



FAST FACTS

Poverty & Housing



anti-poverty week

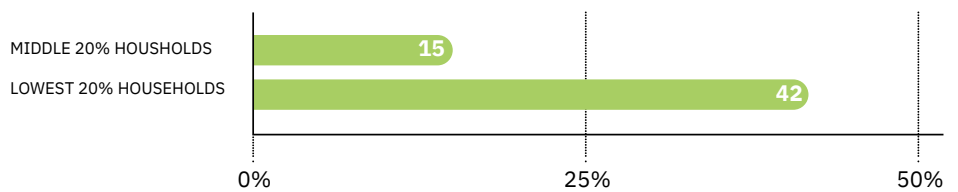
act on poverty

Poverty puts pressure on people – it’s constant and strong. If the pressure builds up, people can be pushed into homelessness. We can relieve the pressure on people’s lives by creating affordable housing and helping people get decent jobs. We can also help people withstand this pressure by strengthening our social welfare system and ensuring all payments stay above the poverty line. We can end homelessness and increase housing affordability. Investing in social housing is both the right and smart thing to do.

How are housing and poverty linked?

In Australia, increasing housing costs played a major role in keeping the overall poverty rate at around 12-13% from 2009 to 2017, when it would have otherwise declined. (1)

Percentage increase in Average Housing Costs 2005-2017

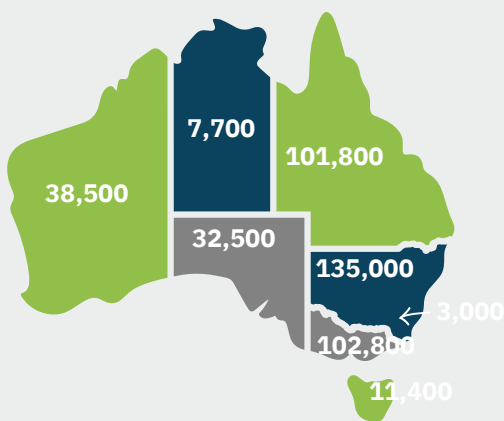


Relying on income support and renting in the private market increases the risk of poverty. For example, in 2017-18, the poverty rate for people aged over 65 years who owned or were purchasing their home was 10%. However, it was more than 4 times that - 41% - for those renting privately. (2)

How many people are homeless or waiting for social housing?

At least 116,000 Australians are homeless on any given night and **190,000 households are on waiting lists for social housing.** There is a national shortage of 433,000 homes for people in the lowest 20% of household incomes who are either homeless or in rental stress and at high risk of becoming homeless. (3)

Social Housing Unit Shortfall
2016 Australian Bureau of Statistics Data



432,700 TOTAL

See also these [heat maps](#) of homelessness and social housing need by Federal Electorate. (4)

“The pandemic has shown how vulnerable people are when they don’t have a home, and how urgently we need more social housing so that every Australian can have a safe place to live.”

– Chair of Homelessness Australia,
Jenny Smith



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Before the pandemic, homelessness was already too high

In 2016 there were more than 116,000 people who did not have a place to call home, a 14% increase from 2011. Two out of 5 people facing homelessness were young people under the age of 25.

Domestic violence is also a major reason people become homeless. Data from the AIHW 2019-20 Specialist Homelessness Services Annual Report, shows that for women, domestic violence is the largest single reason for accessing emergency accommodation. (5)

Drivers of homelessness include high rents, unemployment, low income security payments, increasing domestic violence and a lack of social housing.

Equity Economics published **Nowhere to Go** in July 2021. Commissioned by the Everybody's Home campaign, the report estimated that a lack of social housing is leading to 7,690 women a year returning to violent partners and 9,120 women a year becoming homeless. It found that if the Commonwealth Government invested in 16,800 additional social housing units the \$7.6 billion cost would be dwarfed by immediate economic benefits of \$15.3 billion and the creation of 47,000 new jobs. (6)

“Home ownership rates have collapsed, the share of renters in housing stress is increasing and social housing waiting lists are out of control.”

Martin Sharp, Compass Housing.

Not everybody who is homeless sleeps on the street

While some people end up rough sleeping, many others are couch surfing, living in their car, or are living in other forms of unsafe and unstable accommodation.

When Ashlie lost her full-time job in her late 50s, she quickly found that the low rate of income support did not allow her to live decently. ***“I had to go without at least seven meals in order to afford a haircut. Seeing a medical specialist was now out of the question, let alone a dentist. I had a couple of friends who provided me with some food so I could pay my rent.”*** In April 2020, Ashlie was unable to afford a private rental, and she became homeless. Since then, Ashlie has transitioned between emergency accommodation and staying with friends for short periods of time.

The 2020 response to COVID-19 was a huge relief but it's now gone

Many people already in poverty and reliant on income support lost casual and part-time work. The Coronavirus Supplement (CVS) of \$550 a fortnight added to multiple payments in 2020, including JobSeeker Payment, helped many low-income people pay rent and, in some cases, get the bond together to get into secure accommodation (including those needing to leave domestic violence).

“I’ve been able to buy real ingredients and make proper meals for the kids. My rent is no longer 60% of my total income, and I can buy household items I’ve been needing for years and musical instruments to enrich the children’s lives.”(7)

Case workers at Mission Australia’s NSW Ebbs House completed at least three reference checks in the first month that the payment was paid, meaning these formerly homeless clients had the bond to apply for rental properties. (8)



What's the future for social housing looking like?

Australia faces a social housing timebomb, with a looming shortfall of almost 200,000 homes by 2031 unless the Federal Government begins investing now. A report released in August 2021 by Compass Housing Services finds state governments have limited capacity to house the people on their respective waiting lists and no capacity to cater for future demand. (9)

“The federal-state blame game is arid and gets us nowhere. A ballooning number of Australians on low and middle incomes simply cannot compete for housing in the booming private sales and rental market. We need a breakthrough in co-operation quickly, otherwise Australia will confront a social catastrophe. State governments simply do not have the fiscal firepower to build enough social housing. Unless the Federal Government steps up, homelessness services and other health and welfare services will be overwhelmed.”

Everybody's Home national spokesperson, Kate Colvin (10)

What's the most effective way to reduce homelessness?

Social housing investment is the most effective way to reduce homelessness, due to its affordable rents, security of tenure, and other supports that are not available to people in the private rental market. Financially vulnerable people in social housing are less than half as likely to become homeless as a similar group renting privately. Over 1/3 of new tenants in social housing were previously homeless. (11)

Some 7,000 people were taken off the streets during the start of the COVID-19 pandemic. Steven Coard was one of them. At nearly 50, he's been sleeping rough for most of his adult life. *“What an amazing transformation – from being at rock bottom, to back on the social ladder,”* he said. *“I thought we were going to be left out here to deal with it ourselves. “All of a sudden, we're all being housed. It's a very mind-blowing experience.”* (12)

“It's the right thing to do. It's cheaper to get people a home. It'll save money on police call-outs, and treating people on emergency wards. Homeless is not an identity. It's an experience.

And if we can make it a short experience, and one that doesn't reoccur, we can reduce the human toll and of course, the cost to the taxpayer.” (13)

– Launch Housing CEO Bevan Warner.

How do we reduce housing poverty?



Build more social housing

The Community Housing Industry Association, Homelessness Australia, National Shelter, and the national housing campaign, Everybody's Home, have called for a Social Housing Acceleration and Renovation Program (SHARP). (14) This would enable the delivery of at least **30,000 additional social housing units and the renovation many thousands more existing properties to high environmental standards.** SHARP proposes social housing maintenance and upgrading; acquisition of sites and properties requiring renovation/completion which are suitable for social housing; shovel ready development projects and longer term new development projects. They say **3/4 of the 30,000 new homes could be completed within 3 years.** More 6,000 new homes could begin construction within the next 6 months if they are supported by Federal Government investment. (15)



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Anglicare Australia's 2021 Rental Affordability Snapshot found out of 74,000 properties surveyed:

- 44 rentals were affordable for a single parent with 1 child over 8 years receiving JobSeeker Payment;
- 3 rentals, including share houses, were affordable for a person receiving JobSeeker Payment; and
- 0 rentals, including share houses, were affordable for a person receiving Youth Allowance. (16)

They found that “after a year of volatility and shock, Australians are facing a rental market that has never been less affordable.”



Supporting renters is also important

Commonwealth Rent Assistance (CRA) helps people who are renting and rely on the income support system, including low income families. Before the COVID-19 pandemic, 2 in 5 of the 1.3 million Australian households renting privately and receiving CRA lived in chronic housing stress (paying more than 30% of their total income in rent). (17)

A 2019 Productivity Commission Report found that over the past 20 years rents have been rising faster than the consumer price index, the rate at which CRA is indexed. CRA has not been increased in real terms since 2000. As a result, between 2001 and 2018, the average share of rents covered by CRA fell from 28% to 24%. (18)

Single people relying on JobSeeker Payment were paying \$200 per week rent in June 2021 and only receiving ~\$70 per week in CRA (median figures) – that is a \$130 a week gap. For a single parent with two children, the median rent paid in June 2021 was \$310 per week, the median CRA received was ~\$74 per week – a gap of \$236 per week. (19)

Commonwealth Rent Assistance is too low

State/Territory	Households receiving Commonwealth Rent Assistance, June 2021
NSW	477,134
VIC	332,920
QLD	382,478
WA	131,075
SA	108,950
TAS	37,904
ACT	12,139
NT	8,434
Total	1,491,034

Even the Government's own Treasury concluded in 2020: “**The maximum value of Commonwealth Rent Assistance has not kept pace with market rents, especially for low-income renters.**” (20)

There were nearly 1.5 million households receiving inadequate Commonwealth Rent Assistance (CRA) in June 2021. Anti-Poverty Week supports the call from ACOSS and Everybody's Home for an immediate 50% increase in CRA to alleviate poverty and risks of homelessness.

Source: [DSS Demographic Data](#), June 2021

Why are so many low-income people renting in the private market?

More than 2.65 million people, or over 1 million households, rented in the private market in 2018. A rise in housing prices alongside the decline in social housing has led to a large increase in low-income people renting in the private market. (21)

Find out more at www.antipovertyweek.org.au

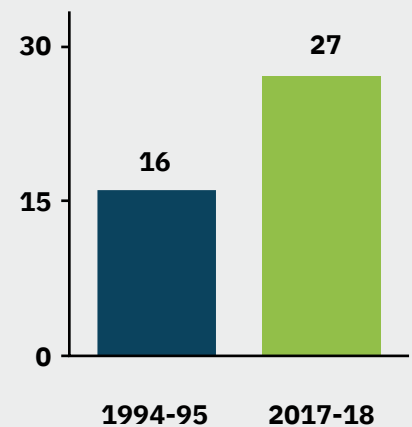
How would building more social housing help our economy?

The federal government could save almost 20,000 jobs a year if it builds more social housing. Constructing 30,000 social and affordable homes over the next 3 years would generate a steady pipeline of jobs for tradies that would otherwise run out of work. There would also be extra work for scaffolders, planners and surveyors. This large ‘economic multiplier effect’ explains why committing to a pipeline of 30,000 social homes over the next four years would save between 15,540 and 18,050 jobs a year, according to SGS Economics and Planning. (22)

In response to the GFC, the Rudd-Gillard Government introduced a Social Housing Initiative which provided direct funding for the construction of new dwellings, which saw 19,700 new dwellings built and led to the creation of around 9,000 full-time jobs in the construction industry. It also included repairs and refurbishment for up to 60,000 existing social housing dwellings. (23)

Independent analysis by KPMG found that for every \$1 invested, \$1.3 went into the economy. (24) This does not include the savings from crisis accommodation, health and other costs associated with homelessness and housing poverty.

Percentage of low-income Australians renting in private market 1994-95 and 2017-18



Source: [Vulnerable Private Renters: Evidence and Options](#)

“The ideal economic recovery options are those that boost jobs now while delivering long-term payoffs. Upgrading low income housing meets that test, with immediate activity in construction, building materials, appliance supply and trades; and decades of better lives, lower bills and a stronger energy system.”
- Australian Industry Group Chief Executive Innes Willox (25)

What you can do to help

Anti-Poverty Week is partnering with the **Everybody’s Home** campaign to help ensure all Australians have a safe, secure and affordable home. See **Everybody’s Home** for more information and to find out how you can get involved.

Produced by Anti-Poverty Week as part of its **Fast Facts** series. Data correct as of 5 October 2021.

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