Submission to: Australian Parliament Inquiry into Homelessness

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Preface: City Futures Research Centre, UNSW

Established in 2005 and headed by Professor Bill Randolph, CFRC is Australia's leading urban policy research centre. Spanning the interrelated areas of metropolitan planning, housing, urban analytics and liveability, our work aims to advance understanding of how Australia's cities both shape and are shaped by social, environmental and economic change. The Centre's pre-eminent position in the Australian urban research field was officially reconfirmed in the 2018 national university research assessment exercise, the ERA. Together with Faculty colleagues, CFRC was once again rated as Level 5 – well above world standard – in the urban and regional planning field.

Reflecting the Centre's acknowledged urban policy expertise, staff members are often consulted by policymakers, by private developers and by not-for-profit organisations in Sydney, elsewhere in Australia, and internationally. Our work is also regularly cited in local and national media.

CFRC works closely with several other UNSW research groups as well as with other universities in Australia and leading international research centres in Asia and Europe. The applied focus of our research also involves strong partnerships with local, state and federal government agencies as well as industry stakeholders and community groups.

The Centre's interest in homelessness connects with our prime focus on housing affordability, affordable housing, and housing systems. Our expertise in this area is reflected by our ongoing involvement in the long-established UK Homelessness Monitor series[1], by our report: Australian Homelessness Monitor 2018[2], and by our contributions to other related research outputs.

[1] Established in 2010, and led from Heriot-Watt University, the UK Homelessness Monitor project has so far generated 17 national reports on England and each of the other UK jurisdictions - https://www.crisis.org.uk/ending-homelessness/homelessness-knowledge-hub/homelessness-monitor/ The series is funded by Crisis UK and the Joseph Rowntree Foundation.

[2] Pawson, H., Parsell, C., Saunders, P., Hill, P. & Liu, E. (2018) *Australian Homelessness Monitor 2018*; Melbourne: Launch Housing https://www.launchhousing.org.au/australianhomelessnessmonitor/

1. Introduction

Setting the homelessness problem in context

Homelessness is a social problem that is rightly a significant concern for Australian governments at both Commonwealth and state/territory level. It hardly needs saying that a safe and secure home is fundamental to individual wellbeing, as well as foundational for an individual's contribution to national economic activity. Even if short-lived, the experience of homelessness will be scarring for many of those affected. Long-term homelessness will likely result in permanent damage to mental and physical health, let alone to a person's employability.

However, continuing legitimate debates on exactly how homelessness should be defined only go to emphasise the reality that this is an issue that cannot be properly seen in isolation from the broader issues of housing stress and unmet housing need. This observation is especially valid when it comes to rough sleeping. Rightly, of course, rough sleeping is widely considered a high priority concern in itself. More importantly, though, it needs to be recognised as constituting a visible symptom of a much larger and more fundamental body of problems. Rough sleeping (especially in terms of the numbers who can be counted on any given night) is only the tip of a much larger homelessness iceberg. And wider homelessness (for example, as enumerated in the census) is only the tip of a still far larger iceberg of serious housing need. For example, some 1.3 million Australians in low income households are faced with 'unaffordable' housing costs – that is, where paying the rent leaves insufficient income to meet food, clothing and other basic living costs[3].

Much can, and of course should, be done to alleviate rough sleeping and other forms of homelessness, directly. However, while rough sleeping may be 'solved' by the administrative action of clearing people off the streets, such action can in no way be claimed as the resolution of homelessness. Achieving real progress in this field demands action to reduce the large and growing 'housed population' cohort whose marginal housing situation places them at a relatively high risk of actual home loss. An official strategy to tackle homelessness must tackle the causes as well as the symptoms of the problem.

Evidence on intensifying housing stress

Setting aside debates on the adequacy of Australia's social security programs, there is a battery of evidence demonstrating significantly intensifying stress affecting lower income renters and/or the lower end of Australia's rental housing market. These are trends that we believe likely to provide the main explanation for the rising rates of homelessness officially recognised as such in this country (see Section 2). For example, ABS survey data shows that households in the lowest quintile of Australia's income distribution have seen typical housing costs rising from 23% of typical incomes to 28% over the past decade (while the equivalent figure for highest income quintile households has remained virtually static at 10%)[4]. At the same time, Productivity Commission analysis shows that the percentage of low income tenants in rental stress rose from 48% in 1995 to 54% in 2018[5].

[3] See p68 in: Pawson, H., Milligan, V. & Yates, J. (2020) Housing Policy in Australia: A case for system reform; Singapore: Palgrave Macmillan

[4] See Table 1.2 in: ABS (2017) *Housing Occupancy and Costs*, Cat 4130.0. Canberra, ABS https://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/4130.02017-18?OpenDocument

[5] Productivity Commission (2019) *Vulnerable Private Renters: Evidence and Options*; Canberra: Australian Government https://www.pc.gov.au/research/completed/renters

In the decade to 2016, meanwhile, ongoing restructuring of Australia's private rental housing market has seen a deepening national deficit in the number of private rental dwellings affordable and available to lowest income quintile renters – the shortfall grew by 45% to 305,000 over this period[6].

All of the above trends have been taking place against an ongoing reality that Australia's stock of social housing has remained virtually static in nominal terms for almost 25 years – a period when population (and therefore need) has continued to increase. The number of social rental units has therefore fallen from 6.2 per 100 dwellings in 1991 to 4.2 in 2018[7]. Consequently, over the past quarter century, what was already an internationally modest level of provision has effectively contracted by one third. However, because of the greatly reduced flow of newly-built properties and declining mobility involving existing tenants, the effective contraction in social housing supply is even more marked. Taking into account both public housing and community housing, the gross number of social rental lettings dropped from 52,000 in 1997 to 35,000 in 2017 – an absolute decline of a third[8]. Pro rata to population, this represents an effective reduction in social housing supply of some 50%.

2. The incidence of homelessness

Defining and counting homelessness

Homelessness is a growing problem in Australia. Referencing the most widely accepted benchmark – statistics generated by the five-yearly ABS census – the numbers affected rose by 30% in the decade to 2016. On this basis, homeless people increased from 89,728 to 116,427 during the period. Because this increase was substantially larger than general population growth over the period, the rate of homelessness per 10,000 population increased from 45 to 50[9]. This means that, on ABS definitions, one in every 200 Australians was homeless on census night 2016.

As it is often understood by policymakers and media commentators, homelessness is often conceptualised as being restricted to rough sleeping, as conventionally measured by a point-in-time count. On census night 2016 rough sleepers (in ABS terminology, those 'living in improvised dwellings, tents, or sleeping out') were enumerated as totalling 8,200 across Australia (or 7% of all homeless people under the ABS definition).

In terms of this narrow view of homelessness the census intrinsically understates the scale of the issue. Most obviously, there is the practical reality that a street count methodology can never fully enumerate this target group[10]. Beyond this, it is a critically important fact that the cohort sleeping

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[6] Hulse, K. et al. (2019) *The supply of affordable private rental housing in Australian cities: short-term and longer-term changes* https://www.ahuri.edu.au/__data/assets/pdf_file/0024/53619/AHURI-Final-Report-323-The-supply-of-affordable-private-rental-housing-in-Australian-cities-short-term-and-longer-term-changes.pdf

[7] Pawson, H., Milligan, V. & Yates, J. (2020) Housing Policy in Australia: A case for system reform; Singapore: Palgrave Macmillan

[8] Pawson, H., Milligan, V. & Yates, J. (2020) Housing Policy in Australia: A case for system reform; Singapore: Palgrave Macmillan

[9] ABS (2018) *Census of Population and Housing: Estimating homelessness*, 2016; ABS Catalogue No. 2049.0. It should be noted that the ABS approach enumerates homelessness entirely according to objective living circumstances on census night, and not in relation to any individual's self-perception as being in this situation.

[10] For example, estimates based on population survey data suggest that typical point-in-time rough sleeping numbers across England in 2017 exceeded 10,000, while the official national estimate (based on local authority counts and estimates) was some 4,700 – Fitzpatrick, S., Pawson, H., Bramley, G., Wood, J., Watts, B., Stephens, M. & Blenkinsopp, J. (2019) Homelessness Monitor England 2019; London: CRISIS https://www.crisis.org.uk/ending-homelessness/homelessness-knowledge-hub/homelessness-monitor/england/the-homelessness-monitor-england-2019/

rough on any given night is not a fixed group of people. Rather, it is a shifting population that will include a proportion of long-term chronic rough sleepers, alongside others lacking settled housing and therefore liable to cycle in and out of actual rooflessness. Point-in-time enumeration therefore understates the numbers experiencing this form of extreme deprivation over any time period[11].

Beyond this, it is internationally widely accepted that homelessness cannot be sensibly equated with rough sleeping alone, and that – as a manifestation of extreme housing need – it must be more broadly defined to include – at the very least – those living in shelters, hostels and other temporary housing situations (e.g. sofa surfing)[12]. Debates around the treatment of severe overcrowding as a component of homelessness as officially defined in Australia are covered later in this submission.

Calibrating homelessness via administrative data

An alternative approach to homelessness enumeration is to focus on the number of people threatened by – or experiencing – homelessness, and seeking help with housing on this basis. Such numbers are routinely collated and annually published by the Australian Institute for Health and Welfare (AIHW). Applications for assistance from homelessness services agencies grew from 236,000 in 2011-12 to 288,000 in 2016-17 (a 22% increase in the five-year period).

Nevertheless, cross-referencing Australian statistics of this type with population-wide survey data, it appears that may omit around 60% of homeless people who do not seek help[13]. As indicated by this observation, there is a need for caution in the use of such administrative data to measure the scale and changing quantum of housing need in this form. For example, an awareness that the capacity of advice and assistance services is increasingly stretched will likely discourage people with housing problems from approaching them. At the same time, however, administratively-generated data of this type hold great policy-informing potential in terms of their capacity to yield information about the circumstances that prompted an advice/service request, and regarding their regularly updatable nature.

Despite all of the above limitations in our ability to clearly define and quantify the problem, it is clear enough that homelessness is a situation that affects a large and growing number of Australians.

3. Factors affecting the incidence of homelessness, including housing-market factors

Homelessness causes

An individual's risk of becoming homeless can be greatly exacerbated by personal vulnerabilities such as alcohol or substance abuse, by mental ill health or disability. However, it is also important to emphasize that risk of homelessness is strongly related to income and wealth (or the lack thereof). It

[11] In the UK, for example, estimates based on a recent BBC survey of local authorities (https://www.bbc.com/news/uk-england-51398425) suggest that more than 28,000 people slept rough in England at least once during the latest year on record whereas the official UK Government point-in-time measure for Autumn 2019 was 4,266 (https://www.gov.uk/government/statistics/rough-sleeping-snapshot-in-england-autumn-2019) – less than one sixth of those sleeping rough at least once across a year according to the BBC evidence.

[12] For example, one group of internationally renowned academic experts argues the case for homelessness to be framed as a condition affecting all those 'lacking access to minimally adequate housing' – see: Busch-Geertsema, V., Culhane, D. & Fitzpatrick, S. (2016) Developing a global framework for conceptualising and measuring homelessness; Habitat International Vol 55 (July) pp 124-132

[13] ABS (2011) *General Social Survey: Summary Results*; Canberra, Australian Bureau of Statistics, Cat. No. 4159.0.

is true that some of the life events that may have the potential to precipitate homelessness (e.g. onset of serious illness, relationship breakdown) can affect anyone – rich or poor. At the same time, the likelihood that such an event will result in homelessness is much greater for people already subject to poverty or deprivation[14]. The phrase 'we are all two paychecks from homelessness' is somewhat misleading in this sense. The corollary of this is that all societies experiencing growing economic inequality – Australia being clearly a case in point, at least where wealth is concerned[15] – are at higher risk of likewise experiencing rising homelessness.

Drivers of aggregate change in homelessness incidence

More broadly, aggregate changes in the incidence of homelessness tend to be strongly affected by policy, economic and housing market factors. Commenting on the recently enumerated increase in homelessness in this country, our Australian Homelessness Monitor report (2018)[16] noted:

> We can identify a range of recent social and economic developments that might be expected to place upward pressure on homelessness. Most importantly, these include:
>
> - Growing income stress for many benefit-reliant households due to social security administrative practice – principally in terms of shifting claimants onto more lower value and more conditional forms of payment, and the increased 'sanctioning' of claims.
> - Rising rates of institutional discharge from prisons and out-of-home care as well as an apparently increasing incidence of domestic violence
>
> Such changes are critical in the context of a housing market that lacks an adequate supply of social and affordable rental housing. This is evident from the geographical pattern of recent homelessness change ... Generally speaking, increases have been much more rapid in capital cities, with much lower growth rates – or even reductions – in some non-metropolitan contexts. Within this, [recent] homelessness increases have tended to be higher in the large Eastern states where economies and housing markets have been relatively strong over the past few years, and lower in South Australia, Tasmania and Western Australia where these factors have been less applicable.

Indigenous homelessness

Indigenous Australians are the population group by far the most affected by homelessness. Aboriginal and Torres Strait Islander people are ten times as likely to be homeless as the Australian norm. However, while 2016 Census figures suggest that the rate of Indigenous homelessness declined over the preceding five years, this is markedly at variance with the trend indicated by AIHW homelessness service user statistics[17]. Indeed, this latter series not only recorded an increase in Indigenous service user caseloads over the five years to 2016-17, but *an increase disproportionate to that of the non-Indigenous cohort*. Whereas the former grew in number by 39%, the latter expanded

[14] Bramley, G. & Fitzpatrick, S. (2018) Homelessness in the UK: who is most at risk?, *Housing Studies*, 33 (1) pp96-116

[15] Sheil, C. & Stilwell, F. (2019) The continuing redistribution of Australia's wealth, upwards; *Evatt Journal*, Vol.18, (2) https://evatt.org.au/papers/continuing-redistribution-australias-wealth-upwards.html

[16] Pawson, H., Parsell, C., Saunders, P., Hill, P. & Liu, E. (2018) *Australian Homelessness Monitor 2018*; Melbourne: Launch Housing https://www.launchhousing.org.au/australianhomelessnessmonitor/

[17] Admittedly, the definitions of 'homelessness' used by the ABS and the AIHW differ somewhat (see main text), but that seems unlikely to fully account for the difference observed here.

by only 17% over this period. Possible reasons for this inconsistency are discussed in Section 5.4.4 of our Australian Homelessness Monitor 2018 report[18].

4. The causes of, and contributing factors to, housing overcrowding

The rising incidence of overcrowding

The rising incidence of serious overcrowding revealed by the 2016 census was an important contributory factor in the overall expansion of ABS-defined homelessness 2011-2016. However, the 23% increase in such overcrowding recorded during this period was not a new development; rather, it continued the 2006-2011 trend.

Moreover, as emphasized in our Australian Homelessness Monitor 2018 report[19], this is only an element of such stress affecting the lower end of the rental housing market. While falling just below the level of overcrowding classed by ABS as equating to 'homelessness', the population living in 'other crowded dwellings' (available bedrooms in dwelling three less than required)[20] expanded by 33% in the period 2011-2016, and over the decade 2006-2016 by 88%.

Separately from the census, it has been reported that Sydney's local councils have been facing a growing tide of complaints about 'illegal dwellings' (some of which relate, specifically, to overcrowding)[21].

In commenting on these trends, the ABS noted that most of the 2011-2016 increase in serious overcrowding was attributable to a doubling in the number of persons born overseas living in this situation[22]. Thus, of the 51,000 persons experiencing severe overcrowding in 2016 just over a quarter (26%) were people who had arrived in Australia since 2011. However, while it seems likely that these will have included an appreciable number of overseas students, that doesn't diminish the significance of the problem in terms of the deprivation being experienced, nor the housing market pressures that contribute to this situation.

Reflecting official concerns about rising rates of serious overcrowding[23], the NSW Government indicated an intention to commission research on the issue in 2018 (NSW Government, personal communication). Whether such a study was in fact undertaken is unknown. In any event, no such research is yet published. Our limited understanding of the 'serious overcrowding' phenomenon in Australia is problematic, as further discussed in Section 7 of this submission.

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[18] Pawson, H., Parsell, C., Saunders, P., Hill, P. & Liu, E. (2018) *Australian Homelessness Monitor 2018*; Melbourne: Launch Housing https://www.launchhousing.org.au/australianhomelessnessmonitor/

[19] Pawson, H., Parsell, C., Saunders, P., Hill, P. & Liu, E. (2018) *Australian Homelessness Monitor 2018*; Melbourne: Launch Housing https://www.launchhousing.org.au/australianhomelessnessmonitor/

[20] It must be emphasized that even 'other crowding' as defined here represents what – for most Australians – would be considered extreme deprivation of personal residential space.

[21] Burke, K. (2019) Overcrowded, illegal housing on the rise in Sydney due to poor affordability, report finds; *Domain*; 29 April https://www.domain.com.au/news/informal-housing-complaints-on-the-rise-due-to-poor-housing-affordability-831320/

[22] ABS (2018) *Census of Population and Housing: Estimating homelessness*, 2016; ABS Catalogue No. 2049.0

[23] NSW Government (2018) *Crowded house: Government and experts tackle new face of homelessness*; Family and Community Services Media Release; 19 September https://www.facs.nsw.gov.au/about/media/releases/archive/crowded-house-government-and-experts-tackle-new-face-of-homelessness

5. Opportunities for early intervention and prevention of homelessness

As noted below (see Section 7), there is a need to enhance routinely collected data on homelessness. Logically, this would facilitate evidence-led targeting of homelessness prevention resources. Even the imperfect service user data currently collated could be more usefully deployed to this end.

In any event, however, it would seem that one obvious area for government attention involves those at risk of becoming homeless following discharge from state-provided or regulated institutions. For example, over 15,000 of those assisted by homelessness service provider organisations in 2016-17 were recorded as having exited care or custody[24]. Either through their ability to exercise direct control (e.g. as in the case of prisons and the armed forces) or through regulatory powers (e.g. in relation to young people exiting foster care), governments need to review whether they are doing enough to place firm obligations on such institutions to assist in securing move-on accommodation.

Similarly, although responsible for only a relatively small proportion of Australia's housing stock, social landlords (primarily public housing agencies and community housing providers) could be placed under stronger regulatory obligation to maximise tenancy sustainment and to minimise property repossessions where breach of tenancy contract has occurred (usually involving unpaid rent arrears).

6. Best-practice approaches in Australia and internationally for preventing and addressing homelessness

There is an overarching need for a prevention-focused national homelessness strategy akin to that the Rudd Government's 2008 Road Home. This could provide the framework vitally needed to drive progress in this space. Crucially, two headline targets were adopted by the Commonwealth Government's 2008 strategy: to halve overall homelessness by 2020, and to offer supported accommodation to all rough sleepers who need it by 2020[25]. Although subsequently abandoned in 2013, these pledges were widely applauded at the time not only for their ambition, but also for the acknowledgment of associated commitments that this would require a massive investment in new affordable housing stock[26].

The 'interventionist' strategy of active homelessness prevention instituted in England by the UK Government during the 2000s[27] – and sustained over more than a decade – also provides a notable template for the way that Australia could 'tool up' its approach to tackling the homelessness problem in this country.

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[24] Pawson, H., Parsell, C., Saunders, P., Hill, P. & Liu, E. (2018) *Australian Homelessness Monitor 2018*; Melbourne: Launch Housing https://www.launchhousing.org.au/australianhomelessnessmonitor/

[25] Australian Government (2008) *The Road Home – A National Approach to Reducing Homelessness*; Canberra: Commonwealth of Australia

[26] Parsell, C. & Jones, A. (2014) Bold reform or policy overreach? Australia's attack on homelessness. *International Journal of Housing Policy;* Vol 14(4): 427-443

[27] Pawson, H., Netto, G. & Jones, C. (2006) *Homelessness Prevention: A Guide to Good Practice*; London: Department for Communities & Local Government https://www.homelesshub.ca/resource/homelessness-prevention-guide-good-practice

Within the more specific rough sleeping context, the operationalisation of Housing First approaches in Finland has been widely lauded; similarly, in Denmark and Norway[28]. As an approach to resolving homelessness as it affects longer term rough sleepers, the essence of HF is provision of permanent independent housing accompanied by non-compulsory support, but without conditions on sobriety or psychiatric treatment. Articulating high level HF principles, a recent international review[29] of effective rough sleeping responses highlighted the following recommended approaches:

- Housing-led solutions
- Person-centred support, including choice for the individual
- Assertive outreach leading to a suitable accommodation offer
- Services that specifically focus on addressing wider support needs.

In the Australian context, however, as well as probably contributing to the *rising incidence* of homelessness, the serious and intensifying shortage of affordable rental housing affecting much of the country (see above) is compromising the potential efficacy of the Housing First model as a means of *responding* to the problem. Thus, a recent review of HF projects in Australia concluded that: '…in all the programmes examined, the aim of providing immediate housing was undermined by lack of quick access to affordable housing, with some unable to access even temporary accommodation'[30]. This observation only goes to underline the overarching conclusion of this submission as outlined in Section 9.

7. The adequacy of the collection and publication of housing, homelessness, and housing affordability related data

Debate on 'severe crowding' as manifestation of homelessness

The ABS inclusion of people subject to 'severe crowding' within its definition of homelessness has been a focus for debate. This relates to residents of dwellings where four or more extra bedrooms would be needed to adequately accommodate the household. Residents enduring such conditions will be, in anyone's book, experiencing quality of life extremely degraded by absence of adequate housing. Nevertheless, there are legitimate questions about the logic of including overcrowding (even at these levels) as a manifestation of 'homelessness'.

While in no way downplaying the seriousness of severe crowding as a form of extreme deprivation, Prof Chris Chamberlain, one of Australia's top homelessness experts (and a foremost advocate for homeless people), argues that this is questionable[31]. The case here is that, for those in the census-identified 'severely crowded' cohort, the accommodation concerned is generally considered 'permanent housing', not a temporary bedspace – which could be reasonably classed as part of the homelessness circuit. Removal of severe crowding from the homelessness definition as applied in recent census counts would have generated a 2011-2016 homelessness increase of 7% rather than the 14% as officially published. The 10 year increase would have been 12% rather than 30%.

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[28] Chambers, D. et al. (2018) *A systematic review of the evidence on housing interventions for 'housing vulnerable' adults and its relationship to wellbeing*. What Works Centre for Wellbeing, University of Sheffield, Sheffield
Pleace, N. (2018) Housing first overseas Parity, Vol. 31 (10) pp36-37

[29] Mackie, P., Johnsen, S. & Wood, J. (2019) Ending Street Homelessness: What Works and Why We Don't Do It; *European Journal of Homelessness* Vol 13(1) pp85-96.

[30] Bullen, J. & Baldry, E. (2019) 'I waited 12 months': how does a lack of access to housing undermine Housing First?, *International Journal of Housing Policy*, Vol 19(1) pp120-130

[31] Chamberlain, C. (2019) Two views about overcrowding; *Parity* Vol 32 (5) July

According to the above argument, the ABS inclusion of severely crowded households within the 'homeless' population might undermine the credibility of the overall official homelessness total, of which it is part. At the same time, Chamberlain argues that in contravention of its own (widely drawn) homelessness definition, the ABS did not collect sufficient information in the 2016 census to enumerate people living in physically inadequate dwellings, nor to identify renters lacking security of tenure, nor those experiencing domestic violence[32].

Resolving whether severely crowded households should be properly counted as 'homeless' is difficult because we have so little knowledge of the circumstances of those involved. In the absence of such information, it is hard to know how people in these conditions experience serious overcrowding, and the extent to which they see themselves as adequately or permanently housed.

All of this is part of a broader debate on whether the official definition of homelessness should be limited to (a) those sleeping rough or in non-conventional accommodation, and (b) people living in temporary accommodation for lack of other options. This latter formulation is the basis for the narrower definition of homelessness as utilised by AIHW[33].

Homelessness data analysis to inform a homelessness prevention strategy

In maximising the effective targeting of homelessness prevention efforts, there needs to be a stronger analytical focus on the proximate causes of home loss. Given its fundamental role as a simple enumeration device, the census cannot help us here. Since the key challenge is to stem the flow of newly homeless people, the cohort on which to concentrate is not so much those homeless at a point in time, but those who are newly experiencing the problem. Therefore, the most important data source here is not the census, but the AIHW system that records requests for assistance logged by homelessness service providers.

However, although data collected through this system includes an applicant's stated reason(s) for seeking assistance, the classification of responses could be enhanced – in particular in relation to the apparently somewhat rubbery category 'housing crisis'. Analysed in terms of service users' main reason for seeking assistance, this accounted for 24% of all applications in 2016-17. Moreover, it was by some margin the fastest growing 'main reason' for applications in the preceding three years (up by 32%).

Other possible enhancements to the system that should be considered within this context include:

- Unique identification of homelessness service users to facilitate elimination of within-period double counting
- Addition of a geographic indicator enabling spatial analysis of expressed demand for homelessness services at within state/territory level.

8. Governance and funding arrangements on housing and homelessness

Provision for Commonwealth Government support for the cost of state/territory homelessness services is nowadays incorporated within the periodically updated National Housing and Homelessness Agreement (NHHA). In 2018-19 this amounted to $117million[34]. The justification for

[32] Chamberlain, C. (2019) Two views about overcrowding; *Parity* Vol 32 (5) July
[33] Chamberlain, C. (2019) Two views about overcrowding; *Parity* Vol 32 (5) July
[34] Australian Government (2018) National Housing and Homelessness Agreement http://federalfinancialrelations.gov.au/content/npa/other/other/NHHA_Final.pdf

such a funding agreement rests partly on the high degree of vertical fiscal imbalance in Australia, i.e. the limited tax raising powers/capacities of state/territory governments in relation to the size of the budget outlays required to meet their service delivery responsibilities.

However, NHHA homelessness-designated funding underwrites only a small (and diminishing) proportion of state/territory homelessness services expenditure. Having risen by 27% in real terms in only four years, such outlays are set to top $1billion in 2019-20[35]. Notably, the average annual real terms increase in state/territory spending has been running at 7% while the Commonwealth's pledged NHHA contributions going forward increase by only the predicted rate of inflation – i.e. zero in real terms. Especially since aspects of homelessness services could be classed as amounting to 'social security' (constitutionally, a Commonwealth responsibility), this seems highly problematic.

9. Conclusion

As we see it, the overarching conclusion of our Australian Homelessness Monitor 2018 report remains just as relevant today as when published two years ago[36]:

> Looking to the future, the numbers subject to housing insecurity seem highly likely to be pushed higher by the ongoing restructuring of private rental housing markets whereby low rent provision continues to contract. For any realistic prospect of progress, the Australian Government needs to:
>
> - re-confirm recognition of homelessness as a social ill that cannot be ignored
> - re-engage with the problem through a coherent strategic vision to reduce the scale of homelessness by a measurable amount within a defined period
> - re-commit to government support sufficient to ensure that provision of social and affordable housing at the very least keeps pace with growing need

More broadly, as we argue in our recently-published book[37], there is a pressing case for a Commonwealth-led review of Australia's housing system, along the lines of the Henry Tax Review. This would provide the basis for the long-term national housing strategy that is long overdue, a strategy that could offer a real chance of dampening some of the most important pressures that contribute to the scale of homelessness experienced in contemporary Australia.

[35] Table A19.1 in: Steering Committee for the Review of Government Service Provision (2020) Report on Government Services 2020: Part G Housing and Homelessness https://www.pc.gov.au/research/ongoing/report-on-government-services/2020/housing-and-homelessness/homelessness-services/rogs-2020-partg-section19-data-tables.xlsx

[36] Pawson, H., Parsell, C., Saunders, P., Hill, P. & Liu, E. (2018) *Australian Homelessness Monitor 2018*; Melbourne: Launch Housing https://www.launchhousing.org.au/australianhomelessnessmonitor/

[37] Pawson, H., Milligan, V. & Yates, J. (2020) Housing Policy in Australia: A case for system reform; Singapore: Palgrave Macmillan