



# National Housing and Homelessness Plan – Issues Paper – Summary

We acknowledge and pay respects to all Aboriginal and Torres Strait Islander peoples across Australia, who are the Traditional Owners and Custodians of the land and waters and of the oldest continuous living culture on Earth. We pay respects to Elders past and present.

## 1. Purpose

This is a summary version of the Issues Paper. You can find the full version of the Issues Paper on our website:

[engage.dss.gov.au/developing-the-national-housing-and-homelessness-plan](https://engage.dss.gov.au/developing-the-national-housing-and-homelessness-plan)

### 1.1 Introduction

The housing and homelessness sectors face a number of issues which impact on affordability, availability and access to housing in Australia. All levels of government need to work with the private and community sectors to fix these issues, with actions needed over the short, medium and long term.

The Australian Government is developing a National Housing and Homelessness Plan (the Plan). It is doing this with state and territory governments to help more Australians get safe and affordable housing. The Plan will create a shared national vision to improve housing and outcomes and help address homelessness. It will set out important short, medium and longer-term changes to help people who are experiencing homelessness and improve housing.

The Australian Government wants to know what you think the Plan should cover. The Issues Paper gives you an idea of the issues in housing and homelessness, like:

- homelessness and homelessness services
- social housing
- Aboriginal and Torres Strait Islander housing
- the housing market
- planning, zoning and development
- the impacts of climate change on housing security

There are some optional questions for us to hear about your views and experiences. The paper doesn't cover every issue but looks at a broad range of factors affecting housing and homelessness.

The Issues Paper does not focus on particular groups of people. Instead, it acknowledges the broad but linked issues that people can face. A person's housing needs can be complex and change at different stages of their lives.

## 1.2 Why do we need a Plan?

The Plan will:

- set national goals and ways to achieve them
- give a better understanding of housing and homelessness in Australia and what causes housing insecurity
- identify ways to improve data collection and how it's used
- look at how governments and the private sector can work together for good housing outcomes.

The Plan will complement state and territory government housing and homelessness strategies.

This Issues Paper recognises that there should be a broad approach to dealing with housing and homelessness issues. A range of sectors and stakeholders will need to be involved, including:

- all levels of government
- not for profit and civil society organisations
- industry bodies
- superannuation funds
- experts in housing, finance and urban development.

The Plan will also be informed by the independent, expert advice of the Housing Supply and Affordability Council.

## 1.3 How to engage with this Issues Paper

The consultation process for the Issues Paper is open until Friday 22 September 2023. You can share your ideas using the [engage.dss.gov.au](https://engage.dss.gov.au).

To have your say, you can answer some guided questions and/or lodge a submission.

The [guided questions](#) are at the final page of this Summary issues paper.

You can also email your written submission directly to:

[HousingandHomelessnessPlan@dss.gov.au](mailto:HousingandHomelessnessPlan@dss.gov.au)

If you have made a submission to a previous housing or homelessness consultation, you are welcome to re-submit it. The Government may choose to publish submissions. As such, we will ask you if you would like your submission published on the department's website or to remain anonymous.

You can also:

- **request language translations:** translations of this Issues Paper are available on request. Please contact us at [HousingandHomelessnessPlan@dss.gov.au](mailto:HousingandHomelessnessPlan@dss.gov.au) if you need help with translations.
- **provide a video or audio response:** To give us a video or audio response, including in Auslan, please email [HousingandHomelessnessPlan@dss.gov.au](mailto:HousingandHomelessnessPlan@dss.gov.au) for help.

There will be other ways to share your views during the development of the Plan.



You can find more information and register for updates on the DSS Engage website. If you have any questions about making a submission, please email [HousingandHomelessnessPlan@dss.gov.au](mailto:HousingandHomelessnessPlan@dss.gov.au).

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## 2. The Housing System

### 2.1 and 2.2 The housing and homelessness system

Access to safe, suitable and affordable housing has many benefits. Housing keeps us safe and healthy. It helps us have stronger and safer communities, leading to better economic outcomes.

The housing system is made up of different experiences of housing including:

- homelessness
- crisis and transitional housing
- social housing
- affordable housing
- private rental
- home ownership.

Most Australians will go through different types of housing in their lifetime, though often not in a linear way.

### 2.3 Current approach of governments

All levels of government give support to housing and homelessness services.

States and territories are close to local housing markets with more direct levers on housing and homelessness. They are responsible for:

- providing and maintaining social housing assets
- planning
- land release and zoning
- land taxes
- tenancy legislation
- stamp duty
- working with local governments.

Local government shares responsibility with the states and territories for planning and land use.

The Commonwealth is responsible for coordinating high-level indirect national policies, including:

- economic settings
- financial regulation
- migration
- income support policy.

Private industries and community sectors also influence housing and homelessness.

The National Housing and Homelessness Agreement is the major funding agreement between the Commonwealth and the states. The Commonwealth has provided around \$1.6 billion each year to the states to help them deliver housing and homelessness services and programs. In total, Commonwealth and state governments spend around \$16 billion a year on housing and homelessness help.

## 3. Focus Areas

There are seven focus areas in the Issues Paper:

- Homelessness
- Homelessness Services
- Aboriginal and Torres Strait Islander Housing
- Social housing
- Housing costs, home ownership and the rental market in Australia
- Planning, zoning and development
- Climate change and housing security

### 3.1 Homelessness

Homelessness is a major issue in Australia. The rate of homelessness has remained relatively stable over the past 2 decades. On Census night in 2021, 122,494 people were estimated to be experiencing homeless. The Census is undertaken every 5 years, with the 2021 Census being the most recent.

Homelessness is defined as someone who:

- is in an improvised dwelling, tent or sleeping rough
- has no security of tenure (e.g. temporary lodgings, supported accommodation or couch surfing)
- does not have control of, or space for, social relations (e.g. severely crowded house)
- does not have a suitable alternative.

Homelessness can have serious effects on a person's mental and physical health, their security and their safety. They find it hard to participate in society. Certain groups are more likely to experience homelessness, including:

- young people
- LGBTQIA+ youth
- Aboriginal and Torres Strait Islander peoples
- people born overseas.

Men are more likely to experience homelessness, but the rates of women experiencing homelessness is also increasing. People leaving prison are the fastest growing group using homelessness services.

The most common reasons for getting help from homelessness services were about accommodation, relationship or money difficulties. Specialist homelessness services data tells us that younger people were more likely to look for services than people aged 50 and over. Also, more women seek help for family, domestic and sexual violence reasons.

## **People sleeping rough**

Rough sleepers include people living in streets, cars and improvised dwellings. They are some of the most disadvantaged and vulnerable people in society.

People sleeping rough who access specialist homelessness services are more likely to be:

- male
- over 35
- unemployed
- living alone
- experiencing mental health issues.

Many rough sleepers have multiple episodes of homelessness.

## **Overcrowding**

Overcrowding happens when a household does not have enough space for all of its members.

Overcrowding and poor housing are linked with poor:

- health
- education
- employment outcomes, and
- an increased risk of family violence.



Australia uses the Canadian National Occupancy Standard to measure overcrowding. The standard says:

- there should be no more than 2 people per bedroom
- children 5 years of age or older of opposite sex should have separate bedrooms
- single household members 18 years or older should have a separate bedroom
- parents or couples should have a separate bedroom.

Using this measure, households that need extra bedrooms are considered overcrowded. Needing 4 bedrooms or more is considered 'severe overcrowding'. Severe overcrowding is counted as homeless for Australian estimates. It was the largest contributor of overall homelessness between 2006 and 2021. However, severe overcrowding decreased by 6% between 2016 and 2021.

People living in remote Australia are more likely to experience severe overcrowding, particularly in the Northern Territory. However, the largest increases in overcrowding have been in New South Wales and Victoria.

## 3.2 Homelessness Services

### **Homelessness services**

Governments fund a range of homelessness services. A large portion of services are provided by philanthropic (such as charities and foundations) and other not-for-profit organisations.

Specialist homelessness services provide:

- early intervention
- crisis support
- emergency and
- transitional accommodation.

They can also give people other services, such as meals, showers, laundry facilities and financial advice.

Although specialist homelessness services helped a daily average of 71,000 people in 2021-22, some people could not get the support they needed. Some people also find it hard to find and use the services.

Specialist and mainstream services need to work closely together to get the best outcomes for helping with and preventing homelessness. They need to improve the way they share information and how people are referred to services. For specialist homelessness and mainstream services, attracting and keeping suitable staff is critical to make sure people get the services they need.

## **Prevention and early intervention**

Crisis services are meant to reduce the risk of permanent harmful effects of a crisis. While critical, these are often short-term and costly.

In 2021, people aged 19 to 24 had the highest homelessness rates by age group. Young people who are homeless are more at risk of becoming homeless again during their lifetime. Early intervention could reduce this risk.

Early intervention can improve long-term outcomes. They could include support to keep renting or services that help people before they reach crisis point.

Once housing is secure, a person's health and wellbeing can be addressed, without the need to get support services for accommodation.

## **Breaking the cycle of homelessness**

Chronic homelessness is defined by multiple periods of homelessness or constant homelessness over a long period.

People experiencing homelessness over a longer period often have complex support needs that need to be addressed. This often requires a mixture of support services and may include long-term support to prevent future homelessness.

People may delay asking for help because of a lack of trust in services, accessibility or due to cultural or other safety issues. They may need targeted and persistent outreach programs to move out of chronic homelessness.



## 3.3 Aboriginal and Torres Strait Islander Housing

Aboriginal and Torres Strait Islander peoples face more housing inequality compared to non-Indigenous Australians. Indigenous peoples are half as likely to own their home, 9 times more likely to be homeless and 3 times more likely to experience overcrowding.

### **Overcrowding**

Overcrowding is a significant issue in many Indigenous communities, particularly in remote areas. The National Agreement on Closing the Gap commits to reduce overcrowding for Aboriginal and Torres Strait Islander peoples.

Overcrowding rates vary widely between states. There is some improvement in the national rate of overcrowding for Indigenous peoples but more work is needed to get equal access to safe and adequate housing.

### **Policy Considerations**

Indigenous peoples living in remote or very remote areas have very different housing needs to those living in urban areas.

Aboriginal and Torres Strait Islander peoples are more likely to move regularly to access health, housing, employment and education services as well as for cultural and family responsibilities. Because this can put pressure on available accommodation and the tenancies of hosting families, it means Indigenous peoples can experience homelessness when temporarily moving.

For Aboriginal and Torres Strait Islander peoples, housing is much more than just shelter. It is a link to traditional lands and a connection to Country. Policies related to Aboriginal and Torres Strait Islander housing must take this into account.

Under the National Agreement on Closing the Gap, the Coalition of Peaks, the National Aboriginal and Torres Strait Islander Housing Association (NATSIHA), Commonwealth and state governments are working together to improve housing in Aboriginal and Torres Strait Islander communities. A Housing Policy Partnership has been established to give Indigenous Australians a forum to have a genuine say in how housing services are designed and delivered.

## **Aboriginal and Torres Strait Islander community controlled housing sector**

Aboriginal and Torres Strait Islander Community Controlled Housing Organisations (ATSICCHOs) provide culturally appropriate community housing for Aboriginal and Torres Strait Islander Peoples. Indigenous Australians may also reside in state owned and managed Indigenous housing.

The number of Indigenous housing organisations has decreased over many years for various reasons. It is hard for them to compete with mainstream services for funding and housing rules and regulations make it hard to administer housing. However, they are the preferred housing service for many Indigenous Australians.

Closing the Gap includes The Housing Sector Strengthening Plan. This is a three-year plan to prioritise, partner and negotiate strategies to help with the challenges the ATSICCHO sector is facing. The Housing Sector Strengthening Plan was endorsed in August 2022 by the Joint Council on Closing the Gap.

## **3.4 Social Housing**

### **The importance of social housing**

Social housing is safe and affordable housing for people who cannot get housing in the private market. The 3 main types are:

- public housing delivered by state government agencies
- state owned and managed Indigenous housing
- community housing delivered by non-government organisations, often supported by government contributions.

Social housing helps social and economic outcomes. States may have different eligibility but usually it includes income and whether they can access and afford a private rental.

According to *Housing Assistance in Australia 2022* by the Australian Institute of Health and Welfare, social housing tenants are more likely to be:

- female
- Aboriginal and Torres Strait Islander peoples
- from single-person households
- have a disability
- over 65 years.



Commonwealth and state and territory governments both fund social housing. State and territory governments are mainly in charge of the broader policy, funding and regulation of social housing and tenancies.

The amount of social housing available has not kept up with population growth. Measuring social housing demand is difficult but demand has increased. Demand is also affected by the availability and affordability of private rental housing. Social housing allocation is set by public housing and community housing organisations, and prioritises households in 'greatest need'.

Social housing providers can face issues maintaining property. Rent income is low compared to the costs of building, maintaining and managing social housing.

Poor quality housing negatively affects tenant's health, safety and ability to take part in society. In 2021, there were more social housing tenants living in properties below minimum standards than in 2014.

## **Community housing**

There are over 500 community housing providers across Australia with various sizes and different structures.

Community housing providers can:

- use mixed-funding from governments, the private sector and philanthropy (such as charities)
- develop different business models that are better for what tenants need
- enable further housing and social service supports for tenants.

Against these advantages:

- community housing depends on long-term sustainable and reliable funding
- community housing providers need to balance competing social and economic objectives
- transfers of public housing to the community housing requires appropriate regulatory oversight to protect tenants and government investment.

Community housing has grown and is now 25% of all social housing. Half of this growth is due to stock transfers from public housing.

Further work is needed to develop a national community housing data set. This limits the growth and monitoring of housing policies and programs that rely on evidence.

## **Affordable Housing**

'Affordable housing' generally refers to housing for rent or purchase below market rate. It usually has broader eligibility than social housing and is for people on low to moderate incomes.

Affordable housing schemes are supported by governments and can be managed by for-profit or non-profit organisations, including community housing providers.

## 3.5 Housing costs, home ownership and the rental market in Australia

Housing is the biggest cost for many Australian households. In the past two decades, real housing costs have increased for all tenure types. Since the COVID-19 pandemic, there has been a marked increase in housing costs across the board.

### **Home ownership**

Benefits of home ownership include security of long-term tenure and being better off in retirement.

The number of Australians who own their own home has decreased over the last 20 years.

In 2019-20, 66% of households owned their own home compared to 70% in 1999-00. Homeownership is lower for young Australians, people on low incomes and women. The most recent ABS release (2019–20) on housing is some years old. Trends may have shifted since 2019-20.

The price of housing has been increasing faster than income levels. It is taking longer for Australians to save for a home and debt has increased. Housing prices are affected by many factors, including macroeconomic conditions and regulation at all levels of government.

### **Private Renting**

Private rentals are the fastest growing housing sector in Australia. There is a lack of available rentals and the cost of rent is increasing. At the same time, the number of people looking for rental properties has grown.

Australia is experiencing a period of very low rental vacancy rates and rising rent levels. Certain locations have been particularly affected, for example Hobart, Melbourne, Perth and Sydney.

In the 2023-24 Budget, the Government announced a 15% increase to the maximum rates of the Commonwealth Rent Assistance (CRA) to help address rental affordability challenges for CRA recipients.

On 28 April 2023, National Cabinet agreed to develop a package of reforms to strengthen renters' rights across the country. The reforms recognise the challenges that governments face to house a growing population and support a national approach.

As part of this package, the Commonwealth also announced improvements to the tax treatment of new build-to-rent projects to help increase the supply of rentals and reduce pressure on prices.

## **Direct and indirect impacts on the housing market**

Supply and demand drive affordability and vary across Australia. Some recent trends have affected supply and affordability. This includes:

- construction costs
- supply chain problems
- land supply in the areas people want to live
- workforce and skills shortages
- the use of existing properties (unused bedrooms and empty properties).

Supply and demand can also be affected by social and economic factors including:

- different economic and taxation settings
- short-term letting platforms (such as Airbnb)
- climate related displacement.

## **3.6 Planning, zoning and development**

Land use planning and zoning regulates how land is used and guides development, including the type and location of housing.

State and territory governments are responsible for:

- planning and development policies
- strategic plans
- releasing state-owned land for new developments
- coordinating and investing in major infrastructure.

Local governments are responsible for developing and putting local land use plans into action. They also process many development proposals.

Efficient planning encourages healthy, connected communities and economic growth. For households, this affects how close they are to services and employment, density and exposure to pollution.

In some areas, rules can affect the cost, safety and sustainability of housing. Development and zoning assessment and appeals processes are costly, uncertain and lengthy. Poor supply growth can delay infrastructure development and red tape can cause a greater reliance on rezoning or limit land use. State and local governments are looking at reforms to improve these processes.

The 2022 Productivity Commission’s review of the National Housing and Homelessness Agreement (the PC review) looked at land use planning and zoning and recommended:

1. states report annual progress against land supply targets
2. state and local governments change planning rules to promote greater housing density and diversity
3. all states set housing targets and work with local governments to meet these targets
4. future funding by the Commonwealth and the states should acknowledge the importance of housing supply as a solution to housing affordability and replace planning reforms with housing targets.

## 3.7 Climate change and housing security

### **Climate change impacts the availability and quality of housing**

As the climate warms, Australia will have more extreme weather events. Natural disasters have caused large scale damage and loss to housing. This has affected whole communities. Recovery is often slow with services needing major extra resources. Increased demand after these disasters puts a strain on the housing sector for short and long term housing.

Climate change impacts households in many ways, including:

- increased energy consumption and usage for households who need to use more energy to heat and cool their homes; and
- increased insurance costs and reduced access to insurance.

These costs particularly affect low income households and can lead to housing insecurity.

Evidence shows that people with housing insecurity or homelessness in regional and remote Aboriginal and Torres Strait Islander communities, are more at risk of climate change impacts. Many homes in remote Indigenous communities do not have the resources needed to heat and cool in response to extreme weather conditions.

## **Sustainable housing**

Effective housing design helps protect from climate change risks. The National Construction Code sets the minimum requirements for buildings, including how much heating and cooling is needed to be comfortable. The code defines 8 climate zones in Australia. However, the Code is not applied in a consistent way and some requirements do not apply to buildings built before 2003.

Making changes to existing properties can make them more sustainable and improve heating and cooling. However, some households find it hard to modify their homes because of costs or tenancy. This includes low income homeowners, social housing residents and renters.

# Questions for consideration



1. How can governments and community service providers reduce homelessness and/or support people who may be at risk of becoming homeless in Australia?



2. How can governments, across all levels, best work with communities to support better housing outcomes for Aboriginal and Torres Strait Islander peoples?



3. How can all levels of government, along with housing organisations, institutional investors, not-for-profits, and private industry, improve access to social housing, which includes public housing and community housing?



4. What should governments, private industries, the not-for-profit and community sectors focus on to help improve access to housing and housing affordability in the private market?



5. How could governments work better with industry, community services and other organisations to improve housing outcomes for all Australians?



6. How can governments and the private and community sectors, help to improve sustainable housing and better prepare housing for the effects of climate change?



7. Is there anything else you would like to tell us?