Homelessness in Victoria
Clients of specialist homelessness services, 2016–17

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What is homelessness?

There is so much that is able to be stereotyped into someone that is sleeping rough with their sleeping bag or their unkempt hair or something because they haven’t had a shower today...but not everyone experiences it in that form. I bet you already passed 20 or 30 people today that have some, or have experienced in their life, some form of homelessness.¹

I’d always been of the opinion that it was the individual’s fault. Up until I went through the experiences that I did, I essentially had no sympathy. The majority of my life I’ve been someone who’s been self-sufficient, someone who’s constantly had a job and been able to take care of myself. So I’ve always regarded the people you see on the street begging or using soup kitchens or food vans or anything like that...just, that really nasty opinion of it’s all their fault. And, really, shame on me for thinking that until it become a situation that I was put in.²

The stereotypical image of homelessness is a person (usually a man) who is ‘sleeping rough’. This refers to an experience in which a person has limited access to housing and occupies improvised shelter.³ Often, this will be on the street or in other public areas.

Rough sleeping is a complex issue experienced not only in Melbourne’s CBD. In fact, just as many people sleep rough in suburban and rural Victoria.⁴

Over the five year period to 2016–17 in Victoria, there has been a 72 per cent increase in the number of rough sleepers assisted by homelessness services for the first time.⁵ This indicates that the number of people sleeping rough is trending upwards, fast. As a result, the sector is often overwhelmed by demand for homelessness services, many of which have remained unchanged for decades.⁶

Despite this increase, it is still the case that rough sleepers are not the largest group of people experiencing homelessness,⁷ though it may be more visible.

Whereas rough sleeping is the stereotypical image of homelessness, the term also refers to people who are at risk of homelessness and who require assistance in receiving services to ensure that they can find or can remain in safe and secure housing.⁸ The term ‘housing insecurity’ is sometimes used to describe these experiences of homelessness.⁹

Notably, the Australian Bureau of Statistics (ABS) records that over the last four Censuses, the largest group of persons experiencing homelessness are people living in ‘severely’ crowded dwellings.¹⁰

⁶ Ibid, p. 29.
This measure has recently received significant media attention, with the release of new data on rates of homelessness and ‘couchsurfing’ among young people, particularly those living in Queensland and New South Wales.\textsuperscript{11}

**Context**

Homelessness is a complex issue which is the result of many factors.\textsuperscript{12} Historically, ‘clear answers about the causes and consequences of homelessness have largely eluded researchers’ because of a lack of appropriate data.\textsuperscript{13}

This lack of clarity has begun to be addressed in recent years and studies have made many important contributions in considering the causes and consequences of homelessness. However, some commentators have stated that it is unclear if policy-making has been sufficiently impacted by such evidence.\textsuperscript{14}

This is reflected in statistics recorded by the ABS: despite Commonwealth Government intentions to address homelessness as early as 2008,\textsuperscript{15} the ABS estimates that rates of homelessness are increasing across all of Australia. From 2011 to 2016, homelessness increased by 13 per cent.\textsuperscript{16}

Similarly in Victoria, ABS data shows that the number of people experiencing homelessness actually increased over the last three Censuses.\textsuperscript{17} From 2011 to 2016, in Victoria the number of persons experiencing homelessness increased by 12 per cent.\textsuperscript{18}

**Aim of the paper**

This guide aims to unpack the stereotypical image of the rough sleeper as representative of the homeless population and to contextualise experiences of homelessness within recent data.

The guide is not intended to provide in-depth statistical analysis. Rather, the goal is to address some of the common assumptions around persons experiencing homelessness by using the data.

The guide does this by predominantly examining data on persons (or ‘clients’) who sought and received assistance from specialist homelessness services in Victoria in 2016–17,

\begin{itemize}
\end{itemize}
recorded by the Australian Institute of Health and Welfare (AIHW).

ABS data is also used, though this data is not comparable to the client data collected by specialist homelessness services. This is because the ABS only estimates numbers of people experiencing homelessness by analysing census data.\(^{19}\)

Despite these differences in the collection methods and definitions of homelessness in the data, using both sets of data is helpful in establishing a general picture of some of the experiences of homelessness in Victoria.

**Who receives assistance?**

In 2016–17, the three most common reasons given by people who received assistance from specialist homelessness services in Victoria were:

- Family violence
- Lack of affordable housing
- Financial difficulties.\(^{20}\)

It is important to note that in providing reasons for seeking homelessness assistance, clients could give multiple reasons for seeking support (and so the percentages for the reasons given do not sum, see Figure 1). Sometimes, multiple reasons were provided by clients who were supported more than once.

Providing multiple reasons for seeking support is important in that it indicates that experiences of homelessness are affected by complex causes and effects. Despite those complexities, looking at the most common reasons given by clients in seeking assistance is helpful in thinking about common experiences of homelessness.

In addition to the three main causes outlined above, 63 per cent of people who received assistance in Victoria over the same period were women.\(^{21}\) Thirty-three per cent of clients were single parents with children.\(^{22}\)

**Figure 1. Reasons for clients seeking homelessness services assistance, 2016–17.**

<table>
<thead>
<tr>
<th>Reason</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family violence</td>
<td>44%</td>
</tr>
<tr>
<td>Housing crisis</td>
<td>40%</td>
</tr>
<tr>
<td>Financial difficulties</td>
<td>39%</td>
</tr>
<tr>
<td>Single parent with a child</td>
<td>33%</td>
</tr>
</tbody>
</table>


**Family violence**

Family violence is one of the largest causes of homelessness in Victoria.\(^{23}\) It was also the leading reason given by clients of specialist homelessness services in the state in 2015–16\(^ {24}\) and 2016–17.\(^ {25}\)

In 2016–17, family violence was the reason given by 44 per cent of people who received assistance in Victoria, compared to 37 per cent nationally.\(^ {26}\)

As the Royal Commission into Family Violence observed in its summary and

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19 Ibid.
21 Ibid.
22 Ibid.
26 Ibid.
recommendations, ‘family violence disproportionately affects women and children, and the majority of perpetrators are men.’ The report also states that for decades, ‘family violence services have been closely linked with homelessness services’. The complexities of family violence services delivery and their relationship to homelessness services are beyond the scope of this guide. However, the Royal Commission into Family Violence further states that in cases of family violence, victim-survivors sometimes feel that when the alternative is homelessness, they have no option but to remain or return to abusive relationships.

In its recommendations, the Commission refers to the need for more robust homelessness services. Finally, the Commission notes that figures recorded by homelessness assistance service providers may be affected by under reporting. This is because people may not list family violence as a cause for seeking assistance when there are other, more immediate causes for seeking assistance, such as financial difficulty.

Nor does the scope of this guide permit a thorough analysis of the relationship between these three significant statistics relating to persons who received assistance from homelessness services, namely: gender, parenting-status and family violence.

However, these statistics are important in breaking down assumptions and stereotypes around who the people receiving specialist homelessness assistance are, and why they are in the position they are in.

In Victoria, the Australian Institute of Health and Welfare statistics indicate that a person receiving homelessness assistance is very likely to be a woman; is very likely to be experiencing financial difficulty, housing crisis or to be escaping family violence; and has a one-in-three likelihood of being a single parent with a child.

### Affordable housing and financial difficulty

In Victoria in 2016–17, 40 per cent of persons who received homelessness assistance sought assistance due to ‘housing crisis’. Thirty-nine per cent did so due to financial difficulties.

The two causes can be linked due to the significant impact of housing costs on lower-income households and persons. It is therefore helpful to place experiences of homelessness in relation to the broader Victorian housing sector.

### Housing affordability

Beyond its importance to the economy, housing is essential to people’s safety, health and wellbeing:

Sleeping rough, in cars or in unsafe, unaffordable transient or insecure housing has severe effects, it is extremely stressful and damaging to people’s physical and mental health due to the fear, anxiety and violence that people who are homeless often experience.

Over the last decade, Victorians have been steadily spending a greater percentage of their income on housing, while property prices have continued to climb.

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28 Ibid, p. 18.
29 Ibid, p. 22.
30 Ibid. See: Recommendations 24 and 222.
31 Ibid, p. 56.
33 Ibid.
34 Ibid.
**Housing stress**

A recent report from the Australian Institute of Health and Welfare estimates that 51 per cent of low-income households experience housing affordability issues due to rental stress, placing those households at risk of homelessness.³⁷

A common method for thinking about housing affordability is to determine the housing price-to-income ratio of a household, defined as the difference between the household’s income and the household’s expenditure on housing.³⁸

Best practice puts an acceptable price-to-income ratio, referred to as the ‘median multiple’, at ‘3.0’, in which the price of housing is no more than three times the household’s income.³⁹ A higher number indicates unaffordable housing.

Using that measure, a recent report recorded Melbourne as the fifth most unaffordable major housing market in the world, with a ‘severely unaffordable’ median multiple of 9.9.⁴⁰ In the same report, all major housing markets in Australia were also assessed as being severely unaffordable.⁴¹ For example, Sydney’s median multiple was also extremely high, at a severely unaffordable rate of 12.9. This was the second-highest multiple recorded internationally, behind Hong Kong at 19.4.⁴²

**Housing stress and standard of living**

Another measure of housing affordability determines whether housing costs allow for an acceptable standard of living. This measure is related to housing stress, which is a helpful concept in that it identifies housing as a cost which has the potential to have a greater impact on households with less income. This is pertinent to homelessness for the reason above: 39 percent of people who received homelessness assistance did so because of financial difficulties.

This notion of an acceptable standard of living is based on the idea that households on higher incomes have the choice to spend more of their income on housing, whereas households on lower incomes have less choice, as they have less disposable income.⁴³

One measure of housing stress is therefore the 30:40 indicator, which defines households as being in housing stress when the household is both in the bottom 40 per cent of Australia’s income distribution and is paying more than 30 per cent of its income on housing.⁴⁴

Again, the idea is that as these households have less income, they are more likely to be significantly affected by the cost of housing, which in turn is likely to have a greater effect on the household’s standard of living.

**Renting and home-owning in Victoria**

Data for the period 2006–2016 shows that rent prices in Victoria have been steadily growing at higher rates than income. For example, in Greater Melbourne from 2006–2016, rent prices increased at almost double the rate of income.⁴⁵

The price of dwellings have also increased at a greater rate than incomes over the same period.⁴⁶ In Victoria, the median house price rose 73 per cent from 2006–2016.⁴⁷

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⁴¹ Ibid.

⁴² Ibid.

⁴³ Australian Housing and Urban Research Institute (2016) ‘Understanding the 30:40 indicator of housing affordability stress’, Melbourne, AHURI.

⁴⁴ Ibid.


⁴⁶ Ibid, pp. 9, 10.

Incomes have not kept up with these increases. In Melbourne, the median dwelling price is 7.1 times the median annual income (an increase from the 4.7 times median annual income of 2001). In regional Victoria, the median dwelling price is 5.6 times the median annual household income (an increase from the 3.4 times median annual income of 2001).

These trends align with data collected by the ABS, which suggests that just under half of all households in Australia with a mortgage were over-indebted in 2015–16.

Who is affected?
The peak body for homelessness in Australia, Homelessness Australia, states that homelessness is often the result of the ‘chronic shortage of affordable and available rental housing’.

Data from the Department of Health and Human Services also indicates that housing stress is being felt most acutely by people on Centrelink incomes, particularly for single people on the Newstart Allowance.

In the December quarter of 2017, only 2.4 per cent of rentals in Victoria were affordable for this group—in Metropolitan Melbourne, this number shrank to 0.3 per cent of rentals.

Again, the trends indicate a shift away from affordability. Ten years ago, a single person on Newstart Allowance could afford 12 per cent of Victorian rentals and 4.2 per cent of rentals in Metropolitan Melbourne.

The cost of housing for people on low incomes, such as those on Newstart Allowance, presents significant difficulties economically. There is also the issue that, while some housing may be affordable, there is no guarantee that housing will be available. This is because Newstart Allowance recipients are competing with higher-income households for a finite number of properties.

Overall, the Commonwealth Government, State Government and the ABS state that the increasing cost of housing is having a significant impact on particularly low-income households’ abilities to pay for housing.

Homelessness and ‘choice’
Situating the experience of homelessness within contexts such as housing and family violence is essential to understanding experiences of homelessness.

The statistics are also important in addressing a common perception of people experiencing homelessness, which is that homelessness is a ‘choice’ and that people experiencing homelessness therefore have the ability to change their circumstances by sheer will.

The Australian Institute of Health and Welfare states:

> It is estimated that just over half (51%) of lower income households experience housing

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48 Ibid.
49 Ibid.
affordability issues due to rental stress (paying more than 30% of their gross income on housing costs) ... and around 1 in 6 women (1.6 million) have experienced some form of domestic and family violence in their lifetime, putting them at risk of homelessness.\(^57\)

The ABS states:

Homelessness is not a choice. Homelessness is one of the most potent examples of disadvantage in the community, and one of the most important markers of social exclusion.\(^58\)

These comments align with academic work which looks at the connection between homelessness and alcohol and drug use.

For example, recent academic work which uses data from the Journeys Home survey\(^59\) finds that the relationship between homelessness and substance abuse is unlikely to be ‘causal in either direction’.\(^60\)

Journeys Home is respected by some academics as a comprehensive data set which has great potential to improve understandings of experiences of homelessness.\(^61\)

**Going forward**
The Victorian Government has recently released a report which addresses rough sleeping and homelessness. The report notes that currently services are geared towards providing rough sleepers with short-term support up to or until just after the person seeking assistance is housed.\(^62\)

This report is the first phase in a long-term homelessness strategy for Victoria, and so the measures outlined in the report are not designed to achieve those long-term goals immediately.\(^63\)

The report flags an intention to provide more medium-term, ‘flexible’ and ongoing support which could include accelerated access to housing and related services, particularly those with long wait times.\(^64\)

The report also outlines ways in which services could be coordinated to provide more holistic approaches to the services required by people experiencing homelessness, who often require access to other services, such as income support.\(^65\)

At the time of writing this guide, approximately 1,100 people in Victoria sleep rough each night, representing 5 per cent of the homeless population.\(^66\)

**Final comments**
The information collected by the Australian Institute of Health and Welfare and by the ABS offers some insights into the ways in which homelessness is experienced by Victorians. Particularly, family violence and housing unaffordability are key causes listed by people

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\(^{63}\) Ibid.

\(^{64}\) Ibid, p. 22.

\(^{65}\) Ibid, p. 25.

seeking assistance from homelessness services in Victoria.

Yet, this data offers only part of the picture: in 2016–17 on any given day, 99 requests for assistance were unmet. This number is not comparable to the total number of clients who received assistance in the same period, because it records a request for a service, rather than the potential client.

For example, it is possible that some people sought assistance more than once, and that those requests were unmet more than once. Similarly it is possible that a request was unmet on the first occasion and was met subsequently.

However, the unmet requests for assistance are significant in that tens of thousands of requests for assistance are unmet each year.

Overall, 109,901 clients were assisted. Of these people, 38 per cent were homeless (lower than the national rate of 44 per cent). Of the almost 22,000 clients who began receiving support while homeless, only 30 per cent were assisted into housing. Of the almost 37,000 clients who began receiving support while housed but at risk of homelessness, 91 per cent were assisted into housing.

It is clear that family violence and housing unaffordability pose enormous challenges in reducing rates of people seeking homelessness assistance.

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69 Ibid.
70 Ibid.
71 Ibid.
References

Academic
Australian Housing and Urban Research Institute (2016) ‘Understanding the 30:40 indicator of housing affordability stress’, Melbourne, AHURI.


Audio-visual


Commonwealth sources


**Victorian State sources**


**Other**


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