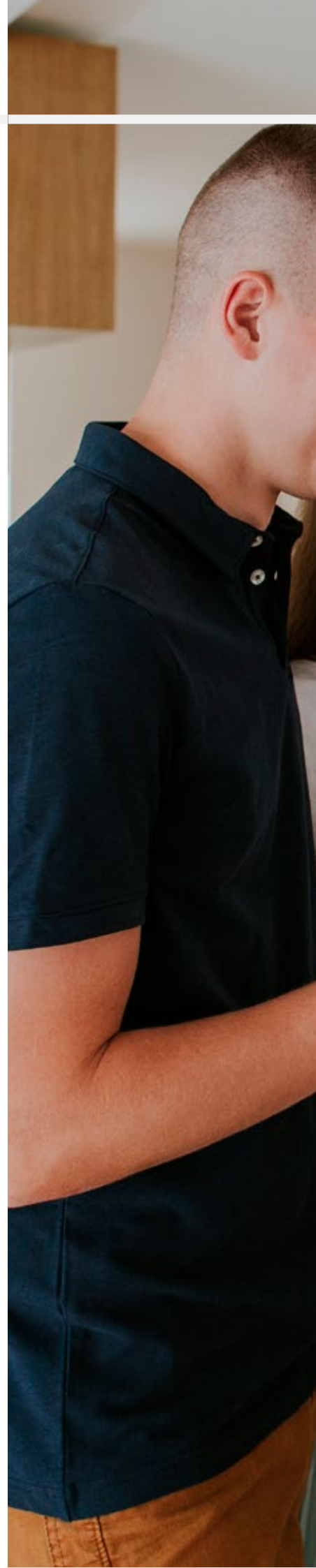
SIVAN – PRIVATE RENTAL TENANT

For too many Australians, buying a home is not a realistic proposition. The aim then is transferred to finding a secure rental property.

COVID-19 has hurt the rental market for both tenants and landlords. High unemployment, low wages and deferred bills have all meant an unstable rental market.

This is the opposite of what we should be striving for.

For Australian renters, we want to see affordable and secure living arrangements that provide certainty for landlords and quality of life for tenants.





State of play

THE RESIDENTIAL RENTAL MARKET AND COVID-19

Low home ownership rates, rental stress, and homelessness have been significant problems facing Australians for some time now, but evidence suggests the pandemic has made things even worse. This is reflected in the national rental vacancy rate which rose from 2% in March to 2.6% in April in 2020.¹⁷ These numbers are indicative of people having to abandon rental properties in order to seek refuge with friends or family, find lower-cost accommodation for the short-medium term, enter the social housing system, or in the worst case scenario – become homeless.

TABLE 1 SQM'S RENTAL VACANCY RATES¹⁸

CITY	APR 2019 VACANCIES	APR 2019 VACANCY RATE	MAR 2020 VACANCIES	MAR 2020 VACANCY RATE	APR 2020 VACANCIES	APR 2020 VACANCY RATE
Sydney	23,837	3.4%	21,443	2.9%	28,734	3.9%
Melbourne	10,565	1.8%	11,091	1.9%	16,575	2.8%
Brisbane	8,792	2.6%	7,299	2.1%	9,555	2.8%
Perth	6,568	3.2%	4,023	1.9%	4,807	2.3%
Adelaide	2,249	1.2%	1,761	0.9%	2,398	1.2%
Canberra	811	1.2%	589	0.9%	824	1.2%
Darwin	1,117	3.6%	853	2.7%	837	2.6%
Hobart	185	0.6%	238	0.8%	442	1.4%
National	77,645	2.3%	67,371	2.0%	88,668	2.6%

SQM's calculations of vacancies are based on online rental listings that have been advertised for three weeks or more compared to the total number of established rental properties. SQM considers this to be a superior methodology compared to using a potentially incomplete sample of agency surveys or merely relying on raw online listings advertised.

Australian families and households already have collective debt at rates amongst the highest in OECD countries.¹⁹ So, despite State Governments imposing temporary rent relief and eviction moratorium measures, which meant a pause on mortgage and rental payments for some families struggling throughout the pandemic, the deferral just meant snowballing interest and debt confronting struggling Australian families.

People will need to pay deferred rent on top of current rent, with a similar outcome for some loan repayments. Potential consequences include higher rental vacancies as people are forced to downsize or find cheaper accommodation, increased arrears for home loan recipients, and even the possibility of bankruptcy. As we do not know precisely how many people have sought rent waivers or how many landlords have been prevented from terminating rental contracts or evicting tenants, it is impossible to predict how many people will be impacted by the end of the freeze.

This is compounded by the current reliance on JobKeeper and JobSeeker subsidies, for which payment of and eligibility for has been consistently reduced despite the ongoing restrictions and challenges. While thankfully these payments helped to keep businesses running, people employed and families in their homes,

it is clear that as the Federal Government has continued to reduce support at a time of high unemployment and low wages, Australians face worse rental and mortgage stress.

On the surface, one could assume that a benefit to come out of this for tenants was an increase in bargaining power and better affordability across the market. During the first wave of the pandemic, approximately 30% of properties seeking tenants slashed 30% off the asking rent, while median rents decreased by 6.4%.²⁰ With unemployment hitting young Australians disproportionately, this was a silver-lining with many already priced out of the home ownership market.²¹

The reality of the situation is that just as quickly as rental prices may have decreased, so too have people's income, negating the benefit this may have otherwise given renters.

Another concerning matter is that if our economic recovery is handled correctly, and we have people re-enter the rental market, there is the potential for a lack of supply due to lasting impacts of COVID-19.

This has been flagged by the Property Club National Manager as a particular issue for outer-suburban areas in Perth, where availability of rental property had already been in decline.²²

Finding affordable housing is also particularly difficult for migrant communities who may face barriers securing employment due to language and literacy issues, problems with skill recognition and discrimination. This is particularly so for those in the Sudanese community who report high levels of discrimination when seeking employment.²³ The unemployment rate for individuals born in Sudan and over 15 years of age is 26.8%.²⁴

Moving to a new country is hard enough, but the unfair status quo in the housing sector is making it even more difficult to establish a life here. People look to Australia as full of opportunities but are often met with hardship and disappointment.

"Houses were all expensive and we were just receiving the Government payments. So, we had challenges in terms of finances, cost of living, the move, settling by ourselves as a family. I have two kids and it was very hard to get a house with enough rooms for the price we could afford.

Racism is very high in terms of housing and employment – that's the personal experience I've had.

Many agencies are saying Sudanese families have too many children, they'll destroy the house and not take care of the house. This perspective is racism, not truth. I know my community, they are people who really like to clean their houses, keep their best furniture in their house. It's just really high levels of discrimination... and we've been through it in our countries. That's the reason we're here – we've been persecuted based on our religion."

KOMI – SUDANESE COMMUNITY LEADER

YOUNG AUSTRALIANS

"It'd be ideal to have a secure home... maybe something bigger than a studio apartment that I'm sharing with someone else...

But as a freelance artist I'm in insecure work, going from gig to gig. With such unstable income, the idea that I'll ever own a home or have investment properties is just weird... it's not something that's on the horizon."

ANGELITA – PRIVATE RENTER

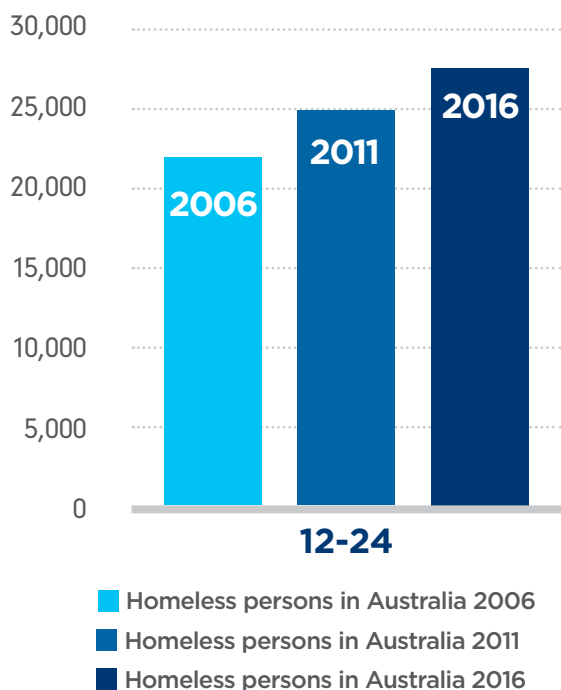
Sadly, one of the hardest groups hit in any recession is young people. This hasn't been helped by years of underfunding in a sector that needs holistic investment.

A series of government cuts and the changes to the nature of our workforce has seen youth homelessness rise by 26% from 2006-2016.²⁵ One 2016 study found that the cost of unemployed, homeless youth (in terms of additional spending on health and criminal justice) was \$17,868 per person per year, 83% higher than unemployed youth who were not homeless.²⁶

Underemployment has surged massively over the last 15 years, with 1.2 million people claiming they wanted to work more hours than they were given in 2019.²⁷

15-24-year-olds are the most affected group by underemployment due to its prevalence in the hospitality and retail sectors, where many young people work while studying.²⁸ The growth in the gig economy has also contributed to the rise of insecure work, which leaves people with little economic security or control over their employment.

FIGURE 4 YOUTH HOMELESSNESS²⁹



Housing and employment opportunities for youth have been made more difficult by 7+ years of cuts from successive Liberal governments to TAFE and skills training. The number of apprentices and trainees has declined by 33% since 2013 as a result of persistent underspending on vocational education and training.³⁰ These cuts are making the pathways to long-term, secure employment for young people even more challenging. We know how much a young person's mental health can be impacted by unemployment and homelessness, so these numbers are undeniably alarming.

Some young people have been able to find and maintain private rental accommodation with the help of Commonwealth Rent Assistance (CRA) on top of their other welfare payments. However, 57.4% of youth under 24 years of age who receive a CRA payment are still considered to be in housing affordability stress.³¹ In fact, young people on CRA payments are more likely to be in rental stress than any other age or special needs group.³²

For those on Newstart (now Jobseeker), the most they can spend on rent without being under rental stress is \$102.90 per week, while that amount goes down to \$88.65 for those on Youth Allowance living out of home.³³

Finding a place to live on such a low income is incredibly challenging, and is ultimately contributing to the high rates of youth homelessness in this country. We know that part of the answer in responding to homelessness must be an increase in the JobSeeker Payment and Youth Allowance in particular, as recognised by the Senate Standing Committee on Community Affairs in their report in 2020.³⁴

COMMERCIAL RENTAL MARKET

While obviously being a separate market to residential, it is worth noting the similarities in the economic story of the commercial sector. Both have seen financial pain with tenants struggling to pay the rent, made worse by reductions in government support.

As with the residential rental market, the retail property vacancy rate saw an increase between December 2019 and June 2020, with CBD locations hit the hardest.³⁵ Local traffic has been particularly down in CBDs across the nation with work-from-home recommendations lingering, causing many businesses to close temporarily and some forced to shut down permanently.³⁶

Shopping centres have suffered as well, with people opting to use local supermarkets, standalone grocery stores and online shopping options rather than risk entering larger public venues, causing the highest vacancy rates these centres have seen in more than 20 years.³⁷

Moreover, these numbers emerged while JobKeeper was in its first rendition, protecting many businesses from the inevitable challenges they will face when they are eased off the subsidies.³⁸

In their Retail Research and Forecast Report on the first half of the year, Colliers collated some incredibly sobering statistics which demonstrated the pressure being felt in the sector and the widespread fear of what is to come.

Much of the concern is directed towards facing payments of deferred rent and rent due despite turnover unlikely to return to normal in the immediate future.³⁹

For the landlords, 70% are anticipating an increase in vacancy over the next 12 months and 73% expect rent to fall over that year-long period. 70% of landlords also reported that only 60% or less of their tenants were trading at the time of the survey. 72% of landlords additionally noted that almost half of their tenants had applied for rent relief or rent holidays.⁴⁰

On top of this, 79% of landlords anticipated a fall in the value of their retail property by up to 20% as a result of the pandemic.⁴¹ Colliers warned that properties in need of capital expenditure and those with short-term leases were most likely to be impacted by falling values.⁴²

The consequences of retail and office closures – whether temporary or permanent – are flowing through from tenants to landlords, the ripple effect from the negative economic impact of COVID-19.

Current government policy

As stated above, the Commonwealth does have a rent assistance program; however, it has failed to protect our lower income households, with 41% of households receiving the support payment still facing rental stress.⁴³ For lower income rental households, the proportion of people impacted by rental stress in 2017-2018 was highest in NSW at 48.3%, and lowest in Tasmania at 24.2%.⁴⁴

“I was living in perpetual rental chronic fatigue. Life was never affordable, so I was always in crisis about how to make ends meet. Always. You don’t realise that’s your normal. And then once that lifted it’s like ‘how did I live with that amount of stress? How did I keep it together and come out of it semi-normal? Semi-unscathed.’ Makes you appreciate when you do step out of it. I’ve retrained to make myself employable, but the financial pressure is still always there. Not to buy a house, I don’t even think about that, just the cost of living and paying back the enormous HECS debt from my Masters. The adjustment of how much I have to repay each year keeps going up, so I’m constantly paying more and more of out of my wage.”

SIVAN – PRIVATE RENTAL TENANT

Anglicare’s 2020 Rental Affordability Snapshot found that only 3% of available properties on the rental market were affordable and suitable for households receiving welfare payments. For those on minimum wage, 22% of rental properties met the same criteria.⁴⁵ The survey found the situation was worse for single people and young people and indicated the need for CRA and other welfare payments to be raised significantly to reduce rental stress.⁴⁶

TABLE 2 PERCENTAGE OF AFFORDABLE RENTALS BY HOUSEHOLD TYPE⁴⁷

		NUMBER & PERCENTAGE OF AFFORDABLE RENTAL LISTINGS			
		BUSINESS AS USUAL		WITH CORONAVIRUS SUPPLEMENT	
Household Type	Payment Type	Number	Percentage	Number	Percentage
01. Couple, two children One aged less than 5, one aged less than 10	Jobseeker Payment (both adults)	589	0.8%	8,106	11.6%
02. Single, two children One aged less than 5, one aged less than 10	Parenting Payment Single	321	0.5%	1,798	2.6%
03. Couple, no children	Age Pension	1,898	2.7%	2,212	3.2%
04. Single, one child aged less than 5	Parenting Payment Single	395	0.6%	2,109	3%
05. Single, one child aged over 8	Jobseeker Payment	71	0.1%	1,187	1.7%
06. Single	Age Pension	526	0.8%	743	1%
07. Single aged over 21	Disability Support Pension	245	0.4%	326	0.5%
08. Single	Jobseeker Payment	9	0%	1,040	1.5%
09. Single aged over 18	Youth Allowance	3	0%	624	0.9%
10. Single in share house	Youth Allowance	3	0%	484	0.7%
11. Couple, two children One aged less than 5, one aged less than 10	Minimum wage + FTB A	15,373	22%	15,373	22%
12. Single, two children One aged less than 5, one aged less than 10	Minimum wage + FTB A & B	2,723	4%	2,723	3.9%
13. Single	Minimum wage	1,688	2.4%	1,688	2.4%
14. Couple, two children One aged less than 5, one aged less than 10	Minimum wage + Parenting payment (partnered) + FTB A&B	4,455	6.4%	10,272	14.7%
Total Number of Properties		69,960			

Moreover, the research involved consideration of the impact of increased COVID-19 related payments such as a higher rate of JobSeeker and Youth Allowance. It found that for a couple with two children where both parents were receiving Jobseeker at the increased rate, 11.6% of houses on the rental market were affordable, compared to the usual 0.8%. However, the increased welfare payments have not made a considerable difference to the affordability of rental properties for most people.⁴⁸

During the global financial crisis, the Rudd Government's housing policies contributed to the development of 37,000 new affordable rental dwellings through the National Rental Affordability Scheme, as well as providing new social housing dwellings and funding repairs and refurbishment.⁴⁹ Then Housing Minister, Tanya Plibersek, saw the opportunity to stimulate the economy through building infrastructure and address the increased need for affordable homes in such precarious times.

Obviously, there is a difference between affordable and social housing, but both are needed to prevent people falling into homelessness, and both can be used as economic stimulus measures.

Even so, the Morrison Government has not yet made any significant investment of this nature. They continue to avoid confronting the need despite the serious economic and social consequences flowing on from the COVID-19 pandemic, which has compounded pre-existing stress in the housing sector.

There has been good work done by state governments to improve the rights of renters – establishing minimum housing standards, certainty of tenure and requiring landlord information disclosures, among other things.

As it is increasingly likely that people will live in rental properties throughout their lives, enhancing the rights of renters within properties will be critical to ensuring a quality and accessible rental market. While the states oversee the regulations, the federal government should coordinate strategy and increase access and supply.

Ideas for improving the rental market are in the final chapter of this piece; however, again, the Federal Government can and should do more to ensure Australian tenants have access to safe and secure rental accommodation to prevent them needing to enter the social housing sector.



Dan Andrews ✓
December 9, 2018 · 🌐

This is exactly why we changed the rules.
Renting a home with a working shower or windows that close properly isn't a privilege.
It's a fundamental right.
Renters shouldn't have to put up with shoddy conditions – or fear eviction if they ask for basic repairs.
That's why we brought in minimum standards earlier this year.
And it's why we introduced the biggest rental reforms this state has ever seen.
Because change starts here.

For Lease
The Guardian

THEGUARDIAN.COM
Most Australian renters live in homes in need of repair, report finds
Housing report finds 68% of tenants believed asking for repairs would lead to a rent rise



PART THREE: SOCIAL HOUSING

“I was working full time, and my daughter got sick down here in Melbourne. She was on the verge of suicide. So, I gave up my job [in Bendigo] to come down and look after her.

I spent a lot of money on getting her support, but it didn't matter to me, because it was her life that meant a lot more. I just felt I had to get her on the right track. And in the meantime, I got sick.

[My savings] only lasted three years before I went to HAAG (Housing for the Aged Action Group). It doesn't last long when you're looking at all the costs of living. It was very frightening. It's stressful too, you don't know where the money is going to come from to pay your bills.

I stayed in my car for a few nights.

It's the embarrassment and shame you feel within yourself that you can't tell your children. To this day, my eldest daughter in Queensland doesn't know I was homeless. I never told her; I couldn't tell her.

All of this has happened to me in the last seven years. But we managed. Somehow, I've managed.”

JENNY – SOCIAL HOUSING TENANT

In Australia there are three types of rental housing programs that fall under the umbrella of social housing; public housing which is owned and managed by State and Territory Governments, state owned and managed indigenous housing (SOMIH), and community housing, which is run by non-government organisations, although sometimes with government assistance.



LABOR AND SOCIAL HOUSING

Historically, the level of involvement the Federal Government has had in social housing depended on its political persuasion. The track record of the Curtin, Chifley, Whitlam, and other Labor Governments demonstrate a consistent commitment to social housing, but it has also shown how government can use investment in housing to grow the economy.

It was under the Curtin Government in 1943 that the Commonwealth Housing Commission (CHC) was established to address the significant demand for housing and economic stimulus in a post-depression economy.⁵⁰ The CHC's research found there was a shortage of 300,000 dwellings Australia-wide and viewed government involvement as essential in addressing the issue.⁵¹

The CHC called for the immediate construction of 50,000 dwellings, 60% of which they expected the government to help build to address the shortfall and stimulate the construction sector.⁵² Moreover, they supported subsidised rental rates for these properties as a way to assist struggling Australians.⁵³

Efforts by the CHC continued under Chifley, who in 1945 oversaw the negotiation of the first Commonwealth-State Housing Agreement (CSHA), which continued to be regularly renegotiated until 2008.⁵⁴ This foundational piece of housing policy coordinated joint funding efforts from the Commonwealth, State, and Territory Governments, to build dwellings and rent them to low-income families and returned servicepeople for 1/5th of their income.⁵⁵

Despite the pioneering efforts of Curtin and Chifley to characterise housing policy as both an economic and social issue requiring government intervention, it was largely ignored by their successors.⁵⁶ Left to market forces, significant inflation, and rapid population growth, social housing was in a dire position by the time the Whitlam Government was elected.⁵⁷

Whitlam positioned social housing and affordability as matters of social welfare, appealing to the country's sense of humanity to frame the conversation.⁵⁸ Building on the reforms

of his Labor predecessors, Whitlam renegotiated the CSHA in 1973 to focus on increasing the stock of public housing, while targeting those most in need, in the States most in need.⁵⁹

Adding to his policy achievements was the establishment of the Department of Urban Regional Development.⁶⁰ Whitlam tasked the Department with the role of coordinating local, state, and federal housing policy and funding, recognising the need for a cooperative and simultaneous effort to address this aspect of systemic disadvantage.⁶¹

In contrast, the current Morrison Liberal Government has primarily delegated responsibility to the States and Territories for building housing and supporting Australians facing homelessness. They have increasingly relied on the private sector and non-government organisations to reach into their pockets to help, while ignoring their own moral obligation and the potential economic benefit in this space.

State of play

"Housing is a basic human right. It shouldn't have taken a global pandemic for us to be able to throw money at the visible homeless and put them all into emergency accommodation.

We also know that it costs more to keep people in homelessness than it does to provide the permanent support of housing. COVID-19 is really a good opportunity to stop and do it right this time."

GEMMA - HOUSING WORKER

The hard-working people in the community housing sector continue to create opportunities for vulnerable Australians despite the inherent instability of their business-models. While their efforts are laudable, they will not be able to make up for the shortfall of funding. There is a demonstrable need for low-cost, good quality social housing, and responsibility for this investment can no longer be avoided by the Federal Government.

This need for investment in housing is made even more pressing by the widespread economic impacts of COVID-19, seen through increased unemployment and rental stress.

The people who seek access to social housing are placed into the categories of 'manifest need,' referring to the homeless population, and 'expressed need,' referring to those on the social housing waitlist.⁶² Another category, 'evident need,' includes people not on these lists but who have low incomes and are under rental stress.⁶³

The combined waitlists for social housing programs had approximately 194,592 applicants as of 30 June 2019.⁶⁴ What this number does not show is how many extra people fall into the third category of 'evident need,' likely to be on the rise in the current circumstances.⁶⁵

The ability of people to access better accommodation and move out of social housing has been hamstrung not only by the length of the waitlist, but by the appalling rate of Newstart (now JobSeeker) pre-COVID-19. Labor has been calling for an increase to this payment since July 2019, and whilst we were glad to see a temporary increase, the short-term fix does not provide the change needed.

As a side note, it's widely accepted that the rate and number of homeless individuals has been on the rise for a long time.⁶⁶ But these numbers don't capture the additional problems faced by those already in social housing.

In State Owned and Managed Indigenous Housing (SOMIH) the proportion of overcrowding increased from 9.6% in 2015 to 24.5% in 2019,⁶⁷ while the proportion of households suffering from overcrowding is under 8% in public and community housing.⁶⁸ At the same time, only 65.7% of tenants with a disability live in a dwelling which meets acceptable standards.⁶⁹

"My mother was a member of the Stolen Generation, my family often moved around, and I had lived in 13 properties. During my third pregnancy, I was determined to establish some stability for my young family. I persisted until I was able to secure an AHV (Aboriginal Housing Victoria) property and for the first time in my life I felt a real sense of security, knowing that now I had somewhere for my family to call home, without fear of having to move out in a year when the lease ran out"

NICOLE - SOCIAL HOUSING TENANT⁷⁰

With a long history of structural and economic inequality, it is not surprising to see that women over 55 are becoming more vulnerable to housing stress and homelessness in increasing numbers.⁷¹ Higher rates of divorce and the breakdown of relationships are uncovering the cracks made by a lifetime of lower earnings, fewer assets and minimal superannuation.⁷² Combined with rising rental prices, this is a recipe for disaster.

FIGURE 5 HOW EACH FACTOR ADDS TO WOMEN'S RISK OF HOMELESSNESS
DATA: HILDA SURVEY, AUTHOR PROVIDED⁷³

Aged 55-64 in private rental

28%

Plus not employed full-time

34%

Plus a lone parent

65%

Plus has been at risk previously

85%



While academics have turned their attention to this vulnerable group, political will has not followed suit. Even the general public want government to build more social housing, with a recent poll conducted by the Victorian Council of Social Services finding more than three quarters of Victorians want to see “significantly more public and community housing” as part of its response to COVID-19.⁷⁴

DEMAND IS GROWING

“I had to go to Salvos in Sunshine at 5 o’clock in the morning because they only take the first three people who are there.

We went straight to see a place with a landlord, and he said do you want it? We couldn’t go inside, so I could just see it from the outside. He said there’s no light – I said I don’t care, it’s better than living on the streets. I asked if I could have the keys right then. I sat there for about a week before all the utilities were switched on, huddled in the corner before I could get myself going and HAAG could help me with a bed and a fridge. I cried for three days. I’m still crying right now because unless you’ve been in that situation or out on the streets at 60 years old, you can’t imagine. It’s very scary out there.

The last five-six years I’ve been here in social housing, and I’m the happiest I’ve ever been... this is the only time I’ve had freedom. It’s just amazing to come home. It’s just magical. I get on my hands and knees at night and every morning and I thank god that I’m alive, and that he’s given me something, given me some happiness.

There’s always light at the end of the tunnel. You just have to hold onto it, and it’ll come to you. And that’s my biggest belief.”

VANESSA – SOCIAL HOUSING TENANT

To ‘catch up’ and provide homes for every family on the waitlist would require over 74,000 new dwellings – yet from 2018 to 2019 the Federal Government has reduced their housing stock by 11,000 homes.⁷⁵

While this scale of government investment is probably not possible in an immediate sense, it highlights the need for insecure housing to be tackled systematically and consistently into the future. This Government will never get close to catching up if they refuse to take responsibility and act on rising house prices and increased rental stress.

Now is the time to follow the lead of past Governments by building more affordable homes, stimulating the economy and helping those facing economic hardship.

SOCIAL HOUSING MATTERS

Aside from it being the right thing to do, we know that providing people safe and stable housing improves their lives significantly and has widespread social benefits.

The most common causes of homelessness tend to be issues with mental health, medical problems, substance abuse, and interpersonal or relationship issues such as family violence.⁷⁶ The evidence backs up what we all intuitively know, that people who have a safe home are better able to cope with the other challenges we all face in life. We know that when you’ve got a safe home, you’re better able to focus on work and are more likely to have and keep a job. It’s especially difficult to do simple things like get to a job interview when you don’t have a shower or a fresh pair of clothes.

Plenty of studies have shown the economic benefits and effectiveness of investing in social housing, with money saved across the areas of health, criminal justice and welfare in the long-term.⁷⁷ In some cases, the savings made over time cover the costs, or even exceed the expenditure of building and providing the housing.⁷⁸

When more people have homes, more people are employed, improving national productivity and spurring on a host of positive effects. With COVID-19 wreaking economic havoc across the country, the Federal Government must take a more active role in this space. As Labor made clear, now more than ever, it is inexcusable for them to back away from the responsibility to properly fund social housing.



EXAMPLES OF INNOVATIVE SOCIAL HOUSING FROM AROUND THE WORLD

At its time, the Rudd Government's post-GFC stimulus program presented the Commonwealth's single largest investment in social housing.⁷⁹ On top of the National Rental Affordability Scheme (NRAS), the Rudd Government provided direct assistance to families and individuals experiencing economic hardship. Through cash payments, support for first homebuyers, and tax breaks for small businesses on investments, help was targeted directly in ways which stimulated the economy and helped vulnerable Australians.⁸⁰

Current government policy

The 2014 election of the Abbott Government saw a significant shift in approach to housing and homelessness. This manifested most clearly in their infamous 2014 budget where they refused to continue funding the NRAS and cut \$44m of capital expenditure for new emergency accommodation and shelters.⁸¹ At the same time, they announced they would only continue to fund the National Partnership Agreement on Homelessness (NPAH) until the end of the 2014-15 financial year, creating uncertainty for homelessness organisations.⁸²

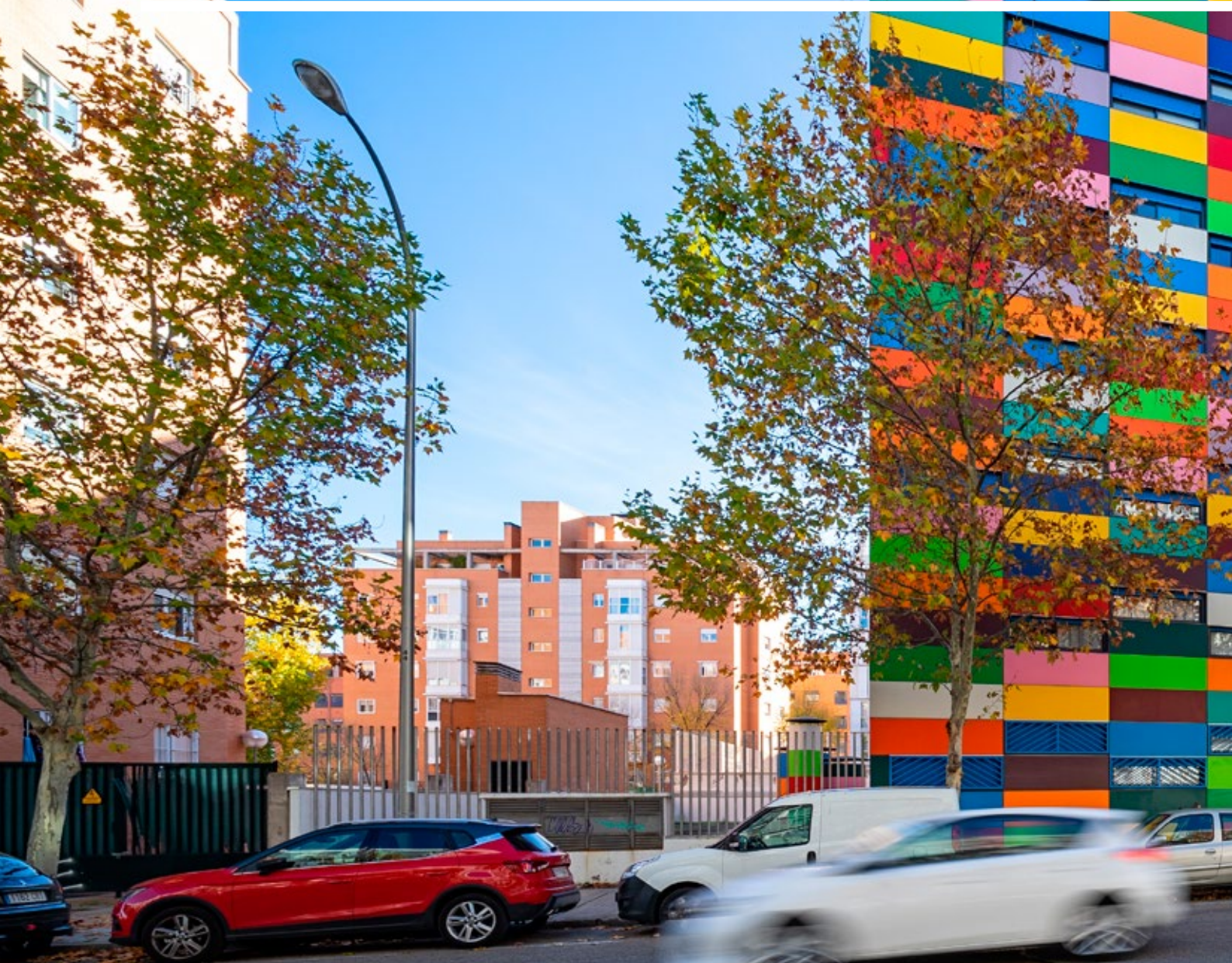
The reduction in government investments continued in December 2014 when it was announced that \$21 million meant for housing and homelessness peak bodies would be cut over four years, diminishing research and advocacy in the sector.⁸³ This money has never been returned, and the crisis around social housing has only grown.

In 2018, the Federal, State and Territory Governments approved the National Housing and Homelessness Agreement (NHHA), the most current funding deal in place to help social housing and homelessness programs run across the country. The value of funds provided under the NHHA and previous agreements has been falling in real terms since the late 1980's, but the impact of the 2014 cuts are still being felt in an increasingly struggling sector.⁸⁴

While most social housing is still provided through public housing programs in states and territories, the stock of government housing fell by 6% between 2008-09 and 2017-18.⁸⁵ Although during the same period there was a significant increase of community housing supply, unmet demand has still increased by 7.9% since 2014-15.⁸⁶

The cuts and uncertainty have been a major contributor to the difficulty encountered by housing providers in being able to meet demand. However, we must also look at what factors are driving growth in demand for social housing services if we want to create change in the sector.

The increasingly unaffordable private market is leaving many homelessness organisations and housing providers significantly stretched, with Government funding not enough to respond to current need.⁸⁷ To overcome the vulnerability of relying solely on government support, housing providers are forced to fundraise and seek out private sector partnerships.⁸⁸



In Perth, St Barts Lime Street development exemplifies the innovation required to address the shortfall in funding, with \$2.8 million of the \$30.6 million cost raised through corporate investment, and \$1 million raised through donations.⁸⁹

While certainly investment from the private sector is to be encouraged, we cannot allow the burden of addressing systemic housing stress to be lifted off the shoulders of the Government.

Yet even when they commit new funds, slow delivery of the money leaves our most vulnerable

Australians continuing to suffer, and our service providers calling out for help.

In February 2019, the Government announced a \$60million grants program to assist in building more emergency accommodation for women and children fleeing domestic violence. Applications didn't open until late 2019, with an expectation from stakeholders that they would hear back around July 2020. Only at the end of September 2020 did the Government announce the recipients of the grants, advertising the package as if it were additional funding, and not 20 months overdue.⁹⁰



“There’s just not enough around and there’s not enough of us doing it. The staff also work really hard and really stretch themselves”

JANET - COMMUNITY HOUSING CEO

Ultimately, the gap between supply and demand of Australia’s social housing stock will continue to grow. It is not acceptable for the Federal Government to dismiss responsibility for social housing to the states.

The truth is that the Federal Government should be leading, coordinating and actively helping to

fund the construction of social housing; especially given the precarious state of the economy and the insidious nature of COVID-19 which has required us to stay at home more than ever. Now is the time for investment and leadership.

Prioritising social housing is a choice the Federal Government can make today, and it is one we desperately need.

PART FOUR:

INDIGENOUS AUSTRALIANS AND HOUSING

“The contemporary housing experience of Aboriginal people cannot be decoupled from the historical experience of dispossession and dislocation. Deprived of our land, excluded from the fruits of the economy and our traditional authority, lore and customs undermined, we have been homeless in our own land for the past two centuries.”

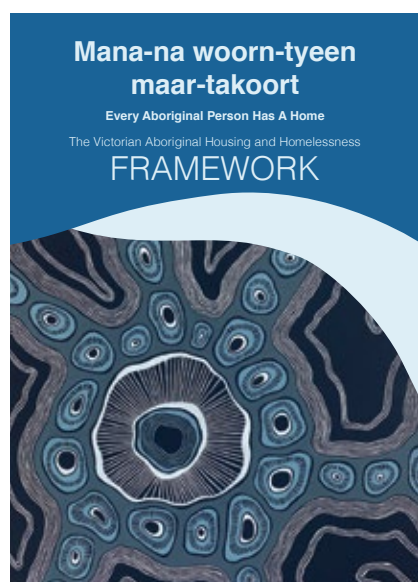
VICTORIAN ABORIGINAL HOUSING AND HOMELESSNESS FRAMEWORK⁹¹

It is important to recognise the severe overrepresentation of Indigenous Australians who are experiencing homelessness or unstable housing. While broad policy reform would obviously assist First Australians with accessing housing, there are some unique challenges that need to be addressed.

Unfortunately, a significant factor in the shortfall of housing for Indigenous Australians was the Abbott government’s 2014 overhaul of support programs, when \$500 million was cut from spending on Indigenous affairs.⁹² The serious increase in overcrowding was one of the major consequences of a short-sighted and poorly planned decision, a factor which is also one of the biggest causes of homelessness amongst Indigenous communities.⁹³

Homelessness in turn has impacted health, education, community safety and employment outcomes, and prevents other support services from being able to assist Indigenous communities.

Moreover, in 2018-19, 30.8% of all clients who had needs met by specialist homelessness services were Aboriginal or Torres Strait Islander, despite making up only 3.3% of the total population.⁹⁴ The proportion of Aboriginal households in social housing in Victoria is 1:5, compared to a rate of 1:50 households from the general population.⁹⁵



COVID-19 has made many Indigenous Australians even more vulnerable, with those over the age of 50 encouraged to self-isolate despite many having no safe place to do so.⁹⁶ But the pandemic is merely bringing to light what we already knew to be true – Indigenous Australians are overrepresented in our homeless statistics and successive Governments have failed to improve access to safe and affordable housing for them.

This can only be addressed by working with Indigenous communities, and letting their expertise guide the support provided. The Victorian Aboriginal Housing and Homelessness Framework is the culmination of significant research and policy development in this space and is a fantastic resource for all governments looking to create change on this issue.

We owe it to our First Nations People to right the wrongs of history and ensure housing services are actively reducing homelessness in Indigenous communities.





PART FIVE: CRISIS ACCOMMODATION

“We’ve been working in this broken system for a while now. We need to have more flexibility in funding, so that, for example, we wouldn’t have to spit somebody out on the street after three months if they aren’t ready to move on.”

GEMMA – HOUSING WORKER

There’s always been a false narrative around people choosing to sleep rough. Anecdotally, it is common to hear that homeless people are choosing that lifestyle, but this is completely wrong.

People may choose to live on the street rather than use temporary housing that they can access, because a well-lit street under a CCTV camera can often be safer than an overcrowded and dangerous rooming house.

State of play

While policies aimed at long-term solutions to homelessness and housing affordability is crucial, we also need to direct attention to front-line homelessness and domestic and family violence (DFV) services.

The emergency accommodation provided by Specialist Homelessness Services (SHS) and shelters, refuges and transitional housing provided through DFV services, are essential to keeping people safe and off the streets.

LABOR AND CRISIS ACCOMMODATION

The Whitlam Government introduced the first piece of legislation and policy to develop and fund homeless shelters in an organised way at a government level under the Homeless Person’s Assistance Program (HPAP).⁹⁷ This was in addition to being the first government to initiate systematic funding for women’s refuges in 1975, also thanks to the efforts of the Women’s Liberation Movement and feminist activists across the country.⁹⁸

However, this victory was short-lived, with major cuts to welfare policies including to women’s refuges made by the conservative Fraser Government. It was during this time that responsibility for homelessness services was delegated to the states and territories, and although some funding was granted to establish new refuges, they were then left to compete over limited pre-existing funds to meet ongoing costs.⁹⁹

When the Hawke Government was elected, emergency housing was put back on the national agenda, and a review of crisis accommodation and the HPAP was conducted. It found significant problems with the original program, which was redeveloped into the Supported Accommodation Assistance Program (SAAP) to fund SHS and DFV service providers, as well as a Crisis Accommodation Program (CAP) which provided these organisations with capital to develop emergency accommodation.¹⁰⁰

SAAP was responsible for some significant success in the development of the SHS and DFV service sector, however homelessness as a national issue did not return to the spotlight until the Rudd Government. During Rudd's term, SAAP was subsumed by the NAHA and NPHA which were discussed earlier, with an increase in funding provided for emergency accommodation and support for people facing homelessness.¹⁰¹

"The night I left him I was fleeing domestic violence and I had to run. I'd gotten into a habit of taking a little bum bag with my keys, my wallet, and a spare phone. So that if I had to run, I could grab that and go and be okay for one night to sleep in my car.

Eventually I ended up going from a hotel to staying with the nuns in Fitzroy for a few weeks; then onto a rooming house for women who were drug and alcohol addicts, fleeing domestic violence or elderly, all while pregnant myself. I was quite sick during my first and third trimester and living in the rooming house during that time was very confronting. I was on the waitlist for social housing, but a week before my daughter was born, they moved me into transitional housing.

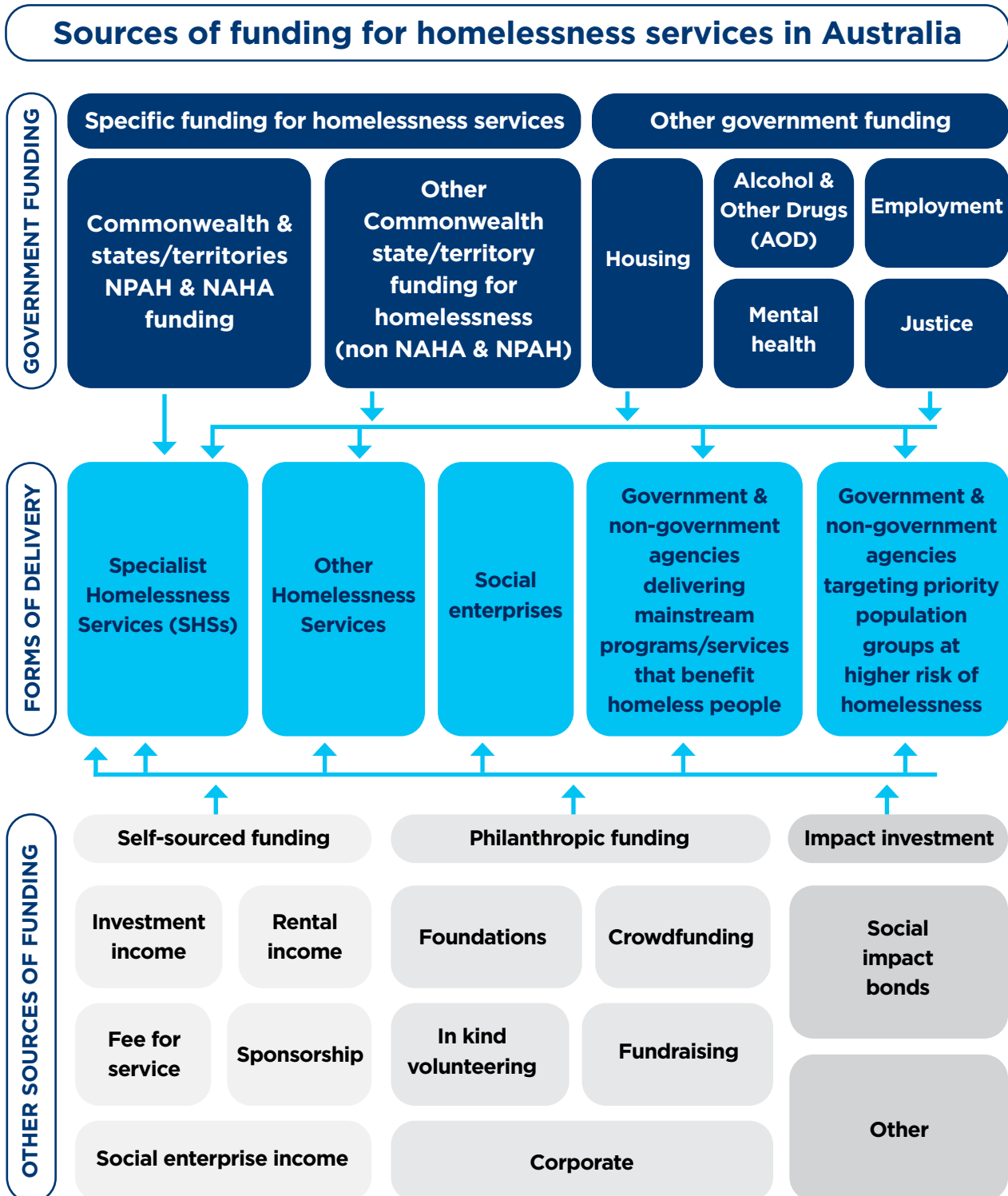
I'm still on a specialist list because of my experience with domestic violence and mental health, but we've been in this house for three years now.

Having a safe place to live, it's amazing, and it's a beautiful house... it's actually got a little sandpit out the back [for my daughter]. I'm so unbelievably grateful that it's a nice house. Because they're not usually nice, most of them. And I've got a great housing worker, even though they do change quite frequently."

AMANDA – TRANSITIONAL HOUSING TENANT

EMERGENCY HOUSING, DFV SERVICES, AND COVID-19

Funding for SHS to run emergency housing is provided under the NHHA. However, funding for new DFV emergency accommodation is separately provided under the Federal Government's Safe Places Emergency Accommodation Program (Safe Places) - which requires applications from groups who partner with DFV organisations. This makes it difficult to determine the overall funding spent on improving access to emergency accommodation or to draw a comprehensive picture of the current state of the sector.

FIGURE 6 FUNDING STRUCTURE FOR SHS¹⁰²


However, what we do know for certain is that DFV and SHS emergency housing is not able to meet current demand.¹⁰³ It is also clear that DFV and SHS providers are constrained by unstable and short-term funding arrangements.¹⁰⁴

In cases where DFV has been a factor leading to homelessness, women and children have been forced to sleep in their cars, accept accommodation where they feel unsafe, and in some cases even remain in or return to a violent partner or family member.¹⁰⁵ These are completely unacceptable outcomes which demonstrate the need for serious action from our Federal Government.

The issue is made even more pressing by the current pandemic, as many DFV organisations expressed concern about an increase of incidents and an inability of victims to seek assistance.

A recent study conducted by Monash University has revealed that the number of incidents of DFV has increased, in addition to reports of more first-time DFV cases. At the same time, half of practitioners said the severity of the violence experienced was worse than before.¹⁰⁶

Moreover, the NSW Attorney-General noted there had been a 75% increase in Google searches about domestic violence in March 2020 alone.¹⁰⁷ This reflects that while more DFV cases were reported, it is likely that there are many which have gone undetected as well.

Statistics from other countries have also shown worrying increases in DFV reports in regions of China, Israel, France and the USA since this global crisis began.¹⁰⁸

With emergency housing already under so much pressure and the ongoing requirements to work from home where possible, victims may have lost access to both formal and informal support services during 2020. As a result, vulnerable women may have been unable to access safe and secure housing away from a violent partner or family member.

Early in the pandemic Melbourne Lord Mayor Sally Capp worked closely with the Victorian

Government to get 2,000 Victorians facing homelessness into emergency accommodation, virtually ending visible homelessness.¹⁰⁹ While this obviously is not a tenable long-term solution, this demonstrated that where the political will exists, government has the capacity to eradicate homelessness.

The Federal Government has directed some funding towards DFV services, and some State and Territory Governments acted to provide accommodation for those sleeping rough.¹¹⁰ However, these were short-term, one-off solutions which ultimately prove the need to provide additional on-going funding to the sector to meet increasing demand.

“When my mum got sick, I jumped on a bus with a bag of what I could carry and moved to Melbourne.

I moved into a place that was absolutely disgusting. The first morning I woke up and went to the bathroom – the whole floor of the bathroom was covered in faeces, vomit, and blood. The only surface in the bathroom that didn’t have any of that on it was the toilet. I had to go up to the service station to use the bathroom. I was there for three weeks.

Then I moved into an apartment in a supported housing initiative. It’s been very interesting. It’s been five years... There is no stability here – there’s the illusion of stability, but push comes to shove it’s not there. It really isn’t.

I absolutely feel unsafe here. The floor I’m on, at night-time you’ve got a resident roaming around, screaming abuse at every door. And he is very confrontational. I don’t answer my intercom or my door. I don’t have anything to do with anyone here. I keep telling people, I only have one rule: leave me alone, and I don’t even get that.”

AKEMI – SPECIALIST HOUSING SERVICE TENANT

The Australian Institute of Health and Welfare reported that in the 2018-19 year the percentage of SHS clients who had reported DFV and were suffering homelessness decreased by 10%, having achieved more positive housing solutions for 7,500 clients.¹¹¹ However, across the sector there is unanimous concern with the lack of pathways available out of emergency housing.¹¹²

While this demonstrates that SHS can successfully assist DFV survivors, the problem reported by service providers is that although more women are reaching out through these programs, the availability of social housing is declining. This places emergency accommodation programs under greater stress, as they desperately try to avoid turning away clients given the possibility that this results in homelessness or a return to an unsafe home.

For many women escaping DFV, entry into the private rental market is not possible, even with the assistance of government and non-government subsidies. Just last year, the Australian Housing and Urban Research Institute found that:

“For a single parent with one child aged under five and on parenting payment supplemented by casual or part-time employment, renting a two-bedroom property in Greater Sydney would take up to 70 per cent of household income. For regional NSW, the proportion is 36 per cent, which still exceeds the ‘housing stress’ threshold of 30 per cent.”¹¹³

This problem is compounded by the severe shortage of social housing as discussed above. Even when affordable or social housing is available, accepting it may lead to other consequences such as moving far away from existing support networks, making children move schools, and feeling unsafe in unfamiliar areas.¹¹⁴ So, while it is important that we improve our provision of emergency housing, we cannot expect these services to make up for the shortfall of social and affordable housing.

During what is already a scary and overwhelming time for many people, making the decision to escape DFV should not be made more difficult by the inability of services to provide the required support. People are asking for help; we must give them more than a temporary stay in sub-standard accommodation.

It is one thing to understand the consequences of underfunding this sector in terms of numbers, but it's another thing to consider the human impact.

“I’ve been in the system for a lot of reasons, and the last five years has really been my struggle. Six years ago, I was happily housed, stable, I had my kids, everything was perfectly fine. Then I had a bad relationship breakdown.

I was in a domestic violence relationship which I left, eventually. I was given a NSW public housing property to have my kids live with me. But because of the domestic violence I ended up having to give my kids up so that they could be safe. So, I could go into hiding. Yeah, it was pretty tough. I see them for between 8-20 hours a year because I don’t have anywhere I can bring them. So, I’m restricted to two-hour visits here and there.

There was a lot more help when I had my kids with me. The support for single people is a lot less. I had housing instability with my kids in my care, but I was never completely homeless. There was no way I would have needed to go to a squat or something like that while I had the kids, because there is the funding and there is support there. But once you don’t have kids with you, forget about it.

Then we got offered a place at Launch Housing, and we were there for 6 weeks. That was helpful. But because we were kind of directed to go with the private rental

market which we definitely shouldn't have done, that fell in within about 8 months. Without work we couldn't keep up, and neither of us got a job until well and truly after that.

But now we've got the debt from failed private rental too. So, we can't just look at getting a new house, we now have to pay that debt before we even look at trying to rent a house in our own name.

This year has obviously been far worse. I don't have a private space to bring my kids, because I essentially live with strangers. So, it's not a safe environment to bring them to. If I had my own place and my own space that would be different. Housing stress has definitely had a big impact on all of my life.

The long-term goal is to find somewhere stable, work that out. And then be able to have somewhere I can bring my kids on school holidays. Because they are stable where they are now, and it's been two years of me struggling."

SHARNI – PRIVATE ROOMING HOUSE TENANT

PROBLEMS WITH DATA ON FAMILY VIOLENCE AND HOMELESSNESS

The issues which have arisen from the pandemic such as concern that DFV victims were unable or less inclined to report on violence reveals a deeper problem with available data more broadly. Police statistics only show us the number of those who have reported DFV, and SHS and other organisations can only provide us information based on those who have accessed their services.¹¹⁵

On top of the issue regarding a survivor's willingness to disclose, the way they perceive DFV will also impact the accuracy of data.¹¹⁶ We know that the broader community attitudes towards what constitutes DFV has an impact on whether victims report or seek assistance. In 2017, a national study found 32% of participants believed that if a female victim does not leave an abusive partner, they are partly responsible for the continuation of DFV.¹¹⁷ It also showed that while community knowledge of behaviours which constitute DFV continues to improve, there are concerns around a lack of understanding of its significantly gendered nature.¹¹⁸ As a result, it is generally accepted that the true number of victims of DFV are greater than what statistics tell us.

FIGURE 7 ANROWS SURVEY ON ATTITUDES TO VIOLENCE AGAINST WOMEN¹¹⁹



1 in 8 believe that if a woman is raped while she is drunk or affected by drugs she is at least partly responsible.



1 in 3 Australians believe that if a woman does not leave her abusive partner then she is responsible for the violence continuing.



A similar problem exists with the accuracy of homelessness data available, due to the inherent difficulty in collating information about those with no fixed address. This is particularly the case given so much data comes from the Census, a dwelling-based collection of statistics on our population.¹²⁰

The Australian Bureau of Statistics (ABS) has also acknowledged that the data collected is often insufficient to determine whether someone is homeless.¹²¹ This is the case for several reasons, including the stigma some people may feel towards stating they have no fixed address, and the fact that some people who would fit the definition of homeless do not identify as having no fixed address, or believe they have a home to return to anyway.¹²²

While data collected from SHS can be useful, a 2012 study found that only 40% of participants who had experienced homelessness in the last 10 years had accessed formal services, suggesting their data is also an under-estimate of true homelessness levels.¹²³ This is made more complicated by the fact that data is fragmented due to the number of organisations and sectors involved in supporting people suffering from homelessness.

Our most vulnerable Australians are more likely to be under-estimated and overrepresented in the homelessness data. This is certainly the case for Indigenous Australians and young people, where Census data is not able to accurately

highlight the extent of homelessness among these populations.¹²⁴

Even more problematic is that for homelessness amongst young people, the ABS are not able to figure out the extent of their under-estimation but are told by service providers that their numbers do not align with what is seen on the front lines.¹²⁵

Why is this important? Because funding arrangements made by governments often rely on data to determine the community's need for specific services. So, while statistics show an increase in the need for both SHS and specific DFV emergency accommodation, service providers remain significantly and chronically underfunded. This is especially urgent now, with the pandemic having impacted both housing affordability and the underreporting of DFV.

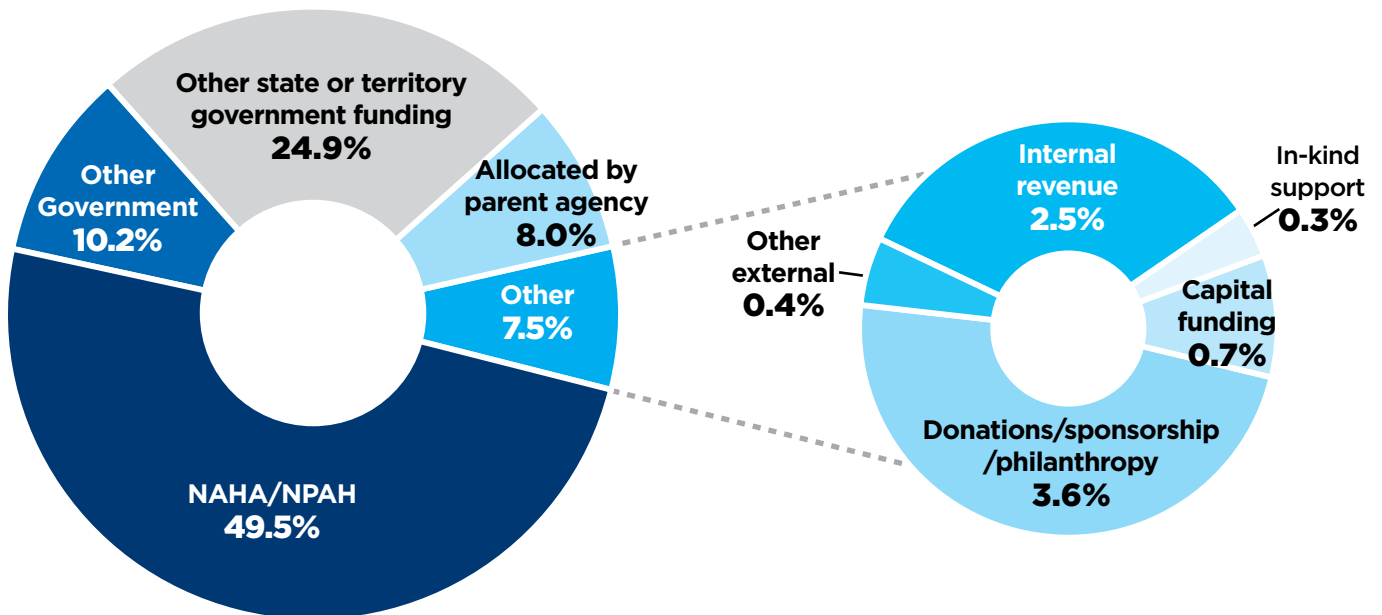
Yet there are proven ways we can address this deficiency; the Canadian Government has had more accurate data since introducing a common system and information hub for their homelessness data collection.¹²⁶ Communities and organisations across the country are able to better coordinate their services and direct funding to where it is urgently needed through this 'systems approach'.¹²⁷

Although improvements can be made to how data is collected, it is so important to listen to the experiences of service providers and trust their judgement on funding needs to ensure we are able to help all who need it.

Current government policy

That brings us to the last seven years of conservative Liberal Governments. The Abbott Government's 2014 Budget cut funding for DFV emergency service providers and homelessness advocacy groups.¹²⁸ The consequence of a lack of social and affordable housing meant that exit pathways from emergency and transitional housing programs were limited, causing longer stays in crisis accommodation which are very often at capacity. Therefore, the cuts specifically to emergency housing providers combined with uncertainty surrounding continued funding of the NPAH by the Federal Government left service providers vulnerable and unsure if they could afford to continue running.

FIGURE 8 PROPORTION OF TOTAL FUNDING BY SOURCE (SHS, 2013-2015)¹²⁹



What these cuts highlighted was how reliant the emergency housing sector was on government funding and the policy priorities of the party in power.¹³⁰ In particular, the short-term funding contracts used in subsequent years meant providers were unable to adequately plan for the future or commit to developing programs which addressed the long-term and complicated nature of homelessness experienced by their clients.

When the Turnbull Government came to address the homelessness crisis, they maintained previous funding levels under the new NHHA, which is currently still in place.¹³¹ However, the Federal Government was unprepared to provide additional funding desperately required by the system to meet demand for emergency homelessness support. Ultimately, the Liberals have shifted responsibility to State and Territory Governments to support vulnerable Australians.

As well as failing to increase funding, the NHHA also broadened the scope of organisations eligible to receive support to those targeting housing affordability more generally.¹³² The consequence of this was similar to what happened under the Fraser Government – more organisations competing over a limited resource pool. In practice, it meant that funding to crisis accommodation providers was cut, and fewer beds were available for Australians experiencing homelessness.

Service providers working with Indigenous people are particularly at risk when governments cut funding, and research suggests there is a lack of coherent policy to address homelessness in these communities.¹³³ As the organisations which work with Indigenous people tend to be smaller and more targeted, they are less stable and more susceptible to changing priorities at both Federal and State and Territory Government levels.¹³⁴

Moreover, successive Liberal Governments have attempted to decrease the reliance of SHS and DFV service providers on Commonwealth funding by encouraging them to seek philanthropic grants and commitments from the private sector.¹³⁵ However, these groups are telling us that such funding generally only assists them to create and implement new projects, imposing small timeframes and creating additional pressure through reporting requirements.¹³⁶ They have expressed concern that non-government funding may change the focus of their programs, create unreasonable outcome expectations, and cause friction between services and funders.¹³⁷

The consequences of underfunding for SHS and DFV emergency accommodation services are not just limited to a lack of beds. Much of the available accommodation needs maintenance or renovation.¹³⁸ The staff are generally not trained to collect and report data on their client interactions or lack the time to do so.¹³⁹ The government has no universal measurement or mechanism to collect and evaluate data or make it publicly available.¹⁴⁰ The result is the lack of a cohesive, long-term, effective approach to providing emergency housing services.¹⁴¹

In March 2016, the Victorian Royal Commission into Family Violence released its report, detailing the extent of the DFV crisis plaguing Victoria, and making recommendations as to what must be done in response. Without hesitation, the Andrews' Labor Government accepted all recommendations and took immediate action to implement them.¹⁴² With \$81.3 million allocated in the 2015-16 State Budget, prior to the Royal Commission being finalised, the total investment in family violence reform over five State Budgets has been exponentially increased to \$2.9 billion.¹⁴³

This has included funding to re-develop existing family violence refuges, build, purchase and lease additional crisis accommodation and social housing properties, provide specialised support for Aboriginal victims of DFV and invest in primary prevention and rehabilitation for perpetrators.¹⁴⁴

FIGURE 9

VICTORIAN GOVERNMENT (2019) EVERYBODY MATTERS: INCLUSION AND EQUITY STATEMENT





In contrast, in the period from 2013-2019, only \$852 million was provided to tackle DFV under the Federal Government's National Plan to Reduce Violence Against Women and their Children.¹⁴⁵

When we compare the investment of the Victorian Government to that of the Federal Government, we can see more clearly how inadequate their current approach to tackling DFV is. While the state of Victoria undertook clear and decisive action in the face of the Royal Commission's report, effort from the Federal Government has been at best sub-par in responding to what we know is a national crisis.

PART SIX: POLICY PROPOSALS

COVID-19 has presented us with a chance for a reset.

This major economic downturn requires us to seek the lessons of history as well as to think creatively about how we can rebuild our lives and the economy.

As this piece has explored, our housing sector faces significant challenges. For too long the government has let go of the reins of the housing sector, allowing profit to dominate at the expense of access to safe and affordable housing.

This chapter discusses our potential pathways for moving forward.

Perhaps most importantly, government needs to be at the centre of the solution.

We need to answer the question of what governments must do to tackle our housing crisis.

Throughout the pandemic, government has been essential for managing the crisis. It has shut down businesses and has instructed us to stay at home.

COVID-19 has reminded us of the importance of good governance and of the need for good governments.

It has also reminded us of the need for governments to work together. Despite the Morrison Government's false claim that housing is the responsibility of the states, there's no real reason why we couldn't see the Federal Government coordinate and help fund a multi-tier approach to tackling housing access and affordability.





The challenges

As this paper has shown, our national housing system is lurching towards crisis.

Firstly, home ownership is no longer affordable. Prices have skyrocketed since the 1980s.¹⁴⁶ Meanwhile, wages' growth has flatlined – and since the GFC, has been falling in real terms for young people.¹⁴⁷ Taking nobody by surprise, the rate of home ownership is collapsing among younger Australians.¹⁴⁸ With property ownership critical to financial security, we are not passing on a better deal to our next generation.

Secondly, renting is increasingly out of reach. The cost of rent is spiking especially in our cities, which is precisely where job opportunities lie. A growing number of Australians live under rental stress and struggle to make ends meet.¹⁴⁹

Thirdly, our supply of affordable and social housing is severely lacking. Hundreds of thousands of Australians have been pushed out of the housing market,¹⁵⁰ and the safety net has been too narrow to capture the number of Australians who rely on it.

Finally, people facing homelessness do it far tougher than is just and fair. Finding secure emergency accommodation is a matter of luck, a function of charities and the goodwill of their teams – not government planning.

The best estimates have our current housing need at some 1.3 million households – that's over a million Australians who are unable to access housing on the market or need housing assistance in the private market to avoid rental stress.¹⁵¹

Now, this pandemic has amplified all these issues. Almost one million people are out of work, and the income supplements are methodically being reduced by the Federal Government.¹⁵²

The reality of this pandemic is that we could be living with the economic consequences for years and the decision to withdraw support from the economy will only prolong and deepen the economic pain.

“Up until COVID-19 I was working 6 jobs – trying to get financial stability, to pay off debt, and get back into, or at least have the option to go into private rental. COVID-19 this year has completely wiped out the advances I was making.”

SHARNI – PRIVATE ROOMING HOUSE TENANT

2020/21 Federal Budget – a missed opportunity

Reading the 2020/21 Federal Budget, you'd be forgiven for forgetting about the hundreds of thousands in line for social housing. Despite this unfolding disaster, the Morrison Government has no appetite or policy to tackle the many issues in the housing sector.

The Government touts the low-cost finance which it's offering through the National Housing Finance and Investment Corporation (NHIFC) to fund new affordable homes.¹⁵³ As is usual, it's all talk – the Morrison Government has funded just over 1,000 new affordable homes, when we have a shortfall of several hundred thousand. And while social housing units across the country are in need of urgent repairs, the government is offering \$25,000 grants for renovations instead of repairing our dilapidating social housing stock.¹⁵⁴

Some credit is due with the Government's First Home Loan Deposit Scheme, which supports first home buyers in securing a deposit.¹⁵⁵ But it's vastly inadequate, supporting only 10,000 buyers every year, and does nothing for renters today.¹⁵⁶

The fact is that housing is not on this Government's agenda. Its policy is piecemeal – they build housing for soundbites, not people. It abolished the National Rental Affordability Scheme and gutted the First Home Saver Account scheme. It has failed to adequately fund emergency accommodation and shelters, opted to slash funding to the housing and homelessness peak bodies,¹⁵⁷ and abandoned responsibility for building new social and affordable housing, delegating it to the States.¹⁵⁸ For almost six years, it didn't even have a Housing Minister.¹⁵⁹

It's a far cry from Menzies' great Australian dream of home ownership.

Government must play a role

We clearly need a political shift on housing.

Labor understands that government *must* play a role in housing. Labor's track record is strong in this respect. From Curtin through to Gillard, Labor governments have spent big on public housing.

Clearly, housing can't be left to the market alone. The market is much of the issue, with first home buyers bidding against cashed up investors exploiting tax incentives that drive capital into housing.

Nor can it be left to the States, like Morrison intends. No doubt, the States have a critical role to play – but we can't be hoodwinked into thinking they have the financial ballast necessary to do it alone.

Rather, with this crisis at tipping point, the Federal Government should be directly intervening in the sector, working with the States and community organisations to build a plan that plans, coordinates and creates investment.

The economic and political need for government to play a role has never been more pressing:

1. An ambitious building program will produce thousands of jobs;
2. Government bonds are cheap, and clearly, with government debt tipping over \$1 trillion under Scott Morrison, there should have been scope for funds to tackle housing affordability;
3. If we free up some of the capital otherwise piling into housing, especially by young people, we'll drive consumption and new investments in productive and creative businesses;
4. It's the right thing to do.

There's a clear precedent for ambitious government action: this doesn't need to be partisan.

An important case study is South Australia. The Liberal Government which headed South Australia between the 1930s and 1960s

saw a significant opportunity in building public housing to drive broader industrial development.¹⁶⁰ They established the first public housing authority in the South Australian Housing Trust (SAHT), which went on to build some 30,000 affordable houses over twenty years. Even the Liberals then knew that public housing drives down cost of living and that its benefits bounce throughout the economy.

So, what would a housing plan fit for now look like?

Policy proposals

1. SUPPLY

Most importantly, we need to rapidly and sustainably expand our supply of affordable housing.

One pathway involves government itself becoming a developer in the market. However, while public housing must continue to be an essential feature of any supply mix,¹⁶¹ what it provides in security it lacks in scale. Rather, we must create the regulatory conditions for partnership with the private sector – to leverage our public investment, secure private expertise and begin to reshape our cities and suburbs.

The obvious question emerges – right now, what's holding investors back?

Money. When it comes to building affordable housing, unless government plays a role, the financials for investors and developers don't stack up. It's known as the 'funding gap'.¹⁶² If we want to build a house only available at an affordable rent – say, 80% of what it could otherwise earn in the market – without government support in one form or another, the investor runs a loss. While we're not here to focus on developer margins, the fact remains if the developers cannot justify investment, we won't be building.



TABLE 3 A WORKED EXAMPLE OF THE FINANCING GAP FOR 100 SOCIAL HOUSING / AFFORDABLE HOUSING¹⁶³

	SOCIAL HOUSING	SUBSIDISED HOUSING (\$300 RENT)	
Variable	Value (\$ million)		Notes
Dwelling costs	35.0	35.0	Based on an assumed cost of \$350,000 per dwelling (includes land costs).
Annual operating revenue	1.3	2.0	Social housing: Based on assumed average rent of \$180 per week plus CRA. Affordable housing: Based on assumed average rent of \$300 per week plus CRA.
Annual asset management costs	0.5	0.5	
Annual administration costs	0.1	0.1	
Annual interest expense	0.7	1.3	Based on an assumed financing from a 20 year fixed bond at an interest rate of 4.25 percent, amortising to 40 per cent of face value.
Supportable private funding	14.0 (40%)	23.0 (65%)	Funding provided by tenants as a proportion of income for social housing and a proportion of market rent for affordable housing
Financing gap	21.0 (60%)	12.0 (35%)	Gap difference mainly due to difference in contribution from tenants



Here enters the critical role of government. Delivering housing which plays a social purpose is not the province of a hard-headed housing sector. It never will be. Our affordable housing crisis is the market failing. This is the job of a compassionate government which puts people first – a government that recognises the economic opportunity in accessible housing.

Government must realign the economic incentives. To this end, government has a range of levers at its disposal to overcome the funding gap and drive investment in affordable housing projects.¹⁶⁴ I'll canvass only some of our options, drawn from best practice overseas, including in the US and the UK.

Firstly, we can make a market for affordable housing tax credits. In this space, Labor has policy which it can be particularly proud of. Tanya Plibersek and Wayne Swan's National Rental Affordability Scheme was our country's first real attempt to build at scale.¹⁶⁵ In many ways, the ambitious plan we took to the

2019 election to build 250,000 homes was a successor to the NRAS.¹⁶⁶ Indeed, Tony Abbott's evisceration of the NRAS in his infamous 2014 budget continues to be one of the most short-sighted policy decisions by an Australian Prime Minister.¹⁶⁷

Secondly, superannuation. A creative government can extract substantial investment into new housing by working with our super funds, not against them. By defining affordable housing as a defensive asset,¹⁶⁸ government can unlock for itself a natural partner – one with trillions in reserves, and which pursues returns on the longest of horizons.

Some Liberals suggest that our housing salvation instead lies in permitting first-home buyers early access to their superannuation – to beef up their capacity to put down a deposit.

The Liberals' logical inconsistency on housing is indefensible. When it comes to the special treatment that our taxation system grants to investors, the Liberals stress that our housing crisis is a function of supply, and that these tax subsidies drive new supply. But when it comes to our superannuation – the only thing standing between retirement and poverty for millions of Australians – the Liberals abandon their supply dogma. The reality of the Liberal's proposals is that it will just reduce the superannuation of low income earners without helping more Australians enter into the housing market. We are far better served by working with super funds, and supporting working Australians in saving for their future: we should never encourage them to deplete their superannuation.

Thirdly, we can lower the costs of construction. One part of this is lowering the cost of debt to build affordable housing. The NHIFC's bond aggregator has a role to play here in combining our national housing borrowing requirements and improving our negotiating position as a borrower.¹⁶⁹ However, the aggregator is not coming close to covering the funding gap.¹⁷⁰ What will close the gap is a mixture of direct government borrowing, leveraged equity contributions and guaranteeing the debts of approved projects.¹⁷¹ By government involving itself at a project's inception, we can dramatically reduce borrowing costs.

Fourthly, we can put zoning to work. Speak to a developer and it won't take long before they start complaining about local council. It doesn't need to be this way. With smart zoning, we can incentivise investment, by discounting fees, rates and accelerating the approval process for affordable housing applications.¹⁷²

Finally, we can secure the developers' income streams. If potential tenants are supported with their rent, the developer's risk assessment becomes that much easier. For this reason, we must permanently raise the rate of JobSeeker.

More generally, we need to put buyers and renters in the best position to make ends meet. We can't sever debt or rental stress from income stagnation, and there's clearly significant work to

do in arresting the decline in income for young people. It calls for a stimulus and jobs plan far broader than housing and indeed beyond the scope of this piece.

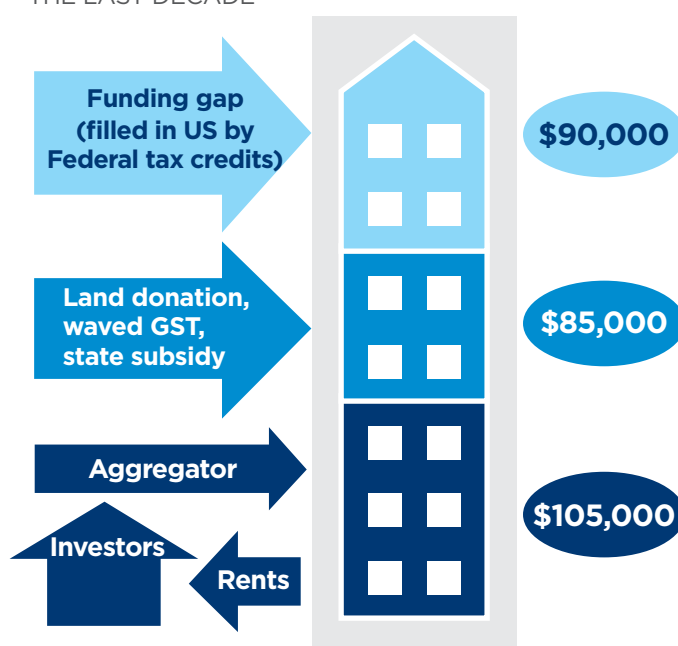
INVESTMENT OPTIONS

With a scheme to close the funding gap, we can drive private investment towards select, effective and proven projects by tinkering with the criteria for eligibility under the scheme. This means that one national scheme can deliver affordable housing in a way that's fit for the particular needs of each local community.

EXEMPLAR 1: BUILD TO RENT

Build to rent involves developers selling dwellings at a price reflective of the lower rental income which will follow as a result of it being designated an affordable rental property. This can be made possible by the government offering incentives or investment in the dwelling to reduce construction costs. Working with council and utilising supply-side incentives, developers, investors and tenants are able to access the benefit of building additional rental dwellings to be leased at reasonable prices.

FIGURE 10 AN EXAMPLE OF A CALIFORNIA 'TOP-UP' FOR AFFORDABLE HOUSING IN THE LAST DECADE¹⁷³



Government can support build to rent initiatives.

Cost and security of tenure continue to be two significant issues plaguing the private rental sector, demanding a creative response which addresses the changed nature of residential tenancies. Build to rent models exist around the world in ways that target these challenges by tying government financial support to the development of these properties, which are then rented out at below market rates.¹⁷⁴

In the US and UK, build to rent schemes have been successful in attracting institutional investment and private sector support.¹⁷⁵ However, in Australia they have been largely unviable due to the financial gap that elsewhere is covered by the government and different market conditions.¹⁷⁶ By offering a range of the financial incentives discussed above, private sector developers, institutional investors, and possibly even community housing providers would be able to participate in build to rent schemes in Australia.¹⁷⁷ They could be targeted at key workers who require affordable housing in the areas their services are needed – teachers, police officers, fire fighters and nurses could be offered these properties in the communities where they work.¹⁷⁸

With an increased supply of affordable housing, more renters would be able to access secure and long-term tenures, and it could feasibly result in market rental prices decreasing too.¹⁷⁹

EXEMPLAR 2: RENT TO BUY

Government can support rent to buy initiatives.

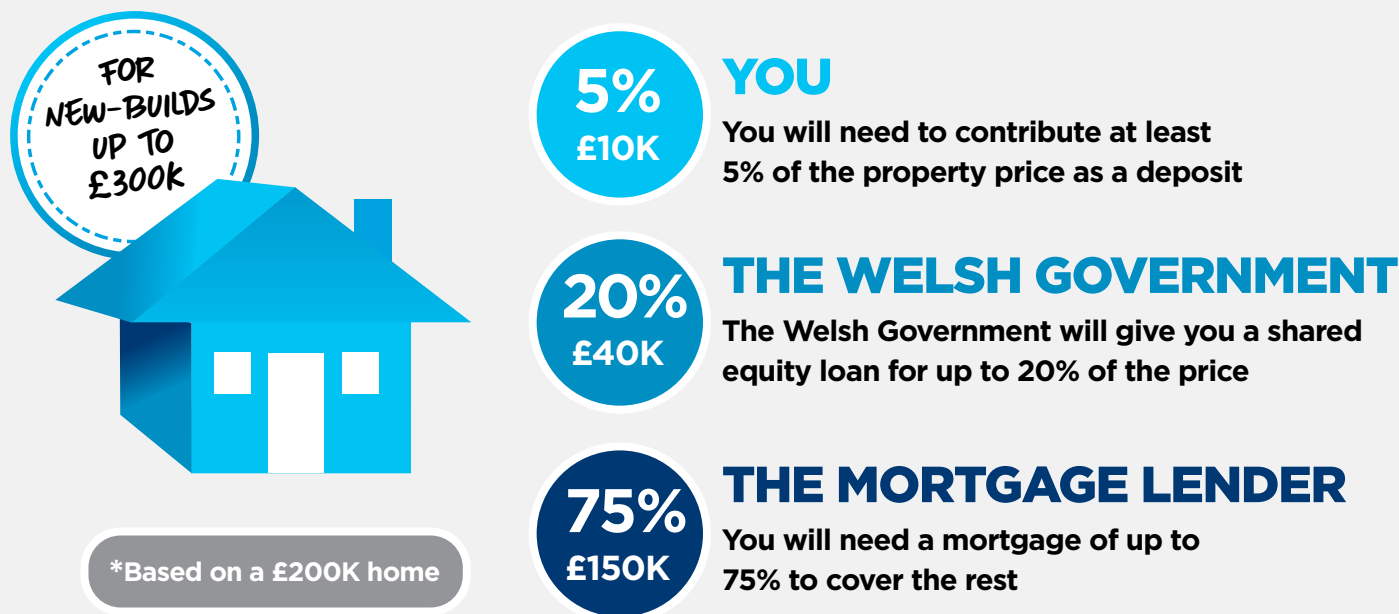
Upon entering a rent-to-buy agreement, the tenant pays a deposit for the arrangement which secures their option to buy, and ultimately goes towards the purchase price of the house. Generally, the tenant will pay rent in addition to an ongoing fee for the option to buy. The regular fees are combined with the initial deposit and are held on trust until such a time when the purchaser is able to buy the land in its entirety (usually through deposit and mortgage). The purchasers also benefit from the interest

accumulated on the option to buy fees held in the trust, which will be put towards the purchase price. Without Government involvement, rent-to-buy schemes have tended to be high-risk options for purchasers, leading some state governments to make them illegal.¹⁸⁰ Yet with the right ties between government support and the consequent availability of additional affordable homes, they have the capacity to be of benefit to many aspiring first-time home-owners.

In the UK version of this scheme, landlords are generally 'social landlords', required to charge rent at no more than 80% of the market rent to enable the purchaser to save for their deposit. Governments support community organisations to function as social landlords by providing funding for the development of rent-to-buy homes. However, as with other affordable housing frameworks, a host of supply-side incentives could be tied to the provision of rent-to-buy properties to support the functionality of the system.

EXEMPLAR 3: SHARED HOME OWNERSHIP

Shared Home Ownership is a model aiming to make home ownership more affordable. Victoria has established a small-scale program through which it creates another entry point into the property market for purchasers.¹⁸¹ HomesVic contributes 25% of the purchase price in return for the equity, enabling the purchaser to qualify for a home-loan with only a 5% deposit of their own. The purchaser makes their weekly mortgage payments and depending on their income and circumstances, can purchase the equity in their home held by HomesVic through additional repayments. Therefore, people previously unable to secure a mortgage over an entire property, or unable to save for a deposit, are given the chance to move into their own home with a smaller deposit and mortgage, with the long-term view of owning 100% of their home.

FIGURE 11 WELSH MODEL OF SHARED HOME OWNERSHIP SCHEME¹⁸²

To make this viable, the UK Government provides capital grants to Registered Providers to develop properties for the purpose of selling them within the Shared Home Ownership scheme.¹⁸³ Moreover, where certain requirements are met, the value of that grant, once recovered, can be re-used to purchase and develop additional properties in line with Government priorities for the affordable housing space. However, the supply side support from government could come in a range of formats, as long as they incentivise housing providers to create more homes under the scheme.

EXEMPLAR 4: SPECIFIC IN-DEMAND SKILLSETS TO BE SUPPORTED

Housing doesn't exist in isolation. For many Australian towns, housing revolves around a specific industry or single economic driver – mining, university or agriculture are real examples. However, this pandemic has also reminded us all of the importance of those working for the public good.

Nurses, paramedics, teachers, early educators and many more have all taken on greater risk at work as a wildly infectious disease hides silently spreading in our communities.

Yet, those working in those services are more often women, with lower rates of home ownership in Australia.

If government is going to tackle housing affordability, we could be incentivising quality people into these important professions through industry focused subsidies that supplement income and increase home ownership in high demand workforces.

2. EMERGENCY HOUSING

More social and affordable housing would go a long way to reducing the burden on emergency housing providers and ensuring more Australians are able to access safe, secure and long-term housing. However, there is a lot more that can be done to improve the provision of SHS and DFV crisis accommodation services to better support people in need.

The most obvious solutions are to improve funding for emergency housing providers, commit to funding arrangements that last a minimum of three years, and ensure that these agreements are not vulnerable to changes in Government. More secure and appropriate long-term policies in the area are essential for these improvements to be implemented successfully and require priority to be placed on funding capital works for new emergency housing.

This is hugely critical for addressing homelessness in Indigenous communities, where the Government lacks a cohesive strategy. Regional and remote communities are uniquely affected by homelessness and require targeted approaches within an overarching framework which listens to and works with First Nations People to create solutions.

A more integrated method that involves multiple government departments in funding arrangements for SHS and DFV service providers would also be a significant step in the right direction. The impact of homelessness is wide-spread, and a cross-sector approach is more appropriate to address the problem than separate and distinct funding programs.

More focus should also be directed towards preventative programs which aim to provide support for people at risk of homelessness. By assisting them to access and maintain employment, housing, health care and social services, we would be reducing the likelihood of people reaching a point where they face homelessness and consequently increasing the demand for crisis accommodation.

There are also those who advocate for more specific, targeted, and holistic housing programs such as those which incorporate mental health support, those for young people, and those for perpetrators of DFV. By combining access to housing with additional support which focuses on a person's individual challenges, we are more likely to create real and lasting change.

3. HOUSING AS A HUMAN RIGHT

The International Covenant on Economic, Social and Cultural Rights, to which Australia is a signatory, recognises the right to adequate housing in article 11.¹⁸⁴ However, at a domestic level, Australia does not legally recognise a human right to housing.¹⁸⁵

In Commonwealth legislation, housing is referred to as a 'basic human need'.¹⁸⁶ Yet despite this, consecutive governments have been apprehensive to impose upon themselves an obligation to address these needs through a rights-based framework.¹⁸⁷

The conversation around human rights has often been a fraught one, with some states and territories developing their own frameworks in response to the absence of a federal one. Many question the effectiveness of legislating for specific human rights, on the basis that our constitution and current legislation does an adequate job of protecting those which are most important. While this may be true in some areas of policy, the extent of our housing and homelessness crisis certainly suggests that legislative recognition of a basic need of housing has not been enough to garner serious protection. If our democratic rights were infringed upon, we would expect the executive branch to act. If they failed to do so, our judicial system would take action to protect them; but the same has not been true when the basic need of housing has gone unfulfilled for so many.

The homelessness sector has therefore long advocated for a right to housing to be included in legislation, believing it would require Government to accept a legal responsibility to address homelessness.¹⁸⁸ Professor Tamara Walsh has previously argued that without a legal foundation which demands the government's attention, policy will continually fail to create an adequate response to the crisis we are facing.¹⁸⁹

Based on the extent of the problem outlined in this piece, it may well be time to act on this advice.

Both France and Scotland have codified the right to adequate housing, while UK legislation places a responsibility on local government to provide housing for those in need.¹⁹⁰ The idea of making Government legally accountable for its citizens' right to housing is not radical, and has led to the development of some of the most effective homelessness systems in the world.¹⁹¹

Throughout this piece, I have emphasised time and time again the important role that our Federal Government must play in responding to the various challenges we face in the housing sector. Housing should not be a partisan issue, and a person's ability to access government funded services should not be influenced by which party won the last election. Yet that is the situation we find ourselves in.

A legally enforceable human right to housing would help to address the immediate need for crisis accommodation. It would also support the self-determination rights of Indigenous Australians, by creating a system that mandates inclusion of their voices throughout the planning and implementation of housing policies targeted at First Nations People.¹⁹²

And through the accompanying shift in policy perspective, Government could begin the long journey down the path of dismantling the structural inequities which have created this mess. In doing so, we would see both the community-wide benefit of helping individuals, and the long-term benefit of a healthier and fairer housing market.

4. LIVEABILITY AND STABILITY IN RENTAL ACCOMMODATION

Renters are often faced with the challenge of finding a property that will provide them with the security of a long-term tenure and the rights necessary to make their house a home.¹⁹³ The housing sector has long called for stability and liveability reforms.¹⁹⁴

In contrast to many European countries, the power dynamic between landlords and tenants in the Australian residential property market is severely skewed against tenants.¹⁹⁵ With leases as short as six months and the availability of no grounds evictions, stable housing can be hard to find.

FIGURE 12 CONCERNS ABOUT REQUESTING REPAIRS FROM LANDLORDS (TENANTS VICTORIA REPORT)¹⁹⁶

How concerned would you be about the following, if you were to make a request for repairs from your landlord?



69%

are concerned that the request would be delayed an unreasonable length of time



68%

are concerned that the request could mean a rent rise



64%

are concerned that the request would go ignored indefinitely



44%

are concerned that the request could get them evicted

The thing is there's an easy way to fix this issue; we need the Federal Government to work with the states and territories to limit the grounds for eviction, specifically prohibiting no grounds evictions,¹⁹⁷ and to regulate the rules around rental increases.¹⁹⁸

New Zealand is another country from which we can learn, particularly when it comes to minimum standards for rental properties. From requirements around safe and energy efficient infrastructure to minimum bedroom sizes, the New Zealand framework recognises that for a house to be a home, it must provide for the health and safety of its occupants.¹⁹⁹

Victoria's 2018 reforms significantly enhanced tenant's rights. It enabled tenants to make minor modifications to their rental property and keep pets, while also setting clearer minimum standards for the condition of properties throughout the tenancy.²⁰⁰

Certainly, there is more that could be done to improve liveability standards for renters; however, what is urgently needed is a nationally coordinated policy response that recognises the rights of tenants to create a home.

Establishing the machinery for change

This leaves us with the question of how – how do we administrate the reforms required to address our housing challenges?

I am raising for consideration the establishment of a federal statutory authority which absorbs the NHIFC – the purpose of which would be to tie together these reforms and oversee their implementation. The body would be a national commission, independent from the Minister, and responsible for operationalising a national housing strategy, as agreed to between the Commonwealth and States.

Its main aims should at least be to:

1. Arrange long-term funding criteria and agreements for community housing organisations, specialist homelessness services, and other not-for-profits who provide welfare support and advocacy on housing matters. This will involve overseeing a renegotiated NHHA and the development and maintenance of social housing stock.
2. Set affordable housing construction targets, and oversee the delivery of the supply-side investment incentives to drive the construction of affordable housing in public-private partnerships.
3. Act as a research body for national housing policy, to drive innovation in our housing sector

This statutory body would be funded by Parliament and be accountable to it. By combining the critical functions of Government which fall under the umbrella of housing policy, it is possible to facilitate a more comprehensive and targeted approach to the challenges we currently face.

The benefits of a national housing authority are clear, combining and implementing the policy solutions outlined in this section in a way which enables them to complement each other and prevent people falling through the cracks. A national housing agency is essential to assuming the responsibility of government for our housing crisis and creating pathways into affordable housing.

CONCLUSION

“After COVID-19, people are more aware of the importance of the home and a safe place where people can stay and mitigate that risk to the community in so many aspects. I really hope that this is an opportunity for the government and organisations to work together in our housing sector. I believe that now is the right time for change.”

CLARA – MANAGER OF WOMEN’S HOUSING CENTRE

Too many Australians cannot afford a home. Too many Australians face insecure living arrangements. Too many Australians struggle to build their lives because of this housing crisis.

We won’t remain a successful and egalitarian society if we continue to look past their adversity.

There are no silver linings in 2020. This pandemic devastated and isolated our community. It exposed the deep economic divides in our country – between those who could stay at home, and those who did not have one; those whose work was secure and wages stable, and those who battled week-by-week to make rent.

Now more than ever, our housing crisis is crystallising. And the features of our economy that led us here have become clear.

It’s our taxation system. It’s a drought of funding, and a sector dependent on charity. It’s a system in which the balance of rights tilts towards investors and landlords, rather than buyers and renters.

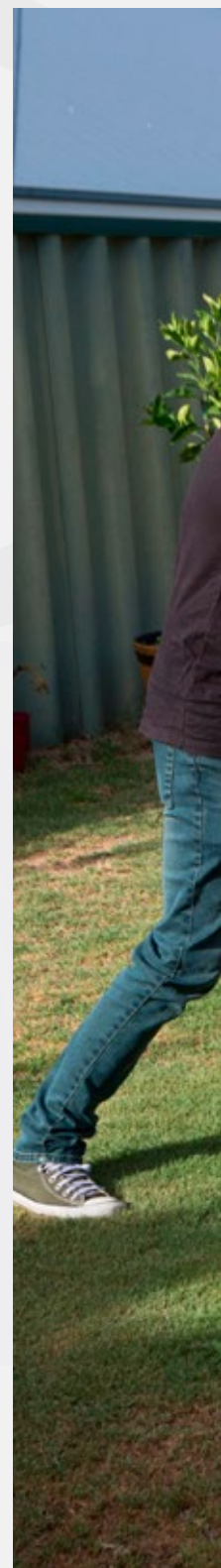
Most of all, it’s the absence of our Federal Government in spite of an unrelenting market failure. The sector is calling out for national leadership and strategy. The Morrison Government’s muted response is disappointing, to say the least.

In 2020, we witnessed the extraordinary power of government to help steer our country through crisis. We brought to heel a desperately infectious disease which in most parts of the world is wildly out of control. We pulled Australians out of poverty by guaranteeing a basic level of income. We found secure housing for those in need, and put a pause on evictions.

Our remarkable achievements did not happen by chance – they were only the result of governments collaborating and facing up to this pandemic. We should draw hope and optimism from our success.

It’s now time to apply ourselves to this housing crisis.

Safety and security in one’s home must be a minimum standard of life in Australia. The Australian Government must work as hard as it can to again make our housing dreams a reality.





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