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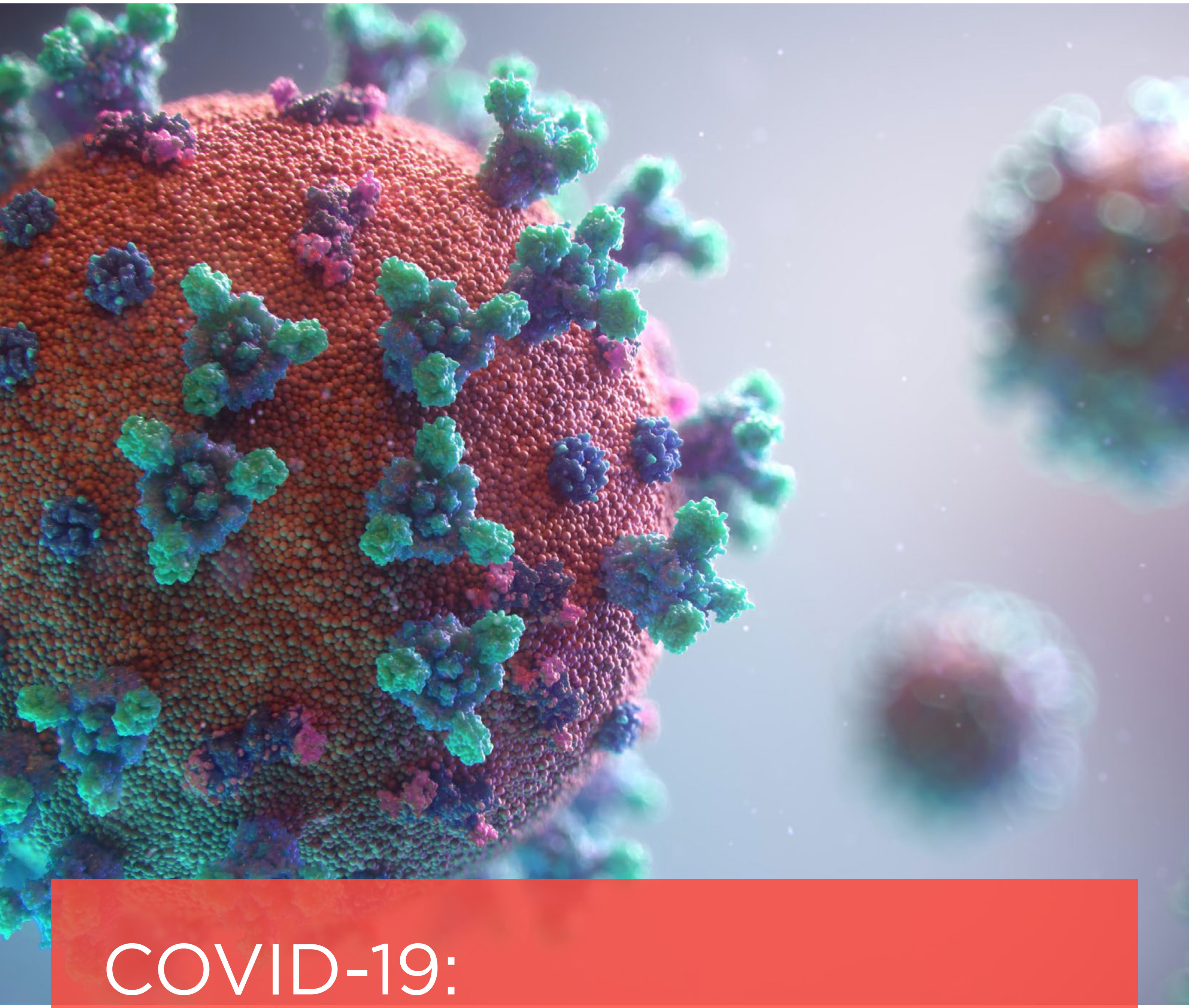

COVID-19:

RENTAL HOUSING AND HOMELESSNESS IMPACTS IN AUSTRALIA

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A Report for the ACOSS-UNSW Poverty and Inequality Partnership by the City Futures Research Centre at UNSW

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- National Shelter (on behalf of Shelter NSW and Shelter WA)
- Queensland Shelter

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Glossary

ABS	Australian Bureau of Statistics
ACOSS	Australian Council of Social Service
AHURI	Australian Housing and Urban Research Institute
APRA	Australian Prudential Regulatory Authority
BBB	Building back better
CFRC	City Futures Research Centre
CHP	Community Housing Provider
Coronavirus Supplement	Temporary boost to social security payments
CPI	Consumer Price Index
EA (TA)	Emergency accommodation (temporary accommodation)
JobKeeper Payment	COVID-19 furlough/wage subsidy scheme
JobSeeker Payment	Australia's unemployment payment, also provided to people experiencing illness or bereavement
LGA	Local government area
National Cabinet	Australian federal decision-making forum including the prime minister, state premiers and territory chief ministers, successor of COAG (Council of Australian Governments)
PRS	Private rental sector

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Foreword

This report is the latest produced by the Poverty and Inequality Partnership between the Australian Council of Social Service (ACOSS) and UNSW Sydney. It has been researched, written and produced for the partnership by the City Futures Research Centre at UNSW Sydney. It is also supported by Mission Australia, National Shelter and Queensland Shelter.

This report, the second of two planned reports from this particular research project, looks at the impacts of the COVID-19 pandemic – still ongoing at the time of writing – on housing and homelessness in Australia during 2020 and 2021. Impacts of the pandemic on housing and homelessness were inevitable, given its effects on the economy as well as public health. This report looks at what housing and homelessness policy changes occurred and how they were implemented, using both publicly available data and focused research undertaken by the report authors. It also acknowledges the housing and homelessness impacts of wider policy changes, especially Commonwealth Government income protection measures.

This report is the twelfth report published by the Poverty and Inequality Partnership. It was written by Hal Pawson, Chris Martin, Sian Thompson and Fatemeh Aminpour.

The Poverty and Inequality Partnership is partially made up of researchers from the Social Policy Research Centre, as well as the City Futures Research Centre; the Centre for Primary Health Care and Equity; and the Faculty of Law and Justice at UNSW Sydney. This cross-disciplinary approach allows the partnership to explore the ways in which poverty and inequality are bound to other aspects of disadvantage, such as health and justice, and, of course, housing and homelessness as explored in this particular publication.

The Partnership is also made up of the support of non-government from within ACOSS' membership, along with philanthropists: Anglicare Australia; Australian Red Cross; the Australian Communities Foundation Impact Fund (and three subfunds – Hart Line, Raettvisa and the David Morawetz Social Justice Fund); the BB and A Miller Foundation; the Brotherhood of St Laurence; cohealth, a Victorian community health service; Good Shepherd Australia New Zealand; Mission Australia; the St Vincent de Paul Society; the Salvation Army; and The Smith Family.

We thank the partnership and supporters of this project for their assistance throughout, as well as the ACOSS Board, UNSW Vice Chancellor Ian Jacobs, and UNSW Deputy Vice-Chancellor Equity, Diversity and Inclusion Professor Eileen Baldry.

Executive Summary

Key points

- Confounding most predictions, by far t**he most significant housing impact of the pandemic in Australia has been the house price boom that took off in late 2020**; stimulated by Government measures to boost private market demand, **this has compounded longstanding unaffordability, inequality and indebtedness**

- Less reported has been the **rapid escalation in rent inflation from mid-2020, with annual national increases accelerating to over 8% by Q3 2021** – the fastest rate of increase for well over a decade, and far ahead of wage growth (at 1.7%); **rents in regional Australia meanwhile surged by a remarkable 12.4% in the year to August 2021**

- Damaging impacts of recent trends on rental affordability in regional Australia are confirmed by detailed figures for non-metropolitan Victoria showing the **proportion of tenancies affordable to low-income tenants declining from 41% to 33%** in the year to Q2 2021

- The key causes of recent regional rent inflation are likely to lie in new demand hitting markets where there is currently unusually low turnover in existing rental properties and new properties entering the rental sector – measured by new tenancy bonds lodged, **private rental supply fell by 6% in 2020-21 in regional NSW and by 15% in regional Victoria**

- **After the extraordinary rental policy responses of 2020** – eviction moratoriums, rent variation and rent relief schemes – **similar actions in reaction to 2021 lockdowns were comparatively light.** Whereas in 2020 all states and territories implemented eviction moratoriums, in 2021 only half imposed similar restrictions during Delta outbreaks – and notably the jurisdiction most affected, Victoria, enacted no second moratorium.

- The few published data indicate the incompleteness of the moratoriums: **almost 3,000 South Australian tenancies were subject to eviction proceedings during the moratorium in 2020, and almost 4,600 tenancies were subject to termination proceedings in New South Wales** in the first 10 weeks of its 2021 'stay at home' lockdown.

- **Most of the 2020 rent relief schemes were undersubscribed**, reflecting the significance of federal income support programs, lack of engagement in rent negotiations and the weak delivery of relief through rebates on land tax (from which most landlords are already exempt).

- In both the boarding house sector, and in international student support, **there are highly knowledgeable workers engaged directly with persons in need; their capacity could be enhanced** and leveraged to inform support strategies for each sector.

- **During 2020 at least 12,073 rough sleepers benefited from COVID-19 Emergency Accommodation (EA) programs** staged by NSW, South Australia, Queensland, and Victoria, although in the first two of these, there has been no significant follow-through in terms of expanding permanent social and affordable housing provision

- By 2022 EA placements and move-on housing programs in NSW and Victoria alone will have facilitated **safe, secure and supported accommodation pathways for around 3,500 former rough sleepers** with complex needs; at least partially relieving the growing backlog of chronic rough sleepers built up over previous years.

- Unlike Victoria, the **NSW Government has resisted calls for stimulus investment to significantly expand permanent social housing provision**; as a result, longer term housing pathways for assisted former rough sleepers assisted in the state will be at the expense of others in severe housing need.

- In 2020 and 2021 f**our state governments announced significant self-funded social housing construction programs** as a component of post-pandemic stimulus investment; these add up to nearly $10 billion to be invested over the next few years.

- In all**, state/territory governments plan to construct over 23,000 social housing units** over the three years from 2021-22; **a threefold increase** on national social housebuilding rates during the late 2010s.

- The scale of planned development in Victoria, Queensland and Tasmania, will (at least temporarily) **reverse historically declining representation of social housing** in these states; in other jurisdictions a continuing contraction in the sector's share of all dwellings is in prospect, with **NSW's social housing set to fall below 4% of total occupied stock within 10 years** (for reference, the OECD average is 7.1%).

- **Australia's social housing construction revival is long overdue.** However, it is not only patchy across the country, but – when considering the backlog of over 400,000 households in housing need – still very modest in relation to the scale of the problem. It is also unsustainable without a reversal in current Australian Government policy that refuses additional financial support to enable social housing growth (whether via public or community housing).

Research scope

This is the second report of a research project that began in mid-2020, after the early dramatic responses by governments and individuals to the COVID-19 pandemic. The study has been undertaken as part of the UNSW-ACOSS Poverty and Inequality Partnership work program, and also supported by Mission Australia, National Shelter and Queensland Shelter.

Building on our initial analysis (February 2021), this report investigates pandemic impacts on rental housing and homelessness during 2021. Once again we cover both market impacts and policy responses by Australian governments; this time focusing on a period which saw partial economic – and housing market – recovery across much of the country, but also recurrence of large-scale and prolonged virus outbreaks in several jurisdictions.

Rental market impacts

At the start of the pandemic rents declined sharply in some capital city inner suburbs, but from mid-2020 rapidly took-off, with annual increases accelerating to over 7% by Q3 2021 – far ahead of wage growth (at 1.7%). Rent inflation in regional Australia escalated to a remarkable 12.4% in the year to August 2021, with non-metropolitan increases outpacing capital cities most markedly in NSW, Victoria and Queensland

Detailed figures for Victoria confirm the impact of pandemic market trends in significantly worsening regional rental affordability; however, such change represented only a continuation of a pre-2020 decline in the proportion of Victoria's regional lettings within reach of low-income households – down from 58% to 41% in the three years to March 2020.

Extraordinary factors likely to have affected overall demand for rental housing during the pandemic include diminished international migration, cessation of international tourism and business travel, and reduced capacity of existing renters to sustain previous rental expenditure.

Disproportionate rent increases in non-metropolitan NSW and Victoria may be influenced by a recent rise in net out-migration from Sydney and Melbourne, as demonstrated by ABS statistics. However, regional rent inflation is likely to be driven as much, or more, by reduced turnover of existing rental stock (partly reflecting a decline in region-to-capital moves), and less responsive new housing supply. In both Victoria and NSW the size of the private rental stock (number of bonds in existence) and the number of new tenancies being created (new bonds lodged) have been flat or declining in regional areas in 2020 and 2021, likely exacerbating market pressures.

Confirming that highly unusual conditions have prevailed on the supply side of the rental market during the pandemic, rental property listings ran well below their historic norms during the first nine months of 2021 – e.g. in September 2021 new rental listings were running 23% below their 2016-2019 norm.

Rental regulation

At the outset of the pandemic, Australian governments made extraordinary rental policy responses: eviction moratoriums, rent variation frameworks and rent relief schemes. However, faced with a more virulent variant outbreak and extended lockdowns in 2021, rental housing policy responses were comparatively light. Only NSW and ACT reintroduced restrictions on evictions in 2021 (two others, South Australia and the Northern Territory, had mild restrictions in place over both years) and, notably, one of the jurisdictions most affected by the Delta outbreak and lockdowns – Victoria – imposed no second moratorium.

Even in the earlier emergency, no Australian jurisdiction imposed a complete moratorium, instead focusing protection on COVID-impacted households in rent arrears. Throughout the emergency periods, and in the 'transitional' periods that some jurisdictions implemented thereafter, eviction proceedings have continued: e.g. in South Australia, about 3,000 termination applications were brought by landlords during the moratorium in 2020, and almost 4,600 termination applications were made in NSW in the first 10 weeks of the 2021 Delta lockdown. Relatively few tenants – 8-16%, depending on the data source – negotiated a rent variation in 2020 to help cope with reduced income, and most of the associated rent relief schemes were undersubscribed. This reflects both the role of increased federal income support in relieving rental stress and the struggles that tenants, landlords and agents had in their unaccustomed roles as negotiators of relief. Tenant advocates saw some tenants coming out of the moratorium period with rent debts, but reported more pre-emptively terminating tenancies.

Two groups warrant specific attention, because of the special issues faced in the pandemic. International students and other temporary residents experienced high rates of hardship without income support until the eligibility changes for 2021 Disaster Relief. Meanwhile, inner city boarding house residents had more income and a less competitive market than usual for much of 2020-21, but the shared nature of their premises has made them especially difficult living environments in circumstances of virus outbreaks and lockdown.

Income support did more to absorb the income shock of the pandemic, to a significant extent letting housing policy and, especially, landlords, off the hook. Restrictions on evictions and rent increases were lifted just as many regions were seeing a major escalation in rents and tightening availability. This strengthens the sense that housing policy objectives around affordability, security and prevention of homelessness are still lower priorities than maintenance of housing asset values, rent revenues and loan serviceability.

Homelessness

Mass hotel bookings saw street homelessness suddenly reduced to near zero in major cities at the start of the pandemic, an achievement rightly celebrated as showing political and practical scope for decisive intervention on a scale previously unimaginable. In the words of nationally-renowned campaigner David Pearson, for example, governments' rapid action in sheltering 5,000 rough sleepers in March-April 2020 revealed that ending homelessness was 'an eminently achievable goal'.

However, the swift re-emergence of substantial street homelessness after the end of new emergency accommodation (EA) hotel bookings as lockdown crises lapsed illustrates the limitations of such intervention. In central Sydney, for example, rough sleeper numbers were cut from 334 just ahead of the pandemic to an estimated 87 in May 2020, only to rise once again to 270 in February 2021.

Nevertheless, by early 2021, at least 12,073 rough sleepers had benefited from COVID-19 EA programs staged by NSW, Queensland, South Australia and Victoria. Moreover, state governments pledged substantial extra funding to enable pathways to longer term housing for former rough sleepers placed in EA in 2020; rigorous assessments were used to ration the limited number of 'accommodation and support packages' to those with complex needs.

When fully implemented, emergency measures prompted by the pandemic in NSW and Victoria will have facilitated safe, secure and supported pathways for around 3,500 former rough sleepers with complex needs. For most of those concerned, the 'rehousing package' will have combined the tenancy of a property 'headleased' from a private landlord by a community housing organisation, and individual tenant support. In providing this help NSW and Victoria will have to some extent addressed a growing backlog of chronic rough sleepers built up over previous years. At best this pathway will have accommodated only 39% of NSW rough sleepers assisted via EA in 2020. Inadequate data makes it impossible to estimate the equivalent figure for Victoria.

In Victoria – but not in NSW – short-term funding for a housing pathway to more secure housing for former rough sleepers with complex needs has been backed by a medium-term commitment to large scale net social housing growth. This will potentially enable former Victoria rough sleepers to transition into newly built properties without disadvantaging any others in severe housing need and already waiting for social housing. At a broader level, growing Victoria's social housing for the first time in a decade (see below) will make it possible for more homeless people to be stably rehoused without disadvantaging other high needs groups. Former EA residents transitioned into headleased properties in NSW (i.e. private rental properties leased by community housing organisations) may remain in place – subject to lease extension – or will otherwise be accommodated in a mainstream social housing tenancy.

Significant challenges lie ahead in maintaining intensive personal support where required by rehoused homeless people with complex and ongoing needs assisted via post-EA programs when state government-funded help expires after 24 months. Efforts to secure continued help for some through the NDIS are ongoing.

Social housing construction pipeline

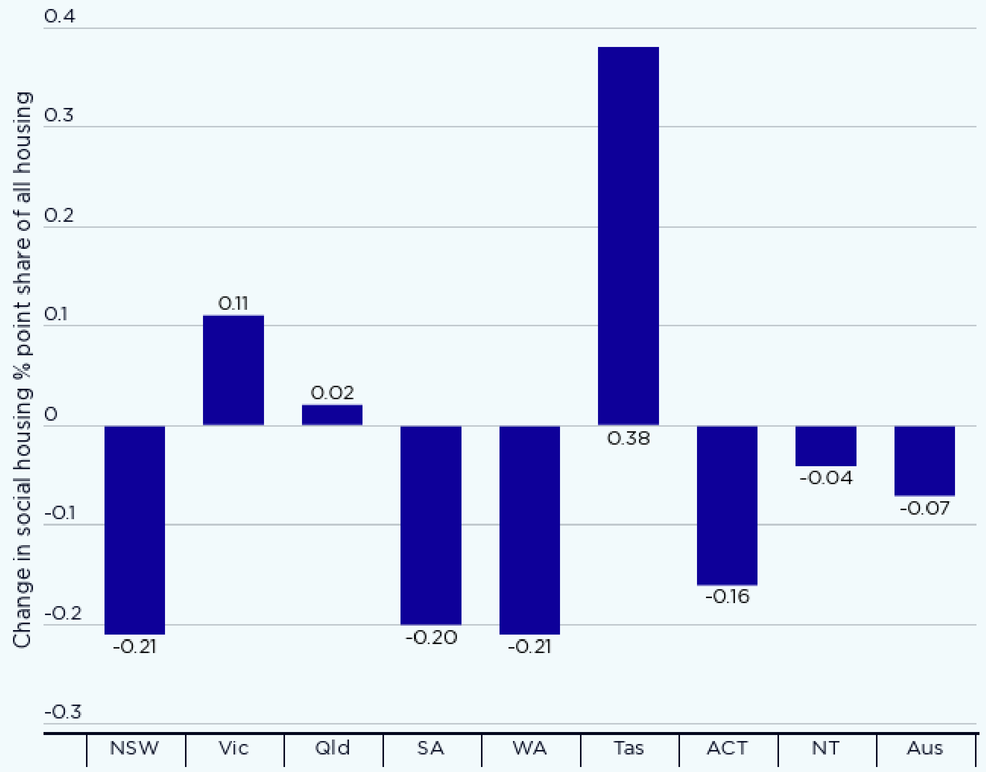
In 2020 and 2021 four state governments – Victoria, Queensland, Western Australia and Tasmania – announced significant self-funded social housing construction programs as a component of post-pandemic stimulus investment. In combination with NSW's proportionately smaller allocation, these unprecedented funding pledges totalled nearly $10 billion.

Including activity already scheduled prior to the pandemic, our survey reveals that state/territory governments plan to construct over 23,000 social housing units over the three years from 2021-22. This represents a threefold increase on national social housebuilding rates during the late 2010s: over the four year period 2021-25 state government-funded programs will add some 20,750 newly built units to the number that would have been otherwise expected.

In jurisdictions such as South Australia, ACT and the Northern Territory which have pledged little or no post-COVID social housing construction stimulus, planned activity is largely focused on replacing rundown public housing, meaning that new development gains will be largely offset by demolition losses. The same is true for NSW. Thus, across Australia, and allowing for both demolitions and sales, we project the net addition to social housing provision over the next three years as around 15,500 dwellings.

Victoria and Queensland will be responsible for more than 60% of Australia's social housing construction (and 80% of the net increase in provision) in this period. The scale of planned development in Victoria, Queensland and Tasmania, will (at least temporarily) reverse historically declining proportionate representation of social housing in these states. Nevertheless, in other jurisdictions, and collectively across Australia, continuing diminution of the sector's share of all dwellings is in prospect (see Figure ES1). On the current trajectory NSW's social housing is set to fall below 4% of total occupied stock within 10 years.

Figure ES1: Projected change in social housing proportionate share of all housing, 2021-22 – 2023-24



For sources, assumptions and methods see Figure 6.6 (Chapter 6)

While remarkable, Australia's recent social housing construction revival is not only patchy across the country, but – even in participating states – only sufficient to make a small dent in the accumulated scale of housing need. In Victoria, for example, while the net increase in social housing to be achieved by 2025 is estimated as 8,200, households registered on Victoria's housing waiting list as at June 2020 totalled 46,000, of which 24,000 were 'greatest need' applicants. Nationally, existing research evidence shows that some 433,000 homeless and other households were in need of adequate and affordable housing in 2016 (Lawson et al. 2018).

Conclusions

The evidence presented in this report suggests that many of Australia's official responses to the COVID-19 pandemic have been notably effective as emergency protective measures for vulnerable renters and homeless people, at least in the short term. Equally, however, it remains highly questionable whether any of the actions specifically targeted on rental housing and homelessness has moved the country towards the systemic change needed to tackle the deep-seated housing inequities increasingly recognised as a serious national problem.

Reference

Lawson, J., Pawson, H., Troy, L., van den Nouwelant, R. and Hamilton, C. (2018) Social housing as infrastructure: an investment pathway (Figure 1), Final Report 306, Melbourne: AHURI ***http://www.ahuri.edu.au/research/final-reports/306***

Photo by ***Hatem Boukhit*** on ***Unsplash***

1. Introduction

1.1 Overview and aims

This is the second report of a research project that began in mid-2020, after the early dramatic responses by governments and individuals to the COVID-19 pandemic. The study has been undertaken as part of the UNSW-ACOSS Poverty and Inequality Partnership work program, and also supported by Mission Australia, National Shelter and Queensland Shelter.

Our first report, published in February 2021, focused on market impacts and policy responses in the early stages of the emergency (March-October 2020). Having avoided the worst public health impacts of the crisis during this period, Australia entered 2021 with coronavirus community transmission virtually eliminated. While the nation's international border remained largely closed, restrictions on social and economic intercourse were lifted, the states and territories were ending their eviction moratoriums, and the Federal Government's extraordinary income support programs were tapering to a scheduled end in March. With the roll-out of newly developed vaccines in prospect, it appeared that Australia had turned a corner in the course of the pandemic, and the emergency policy responses were a thing of the past from which we might take lessons for a post-pandemic future.

Things have, of course, turned out differently. After several brief virus flurries and associated movement restrictions early in 2021, a more serious and sustained outbreak of the Delta variant starting in June triggered extended lockdowns in Sydney, Melbourne and Canberra. The virulence of the disease variant as well as the necessary severity of responsive economic restrictions once again evoked the need for emergency measures to protect homeless people and renters placed at risk by sudden income loss due to business shutdowns. This report, therefore, provides both a further reflection on policy innovation seen in the initial phases of the pandemic, as well as an account of renewed emergency actions implemented from mid-2021.

More generally, the main aims of the research have been to inform an understanding of:

a. Policy shifts or innovations prompted by the COVID-19 pandemic

b. How these policy innovations have been formulated

c. How policy innovations been implemented and with what effect

While the project relates to Australia as a whole, second phase key stakeholder interviews were focused in NSW, Victoria and Queensland. As more fully explained in Section 1.3, our latest fieldwork has also included a survey of social housing development activity in all states and territories.

In parallel with our Australian research we have worked with partnership with colleagues at the UK Collaborative Centre for Housing Evidence (CaCHE) on an international comparative study of housing market impacts and housing-related policy responses in eight high income countries: Canada, Ireland, Germany, New Zealand, Spain and USA – as well as the UK and Australia. This research is being separately reported.

1.2 COVID-19, housing and homelessness

The COVID-19 pandemic unfolded in 2020 as a dual crisis in public health and the economy. Both aspects have played out in countries' housing systems. As UN Special Rapporteur on Housing (Farha 2020) put it, housing is the 'first line of defence against the COVID-19 outbreak'. To shore up this line of defence, the early days of the emergency saw innovations in housing and homelessness policy, and in income support, formulated and implemented at astonishing speed and scale.

Importantly, when it comes to Australia, the sudden onset of COVID-19 occurred against an established backdrop of gradually intensifying housing affordability stress affecting large parts of the country. In many cities and regions, house prices and rents have continued to trend upwards for much of this period, while homelessness has also outpaced broader population growth (Yates, 2016; Pawson et al. 2018, 2020a). Concurrently, mortgage debt has ballooned and an increasing proportion of banks' lending books are dedicated to real estate (Conley, 2018; Jordà et al., 2016), with concerning implications for wider economic stability should the market fall (Maclennan et al. 2021).

At the start of the pandemic, and once again in response to its 2021 resurgence, Australia saw extraordinary changes to its social security income support payments, along with temporary wage subsidy systems (as outlined in the Executive Summary and detailed more specifically in Chapter 2). Similarly, the initial crisis period saw Australia's state and territory governments rapidly legislating evictions moratoriums and enacting emergency interventions on homelessness – measures that were in essence repeated in NSW and Victoria from June 2021.

These policy shifts have been presented as disaster response actions, strictly temporary in nature; but their dramatic emergence has challenged conventional wisdom about what is politically and economically possible.

Ironically, however, perhaps the single most dramatic 'housing consequence of COVID-19' has been the extraordinary property price boom that escalated from late 2020. This was substantially triggered by monetary and fiscal economic stimulus actions of the Reserve Bank, the Commonwealth Government and state/territory governments through interest rate reductions, quantitative easing and housing purchase grants (e.g. the national HomeBuilder program). Nationally, house prices rose by 18.4% in the year to August 2021, with prices in regional markets up by 21.6% (CoreLogic 2021). Within this, Q2 2021 saw the fastest quarterly national house price growth on record (ABS 2021). These developments are all the more remarkable, given their coincidence with the prolonged closure of international borders that substantially dampened national population growth – a fundamental component of housing demand – in 2020 and 2021.

Less fully covered in the media, but also highly notable has been the spike in private rents seen during 2021, a development which will have placed many renters under increased stress. This aspect of the market impacts associated with the pandemic is more fully analysed in Chapter 3.

1.3 Australian housing and homelessness governance context

Policy responsibilities and powers relevant to housing and homelessness are divided in Australia between the national and state/territory levels of government. Therefore, in framing the research methods and findings of this project, and especially for the benefit of any non-Australian readers, it is important that these are briefly explained here.

In Australia's federal system of government, the Australian Constitution allocates to the Australian Government (also styled the Commonwealth or Federal Government) powers in numerous areas; these do not expressly include housing, tenancy, homelessness or land-use planning, so these areas are primarily the responsibility of the six states and two territories. Thus, it is the eight state and territory governments that regulate rental housing markets and providers, as well as owning and managing the bulk of social housing (the state/territory component of this termed 'public housing'). Moreover, it is state and territory governments that are responsible for ensuring satisfactory housing outcomes for those whose needs are inadequately met by the private market – including people subject to homelessness.

While having no constitutional responsibility for housing and homelessness, the Australian Government nevertheless plays significant roles in these areas, through its powers with respect to banking and the money supply, taxation, grants to states and territories, and social security. The latter is important when it comes to rental housing and homelessness, because – on pre-pandemic figures – about half of renter households receive a government payment as part of their income, and for 27% of renters the payment is their main source of income (ABS 2019). These payments include:

- Age and Disability Support Pension
- JobSeeker Payment (formerly NewStart Allowance), Youth Allowance and Parenting Payment
- Family Tax Benefit
- Rent Assistance – paid as a supplement to other social security payments.

Beyond this, reflecting its far more extensive fiscal powers, the Australian Government has a longstanding role when it comes to housing for lower income groups via grants paid to state and territory governments to support their social housing and homelessness activities. Historically, this was mediated through the Commonwealth-State Housing Agreement (CSHA) framework, the predecessor of today's National Housing and Homelessness Agreement (NHHA).

In practice, therefore, Australia's housing and homelessness policy is formulated and delivered through a complex form of multi-level governance (Dodson et al. 2017). Nevertheless, since is state and territory authorities that have direct policy responsibility for rental housing and homelessness, it is this tier of government that forms the main focus for this report.

1.4 Income protection measures in 2021

As outlined in our earlier report (Pawson et al. 2021), a range of emergency income supports was rapidly put in place by the Australian Government at the start of the COVID-19 crisis. The most important of these innovations were the JobKeeper salary replacement scheme, paid through employers, and the Coronavirus Supplement (CVS) that was added to the JobSeeker unemployment benefit and some other social security payments. However, these payments were progressively scaled back from September 2020, before being ended entirely in March 2021.

With the recurrence of virus outbreaks during 2021, however, state and territory governments found it necessary to re-impose restrictions on economic activity not dissimilar to the initial 2020 national lockdown that prompted the creation of JobKeeper and the CVS. Once again, across groups of 'hotspot' suburbs, cities or even entire states, many people found their livelihoods instantly disrupted by curbs on movement and social mixing. However, while recognising the need for special measures to safeguard both the economy and population welfare, the Australian Government decided against re-instituting its 2020 income protection measures. Instead, it used the disaster payment system to introduce the Covid Disaster Payment. It also continued the Pandemic Leave Disaster Payment that was introduced in 2020.

Specifically, these two measures were intended 'to assist those affected by state and territory government decisions relating to COVID-19'. The DP was for people experiencing lockdown-triggered income loss in these circumstances. The PLDP was for people needing to self-isolate or quarantine due to being infected by the virus or being a close contact of a person with COVID.

Introduced from 3 June 2021 and amended in July, the (non-taxable) DP was eventually set at three different weekly payment rates 'based on the number of hours of work lost by an eligible recipient and whether or not they are receiving an income support payment' (Parliament of Australia 2021):

- $200 for those receiving an income support payment and losing eight or more hours of work per week or a full day of their usual hours per week due to the lockdown
- $450 for those losing 8-20 hours of work per week or a full day of their usual work hours per week, and
- $750 for those losing 20 hours or more of work..

The above payment rates are those that applied from 28 July 2021 – in the first few weeks of the regime rates were lower and subject to more restrictions (e.g. payments were only activated by lockdowns of more than 7 days duration). Initially, people receiving income support payments like JobSeeker were excluded from receiving disaster payments, but this changed in July so that people receiving income support who lost paid work could receive a $200pw payment.

A significant difference from the JobKeeper and CVS payments initiated in 2020 was that DP eligibility extended to non-permanent residents with visas permitting work. On the other hand, the program benefited only people whose work income had been reduced by lockdowns, unlike the 2020 regime where – via the CVS – special assistance was also made available to social security claimants without any condition that they had lost hours of part-time work. The rationale for this condition of the DP is difficult to discern. Under lockdown, someone who had lost employment previously loses the opportunities they might otherwise have to regain employment and income. Yet – without any CVS-style payment – they were entitled to no special assistance.

Unlike the DP the cost of PDLP outlays to non-Australian citizens was to be met by state/territory governments

1.5 Research methods

Overview

As further explained below, the Australian background research and fieldwork has involved:

- Literature review
- In-depth interviews with government and NGO stakeholders
- In-depth interviews with homelessness/welfare service users
- Focus group discussion involving Sydney boarding house providers
- Statistical analysis of housing market trends and pandemic policy impacts
- A survey of state/territory governments on social and affordable rental housing new build pipelines, together with a review of published government announcements on social housing stimulus investment programs.

Literature review

As reported mainly in Chapter 2, this touched on the academic literature on crisis policymaking, agenda setting and focusing events. It also encompassed recently emerging rapid research findings on housing policy and housing system consequences of the COVID-19 pandemic. Especially given the recent nature of this crisis – one that was continuing to unfold at the time of writing in late 2021 – reference is also made to media reports of government actions and market developments.

In-depth interviews with rental housing and homelessness stakeholders

Fieldwork underlying this research was informed by in-depth interviews with 14 expert stakeholders in the following sectors:

- Government policymaker (2)
- NGO peak body (3)
- NGO rental housing/homelessness service provider (8)
- Tertiary education (1)

The geographical base/remit of the 14 respondents was as follows:

- National (3)
- NSW (7)
- Queensland (2)
- Victoria (2)

Recruitment of participants targeted individuals with senior and/or in-depth experience of policymaking and/or implementation in relation to rental housing or homelessness. It should be noted that, perhaps especially due to pandemic-stressed workloads and working arrangements, it proved unusually difficult to secure government stakeholder interviews for this second phase of our research. Interviews were undertaken online using a semi-structured topic guide and recorded with interviewee permission.

In-depth interviews with homelessness/welfare service users

This component focused on homeless people in Sydney impacted by the COVID-19 crisis – that is experiencing homelessness during 2020 and/or 2021. Interviewees were recruited with the help of NGO service provider organisations. Interviews were undertaken online using semi-structured topic guides. Once again, likely due to NGOs' pandemic-stressed workloads and working arrangements in mid-2021, this recruitment proved unusually difficult. In the event, 11 interviews were achieved – four had experienced emergency accommodation provided by the NSW Government in 2020 as part of its COVID-19 public health response.

Focus groups: Sydney boarding house providers and international student support officers

To inform the research on the specific issues faced by the boarding house sector, we conducted a focus group with 12 boarding house operators in September 2021. Participants were recruited with the help of an NGO and a property owners organisation. To inform the research on the experiences of international students, we conducted a focus group with four international student support officers, one an international student themselves, in October 2021.

Rental housing market analysis

This draws mainly on published data from official and commercial sources. These include free data posted to the internet by property consultancy SQM, published analyses by residential market analysis firm CoreLogic, as well as rent data published by ABS. We also utilise more granular rental bond board data published by the NSW and Victorian governments. Further information is presented in Section 3.1.

Social housing new build pipeline survey

A pro forma seeking statistics on social and affordable rent housing construction was sent to a key contact in each state/territory government (see Appendix 1). This requested a breakdown of relevant dwellings built (commenced), demolished and sold in 2020-21, as well as projections for the three years from 2021-22. Such statistics are not routinely collected in any official series. Full or partial survey responses were received from six of the eight jurisdictions. In two cases it was necessary to liaise with community housing peak bodies to secure figures on not-for-profit sector activity.

In our analysis of the survey returns (see Chapter 6) we also incorporate figures drawn from other sources in relation to the two jurisdictions (Queensland and NSW) that declined survey participation. For the former, these estimates are derived from published announcements by the Queensland Government. For the latter, figures for government-led activity were obtained through a Freedom of Information request submitted with the assistance of ABC News.

1.6 Report structure

Following this introductory chapter, to frame our main body of empirical evidence on rental housing and homelessness, Chapter 2 includes a brief review of literature that sheds light on the contention that COVID-19 might have formed a 'focusing event' for housing policy and practice. The chapter also presents a factual synopsis of the key income support measures enacted by Australian governments in response to the pandemic. Next, in Chapter 3, we present an analysis of rental housing market conditions during 2020 and 2021 to explore the initial demand and supply impacts of the pandemic as these are revealed by indicators such as asking rents, vacancy rates and activity levels.

Chapter 4 focuses on pandemic responses in rental housing regulation, particularly state/territory eviction moratoriums (and post-moratorium transitional arrangements), frameworks for rent variations and rent relief schemes. This chapter also includes two focus sections on groups who faced special challenges in the pandemic: boarding house residents and operators; and international students and other temporary residents.

Chapter 5 documents and analyses state government responses to the pandemic in the realm of homelessness policy and practice. The main emphasis is on the emergency accommodation programs enacted in Queensland, South Australia and – especially – NSW and Victoria, as well as on the rehousing initiatives mounted by these latter two states to transition former rough sleepers out of hotels and into longer term housing.

Penultimately, Chapter 6 investigates pandemic-triggered social housing investment initiatives committed at significant scale by several state governments in 2020 and 2021. We estimate the gross and net increase in social and affordable housing provision likely to flow from these programs over the next three years.

Finally, in Chapter 7, some brief conclusions are discussed.

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2. COVID-19 as a focusing event for housing policy and practice

Key points

- A prolonged national public health emergency such as COVID-19 has the potential to act as a focusing event or trigger for crisis policymaking which may transcend the limits of what is politically tenable in 'normal times'
- Especially given the initial gravity of the COVID-19 crisis, and with reference to certain previously unimagined interventions sanctioned by Australian governments at this stage, there were hopes that the experience could catalyse lasting progressive change on housing
- Stimulated by government measures to boost private market demand what in fact transpired in 2020-21 was a house price boom that compounded existing problems of unaffordability and indebtedness
- Existing published research suggests that, notwithstanding the egalitarian impact of income protection measures at their initial pandemic rates, COVID-19 has also exacerbated housing inequities

2.1 Chapter introduction

As discussed in the initial report for this project (Pawson et al., 2021), crises such as the COVID-19 pandemic have the potential to serve as 'focusing events' (Birkland, 1998) – opportunities for 'thinking outside the box', and the contemplation of policy options previously considered unthinkable. This is associated with a stream of policy studies literature that analyses 'crisis policymaking' as a potential opportunity for transformative change. The scope for 'building back better' in these circumstances depends on how associated policy conundrums are defined and portrayed; interest groups or 'advocacy coalitions' (Sabatier, 1988) engage in framing contests around the crisis to advance their goals.

To frame our own original analysis in Chapters 3-6, this chapter briefly appraises existing published literature of two kinds. First, in Section 2.2, it discusses insights on policymaking in crisis conditions that could have relevance to COVID-19 rental housing and homelessness policy responses. Second, in Sections 2.3-2.5, it reviews emerging literature on the pandemic's direct and indirect impacts on the housing system. Focusing primarily on Australia, we discuss how the crisis – and policy responses to it – have affected the wider housing market, as well as related social equity impacts. Later chapters present original data sourced for this report and delve into these issues in greater depth.

2.2 Policymaking in crises

There is a widely shared view of the COVID-19 pandemic as an 'unprecedented crisis' (e.g. World Bank 2020; IMF, 2020; Prime Minister of Australia, 2021). As Foye et al. observe, this is challenging for policy research, because 'standard models of the social research project – building out from an existing literature – become much more difficult to apply' (2020: 1). On the other hand, for centuries the concept of crisis has been pervasive – if also elusive and imprecise – in social and political thought (Hay, 1999). Popular renditions of political theory also connect crises and policy-making, in aphorisms about the Chinese characters for 'crisis' representing both 'danger' and 'opportunity', and 'never letting a good crisis go to waste' (attributed variously to Machiavelli, Churchill, and Saul Alinsky).

For greater precision, Hay conceptualises 'crisis' as 'a moment of decisive intervention in the process of institutional change'; and, even more precisely, 'a strategic moment in the transformation of the state… a moment in which a tendential unity is reimposed upon the state' (1999: 320). In this conceptualisation, in ordinary times policy is 'routine and mundane', conducted within a multitude of relatively autonomous state agencies and their associated networks, each with particular institutional and discursive frameworks (1999: 332). For Hay, a crisis is a narrative of the inadequacy of current policy settings and agency capacities to address a threat, in the course of which 'the site of political decision-making shifts from the disaggregated institutions, policy communities, networks and practices of the state apparatus to the state as a centralised and dynamic agent. The state is constituted anew through crisis' (1999: 338).

This movement is evident in the Australian response to the dual public health and economic crisis of COVID-19, in the frequent resort to (and public legitimation of) executive action, and the creation of a new central institution in the National Cabinet of federal and state/territory governments. However, the latter also signifies the crucial role of the state and territory governments in the crisis, which have been no less dynamic and agentive than the federal government, prompting the question whether, in the Australian case, the federation is 'constituted anew' through the crisis.

Another qualification on the centralising movement of policy in crisis – expressly made by Hay – is that the state's 'decisive intervention' is not limited to the imposition of controls over persons and resources, nor does it entail the growth of the formal state apparatus: other new solutions may be required by the narration of a crisis. That crises are 'discursively constituted' (Hay 1999: 331) is emphasised by Widmaier et al. in their definition of 'crisis' as 'events which agents intersubjectively interpret as necessitating change' (2007: 748). As the crisis-activated state breaks out of the usual routines of policy-making, it is presented with the 'solutions' of not only state functionaries but also wider networks of 'epistemic communities' and 'norm entrepreneurs' (2007: 753).

Milton Friedman, a pre-eminent norm entrepreneur of neo-liberal government, explained this role:

> *Only a crisis, actual or perceived, produces real change. When that crisis occurs, the actions that are taken depend on the ideas that are lying around. That, I believe, is our basic function; to develop alternatives to existing policies, to keep them alive and available until the politically impossible becomes politically inevitable (Friedman 2009: 14)*

The meaning of the COVID-19 crisis has been contested on numerous axes. For some, it has been a wholly exogenous shock and the challenge is to return to normal; for others it is something to be lived with in a new sensibility of risk and acceptance of harm; for others a crisis that has split pre-existing inequalities even wider.

2.3 Hope for progressive change

Some emergency policy actions conceived early in the pandemic were interpreted at the time as evidence that COVID-19 could catalyse progress on seemingly intractable problems such as homelessness. In the words of one nationally-renowned campaigner, for example, governments' rapid action in sheltering 5,000 rough sleepers in March-April 2020 revealed that ending homelessness was 'an eminently achievable goal' (Boseley 2020).

More broadly, in the social security realm the Australian Government's immediate response to the arrival of COVID-19 represented 'an unprecedented policy turnaround towards welfare generosity and the almost total relaxation of conditionality' (Ramia and Perrone 2021 p1). emporarily boosted income support was estimated to have reduced the number of people living in poverty by almost a third (Phillips et al., 2020).

Government and service agencies showed high levels of commitment and collaboration in providing emergency accommodation for people at risk of homelessness (Hartley et al., 2021), driven in many countries by a shift in framing towards homelessness as a public health issue (Pleace et al., 2021; Pawson et al., 2020b). As with any initiative, there have been oversights and shortcomings in all these areas – for example, inadequate food provision in emergency accommodation at the start of the NSW program (Hartley et al., 2021).

Baxter et al. (2021) envisaged that the broadened cohort needing to rely on social safety nets could see reduced prejudice against beneficiaries, as well as boosting awareness of challenges routinely faced by social security recipients surviving on such low incomes. Enhanced support for progressive reforms might, therefore, follow. Friel et al. (2020: 4) observed that much progress can be made in many areas if the political will is present, developing 'a healthier, more equitable and sustainable Australia'. However, as Mendes (2020) observed in relation to Portuguese activism to definancialise housing amidst COVID-19's impacts, hard-won changes are likely to be temporary and/or the exception to the rule.

In the case of Australia, the impacts of apparently progressive 'population welfare' policies (e.g. temporarily enhanced social security payments) have been short term and overshadowed by the much more significant effects of policies supporting the residential property market – responding to the ever-present advocacy coalition of banks, the housing industry, and residential property owners. In a 'majority homeownership' society like Australia, it is politically expedient to support rising residential property values (Jacobs, 2015; Pawson et al., 2020a; Wetzstein, 2017), and with such a large proportion of wealth and debt situated in housing, protecting against a price crash has been an overriding priority. Banks' high exposure to residential lending means their profitability rests on the housing market's continued viability, and their financial system dominance means any shocks could wreak much wider economic damage (Conley, 2018).

2.4 Policies supporting a fast-rising market

Early expectations of sustained house price deflation due to COVID-19 (Yeates, 2020) proved entirely misplaced. Instead, by September 2021, residential property values had risen by over 20% in a year, their highest annual rate of appreciation for more than 30 years (CoreLogic 2021). Banks struggled to cope with demand for mortgages (Morris, 2021). With population growth falling from its pre-pandemic norm of around 1.5% per annum to 0.1% in the year to March 2021 (ABS 2021a) and wage inflation remaining subdued at 1.7% in the year to June 2021 (ABS 2021b), this is particularly notable from a traditional supply and demand standpoint.

An element of this extraordinary development is likely due to the nature of the crisis, with the importance of housing quality and space at a premium (Bower et al., 2021; Madeddu and Clifford, 2021; OECD, 2021; Pawson et al., 2021). It is also possible that the new scope for at least partial disconnection between home and office location might have stimulated second home demand. It is, however, certain that rapid price inflation is largely due to 'highly accommodative monetary policy settings' including extremely low interest rates (KPMG Economics, 2021: 4), compounded in 2020 and 2021 by income support packages providing confidence, government incentives for first home buyers and many potentially cash-rich Australians returning home during the pandemic (Morris, 2021; Baxter et al., 2021; KPMG Economics, 2021).

Compounding the inflationary impact of falling interest rates, as well as state/territory government homebuyer incentives, the Australian Government's main housing policy intervention in response to the pandemic has been the HomeBuilder program – a $2.1 billion grant scheme for home purchase and renovation. The Commonwealth has refused to support housebuilding in a non-inflationary way – via non-market social housing –despite calls for such action from many quarters including OECD (2021), Parsell et al. (2020), Pleace et al. (2021) and a majority of top Australian economists (Martin 2020). As detailed in Chapter 6, however, some state/territory governments have pledged substantial self-funded social housing programs that will roll out in the immediate post-COVID era.

In sum, policy responses to COVID-19 that aimed to support residential property prices have overshot, inflaming housing affordability stress and compounding household indebtedness. At the higher end of the market, buyers have been encouraged to commit to large mortgages at low interest rates, increasing precarity should conditions change (Morris, 2021).

2.5 Increasing inequities

Advocacy groups and researchers have used COVID-19 to highlight the importance of good housing (CHIA NSW 2021; Razaghi 2021; ACOSS 2020; Baxter et al., 2021), and as cited above there have been impressive responses in the government and non-government service sector. These have supported people at risk of homelessness into safer accommodation, provided wrap-around services and income support and advocated for the needs of those most vulnerable (Coram et al. 2021; Friel et al. 2020; Hartley et al., 2021).

COVID-19 has exacerbated divisions along various dimensions, not least in terms of the disproportionately high levels of infection, illness and death among socio-economically disadvantaged groups (McConnell and Stark, 2021; Raynor and Panza, 2021). In the USA, renters of colour have been more likely to be evicted and less likely to have rent arrears forgiven (de la Campa et al., 2021). . Bower et al. (2021) found that COVID amplified existing housing inequalities due to stresses around affordability and security of tenure as well as safety and poor physical environments (also noted by Madeddu and Clifford (2021) and Pleace et al. (2021)). Almost one in twenty of their 2065 survey respondents had moved house just prior to, or in the early months of the pandemic, implying eviction moratoriums and rental negotiations did not provide protection for all. Similarly, Coram et al. (2021) found that housing security was one of the top five most acute needs for clients of support services.

As Buckle et al. (2020) and Raynor and Panza (2021) point out, many people in marginal housing (such as share houses, secondary dwellings or boarding houses) experience overcrowding, are essential workers in health or hospitality, are employed casually and/or are temporary migrants who are not usually eligible for income support. These factors mean both increased risk of infection with COVID-19, and increased precarity of tenure and income. The stresses of lockdowns and more generally the pandemic have meant an increase in need for support services, at the same time as increased difficulty in accessing these supports (Coram et al., 2021).

As Coram et al. (2021: 3) argue, 'governments' failure to continue to adequately support those in need, and to smooth out the unequal impacts of the pandemic on different groups in Australian society, potentially leaves some people vulnerable and undermines the legitimacy of exercising coercive power to the degree required for virus suppression'.

2.6 Chapter conclusion

The origins of agenda setting scholarship lie in seeking to understand 'how the politics of policy were circumscribing calls for social justice in ways which were disadvantaging communities' (McConnell and Stark, 2021: 1123). In an early review of government policy responses to COVID-19, Friel et al. (2020: 10) concluded that 'the inequities in power, money and resources that sit behind the conditions of everyday life will not change as a result of these policy responses'. As we reflect in Chapter 7, a year later it is difficult to argue with this assessment.

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3. Rental market analysis

Key points

- While rents declined sharply in some capital city inner suburbs at the start of the pandemic, the national picture has seen a rapid take-off in rents from mid-2020, with annual increases accelerating to over 8% by Q3 2021 – far ahead of wage growth (at 1.7%) and dramatically higher than the 1.8% annual rent increase norm over the previous decade.
- Rent inflation in regional Australia escalated to a remarkable 12.4% in the year to August 2021, with non-metropolitan increases outpacing capital cities most markedly in NSW, Victoria and Queensland
- Detailed figures for Victoria confirm the impact of pandemic market trends in significantly worsening regional rental affordability; however, such change represented only a continuation of a pre-2020 decline in the proportion of Victoria's regional lettings within reach of low-income households – down from 58% to 41% in the three years to March 2020
- Extraordinary factors likely to have affected overall demand for rental housing during the pandemic include diminished international migration, cessation of international tourism and business travel, reduced capacity of existing renters to sustain previous rental expenditure, and changing service and financial industry working practices
- The geography of rental price changes within Australia may be affected by a recent rise in net out-migration from Sydney and Melbourne – partly, in turn, reflecting a decline in the number of people moving from the regions to the cities
- In both Victoria and NSW the size of the private rental stock (number of bonds in existence) and the number of new tenancies being created (new bonds lodged) have been flat or declining in regional areas in 2020 and 2021, likely exacerbating market pressures
- Confirming that highly unusual conditions have prevailed on the supply side of the rental market during the pandemic, rental property listings ran well below their historic norms during the first nine months of 2021 – e.g. in September 2021 new rental listings were running 23% below their 2016-2019 norm.

3.1 Chapter purpose and sources

Purpose

Both in Australia and around the world, the COVID-19 pandemic has substantially impacted on housing markets – although not always in line with initial expectations. Australian commentary has, as ever, focused mainly on the house sales market and the largely unanticipated price boom that took off across most of the country in late 2020. However, as this chapter demonstrates, the public health emergency has also seen extraordinary turbulence in the nation's rental housing market. Considering their potentially major implications for the welfare of low-income Australians reliant on this sector, an analysis of these developments is an important component of the current research.

At 2018, about 939,000 low-income households were living in private rental housing – 38% of all private tenant households (Productivity Commission 2019, Figure 2.5, underlying data) and more than double the number of low-income households in social housing (about 400,000) (Productivity Commission 2021a, Table 18A.4).

Private tenants are exposed to housing price fluctuations in ways that owner occupiers and social renters are not. The market price of rental housing at any one time is directly relevant to those seeking their first tenancy or needing to move between tenancies, and Australian residential tenancies laws generally allow landlords to increase rents for existing tenancies in line with the market.

Given the above, it is changing rent levels that form the key focus of this chapter. However, rather than simply reporting recent rent trends, we also analyse and discuss some of the market factors and developments that underlie observed patterns in rental prices seen in 2020 and 2021. It should be emphasized that this is necessarily reliant on highly incomplete statistical data on the components of private rental supply and, especially, demand. Another limitation is that, where available at all, free-to-access private rental market data is largely jurisdiction-specific and – where published at all – is often issued by state/territory governments in ways that lack inter-jurisdictional consistency.

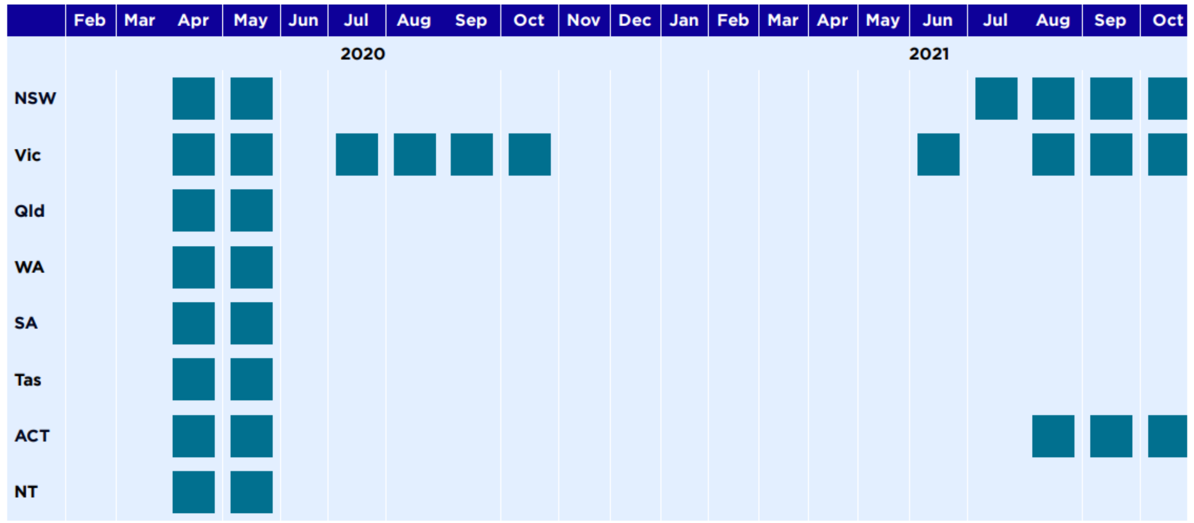
In interpreting our analysis of 2020-2021 trends in rental market indices it is important to bear in mind the timeline of pandemic economic impacts as these differentially affected Australia's eight state/territory jurisdictions. Crucial here have been the movement restrictions ('lockdowns') that have impeded economic activity, with major implications for employment and incomes, as well as for property transactions, specifically. The most significant point to take from Figure 3.1 (next page) is that Victoria alone experienced a long and economically damaging lockdown in the second half of 2020 – an experience which appears to have been reflected in some of the rental market patterns highlighted later in the chapter.

Remit and sources

Partly reflecting data availability limitations and partly due to the relatively small scale of the current research, some of the analyses presented in this chapter are restricted to NSW and Victoria. Since the public health and economic impacts of the pandemic have varied across Australia, observations on market developments in these states may not fully reflect trends experienced other jurisdictions.

Our analysis in this chapter draws on a diverse set of sources: property market data published by the property consultancy SQM andresidential market analysis firm CoreLogic, Consumer Price Index data from the ABS, and more granular rental bond board data published by the NSW and Victorian governments.

Figure 3.1: Overview of pandemic economic shutdowns by jurisdiction



Note: shaded months approximately represent the operation of long-lasting (i.e. at least 14 days) 'lockdown' restrictions impeding normal economic and housing market activity and applicable across the whole of a capital city or state/territory. Additionally, all states and territories also experienced shorter and/or locally targeted lockdowns at various times during 2020 and 2021.

Chapter structure

The structure of the chapter is as follows. First, in Section 3.2, we analyse rental price changes in 2020 and 2021. After an initial focus on the main capital cities, we then give attention to the intra-jurisdictional spatial rent variations that have seen substantial divergence between metropolitan and regional market trends during the pandemic. We also briefly consider the affordability consequences of recent change in rents as these affect tenants reliant on social security benefits.

In the remainder of the chapter we analyse market demand and supply factors that could help to explain observed rent trends. First, in Section 3.3 we discuss three key economic and demographic shocks that have impacted on rental housing demand during the pandemic; namely diminished population growth, cessation of international tourism and business travel, and reduced incomes among the tenant population. Then, in Section 3.4 we analyse 2020-2021 developments on the supply side of the market. This is investigated mainly in terms of the stock of rental properties in use (the stock of tenancy bonds) and the flow of tenancies being created (new bonds initiated in given time periods). Also, as a measure that – like rents – reflects the interaction of demand and supply, we briefly consider changing rental property vacancy rates. Finally, Section 3.5 completes the chapter by drawing together the threads of our analysis.

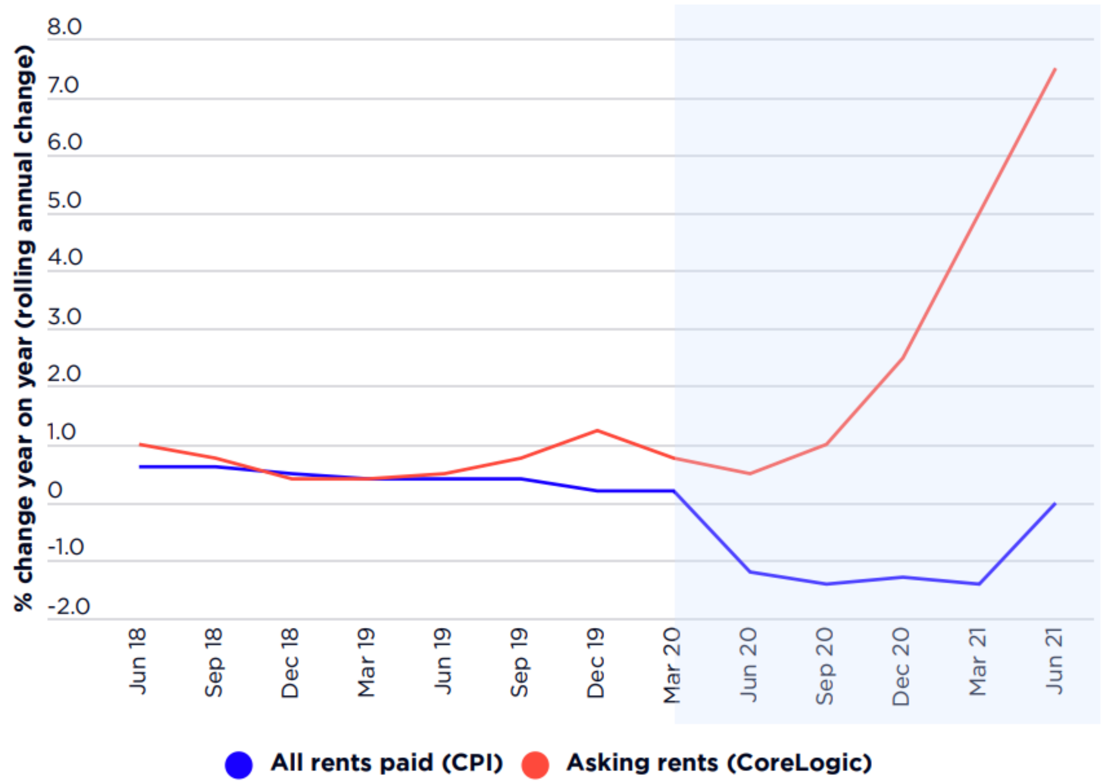
3.2 Private rental prices

National trends

There are several different measures of private rents. 'Asking rents' refer to the advertised rent for properties available to let, and are commonly reported by property data firms. 'Agreed rents' refer to the rents actually contracted at the commencement of tenancies, as recorded in rental bond lodgement; these data are published by some state governments. Both are usually presented in terms of a median or quartile value, and asking rents tend to be somewhat higher than agreed rents. Both measure 'entry rents' for new tenancies just commencing. For the larger body of tenancies – new and ongoing – the ABS's Consumer Price Index series includes a rent index, but it draws on survey data only from the capital cities, and is presented as percentage changes in an index, not median or quartile dollar values[1].

As demonstrated in Figure 3.2, financial year 2020-21 saw a remarkable divergence in the 'asking rents' and CPI 'all rents' trajectories. Initially – from March-September 2020 – this divergence appears to have been driven largely by a small temporary decline in the 'all rents' trend. This is likely to have reflected the outcome of tenant-landlord negotiations – whether occasioned by a reduction in the tenants' incomes, or by changed market conditions in the capital cities. From our earlier fieldwork as part of the current research we know that some 8-16% of tenants secured landlord agreement to a rent reduction during the initial stages of the pandemic (Pawson et al. 2021).

Figure 3.2: Rent trends, 2018-21, Australia



Sources: All rents – ABS Consumer Price Index (ABS 2021c); Asking rents – CoreLogic (2021a)

Note: CoreLogic's 'asking rent' statistics apply a hedonic model to advertised rent data, with valuations imputed for the entire property market. Rent values are thus estimated for every property in the area of measurement based on individual property attributes, and this is calculated monthly. Therefore, the CoreLogic metric aims to reflect changes in rent valuation across the whole market. Moreover, the hedonic method means that resulting metrics are less susceptible to compositional changes in the cohort of properties being advertised at any one time.

1 Note also the CPI series encompasses capital city social rental properties whose price is not set by the market, as well as the much more numerous private tenancies where the price paid by the tenant is largely unregulated.

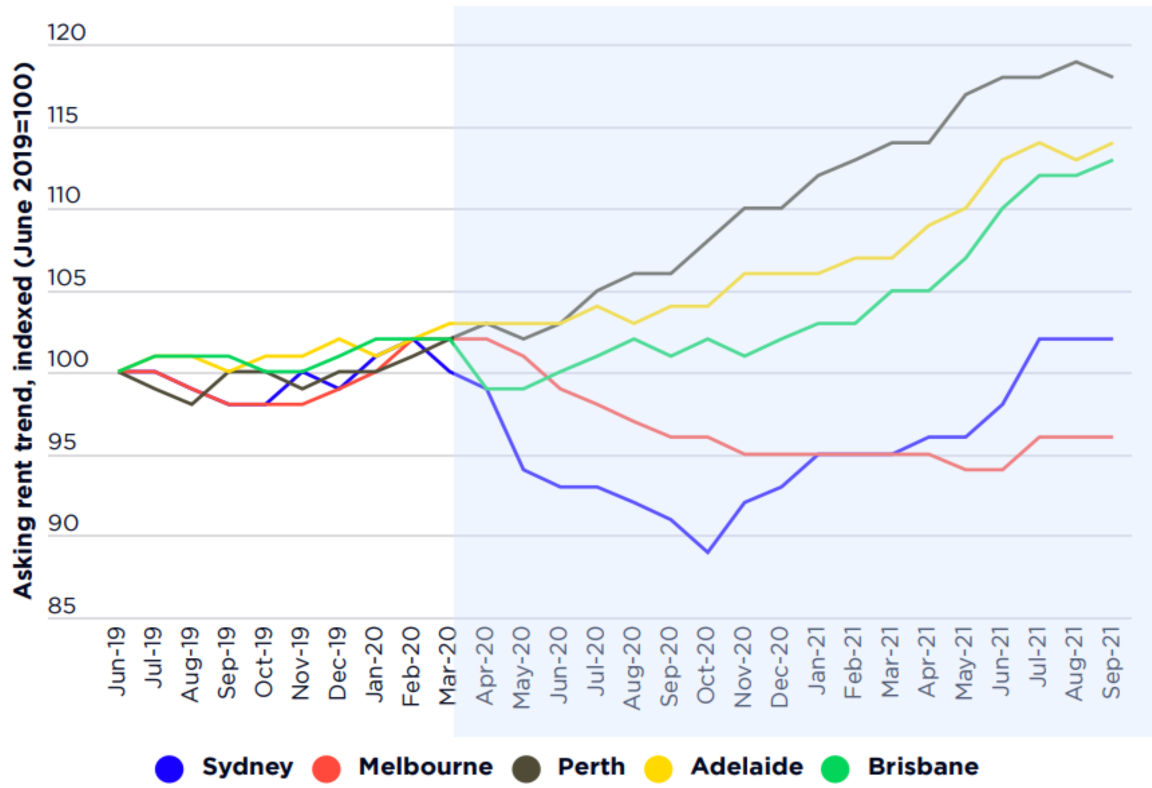
From around the start of Q4 2020, however, growing divergence between the 'all rents' and 'entry rents' trajectories was driven wholly by rapidly escalating inflation in the price attributed to new tenancies being transacted [2]. By July 2021 this had reached 7.5% (see Figure 3.2), and by September 8.2% - the fastest rate of increase since 2008 (Jalal 2021). Moreover, according to same CoreLogic source, the July 2021 year on year escalation in asking rents had reached 9.4% for houses, but only 2.7% for apartments. The extraordinary rate of inflation in entry rents in 2021 is also evident in CoreLogic statistics showing annual increases over the previous decade averaging only 1.8% (ibid).

Meanwhile, by June 2021 the CPI all rents index had ceased to decline in relation to its level one year previously.

Capital city trends

The differential economic impacts of the COVID-19 pandemic across Australia are apparent in 2020-21 rent trends for the five main capital cities. Unlike the other cities, Sydney and Melbourne saw significant reductions in asking rents during 2020 in relation to both houses and apartments – see Figures 3.3 and 3.4. Only by mid-2021 had Sydney house rents recovered to their pre-crisis level. House rents in Melbourne remained almost 5% below their March 2020 values at this time, while apartment rents in both cities were still well over 5% lower than their pre-COVID levels.

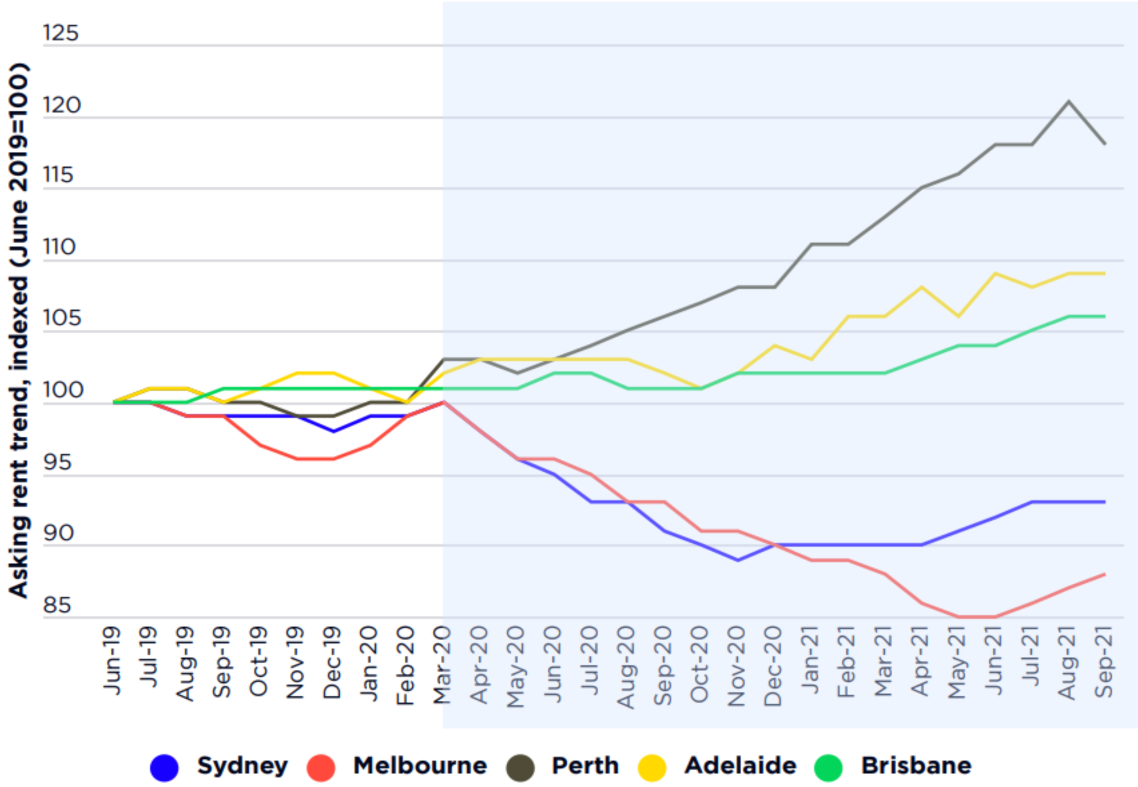
Figure 3.3: Asking rents for houses: capital cities – indexed trends



Source: Derived from SQM free property data - https://sqmresearch.com.au/free-statistics.php

2 Albeit that this divergence will have been exacerbated by the exclusion of regional rents from the CPI metric, within the context of apparently much stronger regional rent inflation – see later in this section.

Figure 3.4: Asking rents for apartments: capital cities – indexed trends

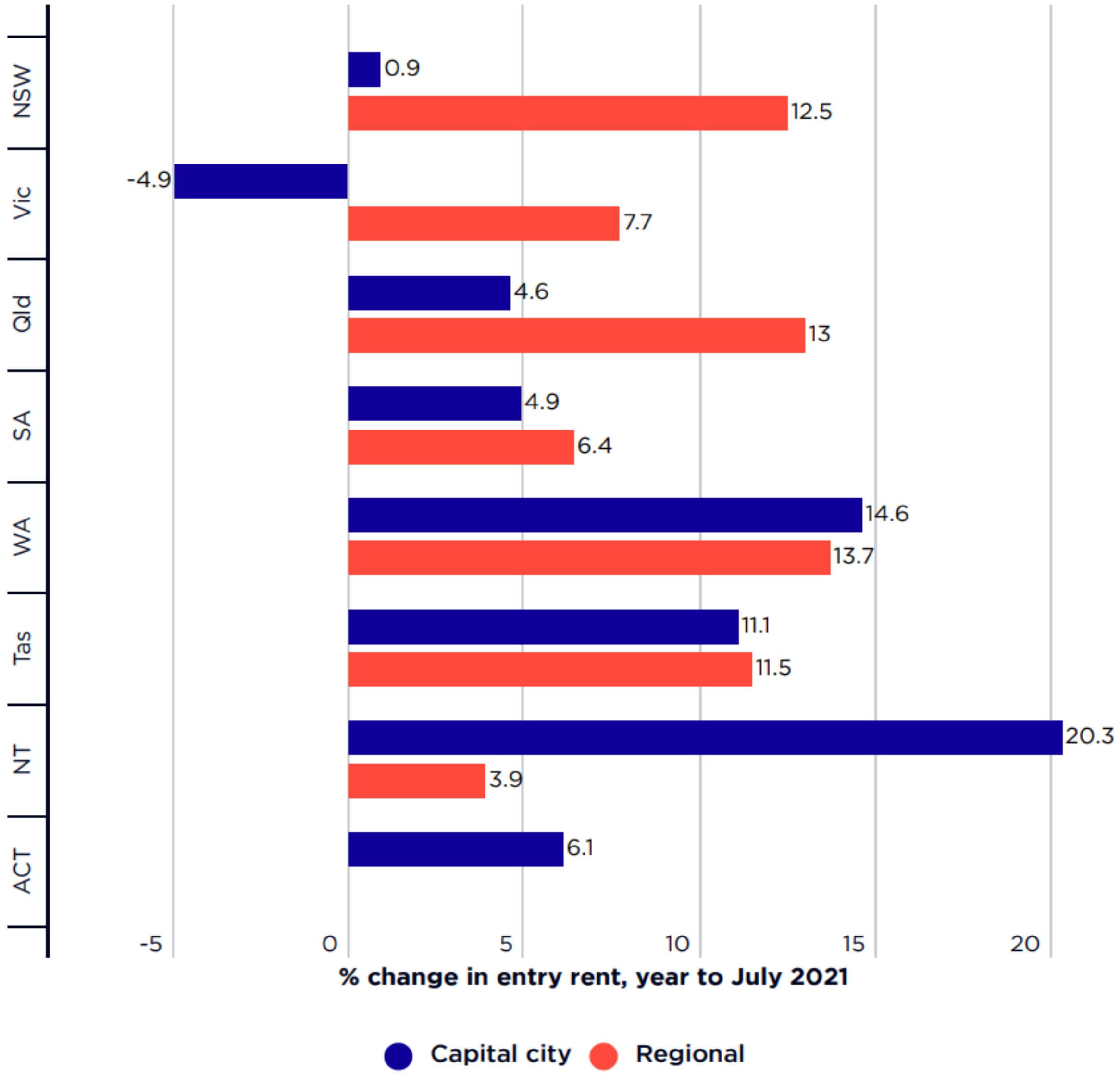


Source: Derived from SQM free property data - https://sqmresearch.com.au/free-statistics.php

Cities versus regions

While 2020-21 saw a substantial overall increase in asking rents across Australia (see Figure 3.2), marked property type and inter-city variations have already been documented above. There have also been sharp contrasts between metropolitan and regional markets, with rent rises particularly rapid in the latter. According to CoreLogic's index, market rents across 'combined capital cities' increased by 6.4% in the 12 months to August 2021, whereas the comparable 'combined regional' figure was a remarkable 12.4% (CoreLogic 2021b). Especially in NSW, Victoria and Queensland, the rising regional markets indicated in Figure 3.5 are particularly striking.

Figure 3.5: Asking rent change, Aug 2020-Jul 2021 – metro versus non-metro comparison

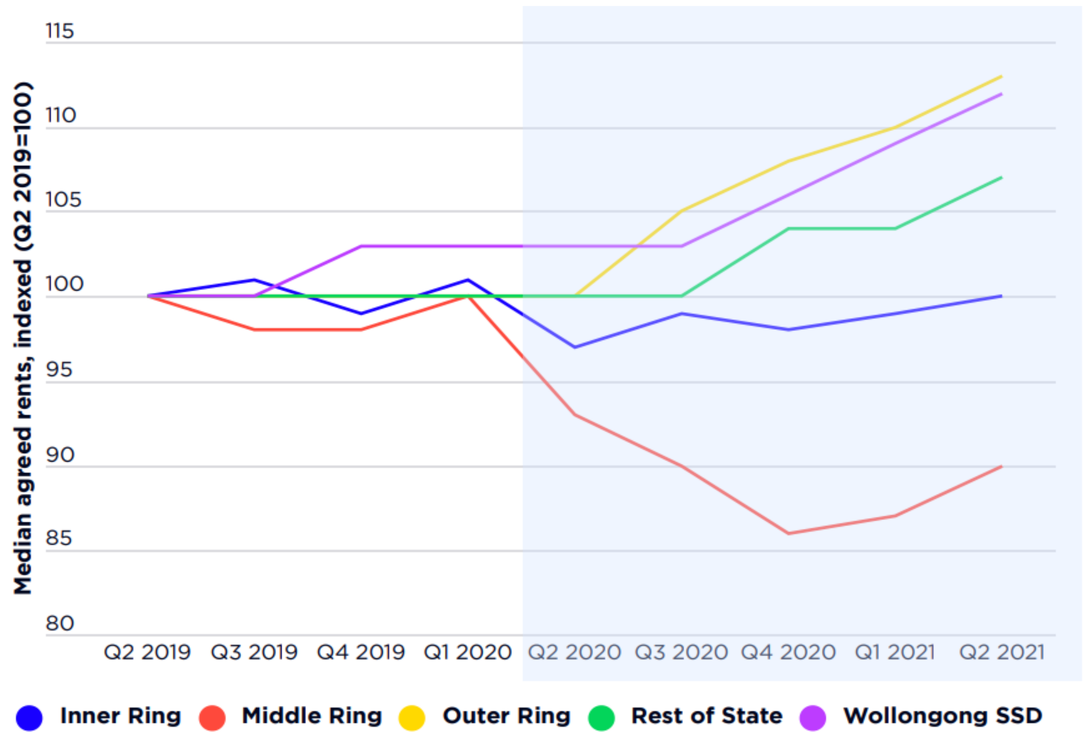


Source: CoreLogic (2021a)

The more detailed two-year trends for NSW and Victoria as shown in Figures 3.6 and 3.7 relate to agreed rents, rather than the asking (advertised) rent statistics graphed for all jurisdictions in Figure 3.5. Nevertheless, there is reasonable consistency between the two analyses for these two states.

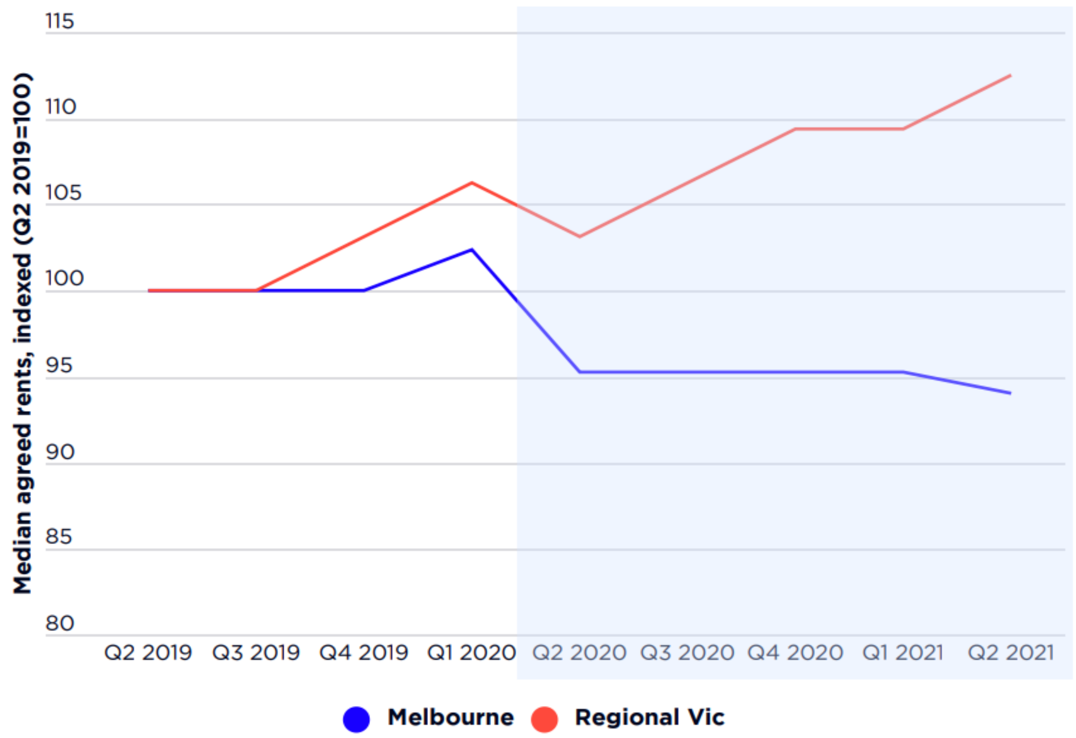
Notably, Sydney's outer suburban trend sharply contrasts from that of inner and middle ring localities. Rents in outer Sydney have been tracking along a trajectory much more similar to regional NSW (other than Newcastle). It could be that this is partly a reflection of changing property type demand during the pandemic. If homes for let in inner and middle Sydney are typically units, but most in outer ring suburbs (as in most regional areas) are houses, that could affect aggregate rent trends in a period when house rentals have commanded an unusually large premium (see Section 3.3).

Figure 3.6: Median agreed rents, indexed: Recent NSW trends



Source: Derived from NSW Rent and Sales Report (original data from rental bond board records)

Figure 3.7: Median agreed rents, indexed: Recent Victoria trends



Source: Derived from Victoria Rental Report https://www.dhhs.vic.gov.au/publications/rental-report (original data from rental bond board records).

Localities

Drilling down to a more local scale reveals yet more contrasting intra-state rent trends during the pandemic. This analysis focuses on the first nine months of the crisis, since it was in this period that markets were most disrupted. At the NSW local government area level this period saw a marked divergence between certain regional and inner/middle ring Sydney areas – see Table 3.1. In Victoria, meanwhile, the hit to rents in Melbourne's inner suburbs (Table 3.2) was very similar to that experienced in inner Sydney (City of Sydney LGA). In all of Victoria's non-metropolitan statistical regions, meanwhile, rents rose during the period – presaging further increases in 2021.

Table 3.1: Rent changes Q1-Q4 2020 (agreed rents), NSW localities with extreme values

Local Government Area	March 2020 quarter			December 2020 quarter			% change
	Quartile 1 ($)	Median ($)	New bonds	Quartile 1 ($)	Median ($)	New bonds	
Orange	285	350	463	320	400	421	14
Newcastle	300	410	2,598	350	450	2055	10
Shellharbour	400	460	483	441	500	454	9
Hawkesbury	350	415	415	370	450	337	8
Lake Macquarie	355	416	1,184	375	450	1049	8
Bayside	480	590	2,901	420	500	3,093	-15
North Sydney	520	650	1826	440	550	2,025	-15
City of Sydney	530	649	8,227	440	540	9753	-17
Burwood	495	590	615	400	490	716	-17
Willoughby	545	630	981	446	520	1,214	-17

Source: NSW Rent and Sales reports. Note: Selected LGAs are the 'top five' and 'bottom five' in terms of median rent percentage change over the period. Areas with less than 100 lettings (new bonds) per month excluded

Table 3.2: Rent changes Q1-Q4 2020 (agreed rents), Victorian statistical regions

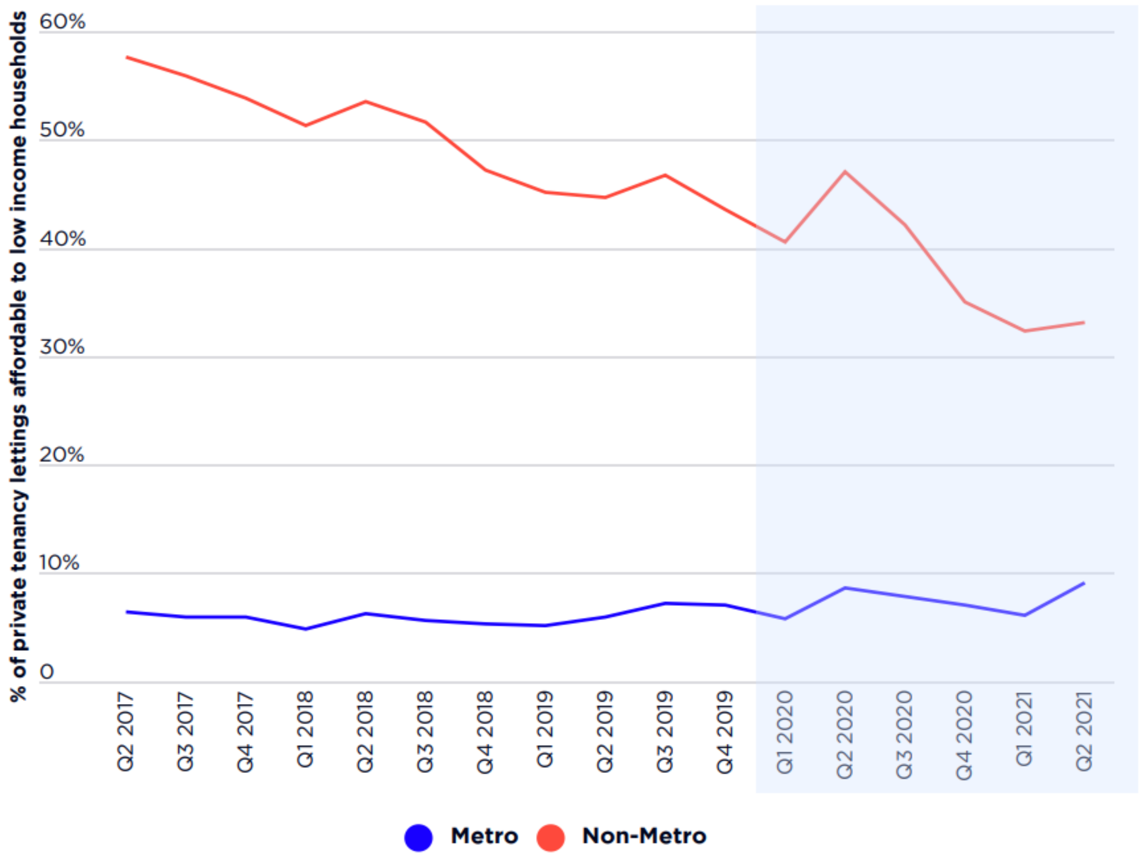
Victorian statistical region	Mar 20 median ($)	Dec 20 median ($)	Median rent % change
Gippsland	300	330	10
Central Highlands-Wimmera	320	340	6
Loddon-Mallee	330	345	5
Mornington Peninsula	395	410	4
Goulburn-Ovens-Murray	320	330	3
Barwon-South West	380	385	1
Western Melbourne	380	380	0
North Eastern Melbourne	400	400	0
Outer Eastern Melbourne	420	420	0
South Eastern Melbourne	380	380	0
North Western Melbourne	410	400	-2
Inner Eastern Melbourne	470	450	-4
Southern Melbourne	480	455	-5
Inner Melbourne	490	400	-18

Source: Victoria Rental Reports, Table 2 https://www.dhhs.vic.gov.au/publications/rental-report

Rental affordability

Large rent increases can be expected to worsen affordability in the regions, which have tended to have lower rents but also lower incomes than the capital cities. Comprehensive data quantifying this point are not yet available, but Victorian Government statistics published in the state's quarterly Rental Report indicate worsening regional affordability in that state (Figure 3.8). Importantly, however, that represented only a continuation of a trend that had already seen the proportion of Victoria's regional lettings within reach of low-income households contract by almost a third in the three years to March 2020 (from 58% to 40%).

Figure 3.8: Rental affordability rates, private tenancies let in Victoria



Source: Derived from Victoria Rental Report https://www.dhhs.vic.gov.au/publications/rental-report (original data from rental bond board records). Note: For full methodology see Homes Victoria (2021) pp38-39.

Rent trends in 2020 and 2021 – summing up

The overall picture that emerges from this section is one of extraordinary rental market turbulence and spatial divergence during the COVID-19 pandemic. A key theme is the capital city versus regional contrast that has been apparent in Australia's four eastern states, with regional rents generally surging during 2020-21, while most capital cities have seen more modest – but in some cases still substantial real terms – increases. Data for NSW (Figure 3.6) illustrate that, at least in this state, the story is in fact somewhat more complex than a simple city versus regions dichotomy.

Nationally, and in almost all sub-areas identified in Figure 3.5, however, asking rents in mid-2021 were rising at rates well above both CPI (3.8% in the year to Q2 2021) or wage growth (1.7%). Implicitly, the general impact will be declining rental affordability – trend substantiated for regional Victoria in Figure 3.8. Of particular and immediate concern is the increased affordability stress that will result for low-income renters needing to obtain a tenancy for the first time, or to move between tenancies. The remainder of this chapter explores the demand and supply factors that help to explain the rent trends revealed above.

3.3 Recent change in rental housing demand

Overall demand

Four extraordinary factors are likely to have affected overall demand for rental housing during the pandemic:

- Diminished population growth attributable to migration
- Cessation of international tourism and business travel
- Reduced capacity of existing renters to sustain previous rental expenditure
- Changing service and financial industry working practices

The specific importance of migration (including permanent and temporary migration; for example, international students) is the understanding that most new migrants will at least initially reside in rental housing. Closure of Australia's international borders to incoming migrants from 20 March 2020 was followed during the remainder of the year by a substantial outflow of foreign nationals. Remarkably, despite the managed return to Australia by tens of thousands of expatriates fleeing the pandemic in other countries, official figures show a Net Overseas Migration (NOM) outflow of 95,000 people in the year to 31 March 2021 (ABS 2021a). This is a dramatic contrast with the recent norm of NOM annual gains, which are typically in the range 200–250,000. Indeed, according to ABS, the result was that in the first 12 months of the pandemic (the year to March 2021), national population growth fell to an extraordinary 0.1% - far below the recent norm of around 1.5% (ibid).

The cessation of international tourism and business travel during the pandemic will have had an impact on the rental market via the short-term letting sector – dwellings rented out through platforms such as AirBnB – which until then had been rapidly expanding. The disappearance of overseas visitors can be expected to have particularly impacted on short term rental demand in Sydney and Melbourne. As noted in our first report from this research, in early 2020 more than 42,000 entire dwellings were listed on Airbnb in these cities alone (Pawson et al. 2021). By October, the number had fallen by over 20% to fewer than 33,000. It is likely that a large proportion of this reduction would have resulted in properties being returned to the mainstream rental market, with a consequential dampening effect on rents.

The COVID-19 economic downturn triggered large-scale earned income losses in 2020 and again (in certain cities) in 2021. Survey evidence set out in our first report suggested that, as a result, at least a quarter of renters would have lost income in the first six months of the pandemic alone (Pawson et al. 2021). As noted above, such evidence also indicates that somewhere between

8% and 16% of tenants negotiated a rent variation with their landlord – thus directly contributing to falling rents in aggregate. Beyond this, while it cannot be quantified, it seems probable that appreciable numbers of young adult tenants chose to cut their rental expenditure by vacating their property – either returning to the family home, or choosing to share with others.

All of the above factors are likely to have dampened demand for rental housing. In parallel with these, however, the rapid rise of working from home during the pandemic has also been widely reported to have altered traditional housing demand preferences. Through force of necessity, according to the Productivity Commission, 'up to 40% of workers' experimented with working from home during the pandemic (Productivity Commission 2021b). This compares with only 5% of workers who reported WFH on Census day 2016 (ibid). When much larger amounts of daily lives are spent in the home it seems logical that residential indoor space – and private outdoor space – will command a larger premium. This may have been a factor underlying the markedly greater inflation in the price of houses as compared with apartments in 2020 and 2021.

Commenting on the longer term impact of pandemic-triggered changes in working practices, the Commission predicted that 'more working from home [will] increase demand for larger housing, which may also provide an impetus for people to move further out' (p55). There is even a logical hypothesis that for more affluent people, hybrid working regimes could generate a net increase in demand for dwellings, as well as for space within dwellings. The argument here is that the increased scope for working remotely seen as a result of the pandemic might have increased the appeal of second home ownership – or indeed 'second home rental'.

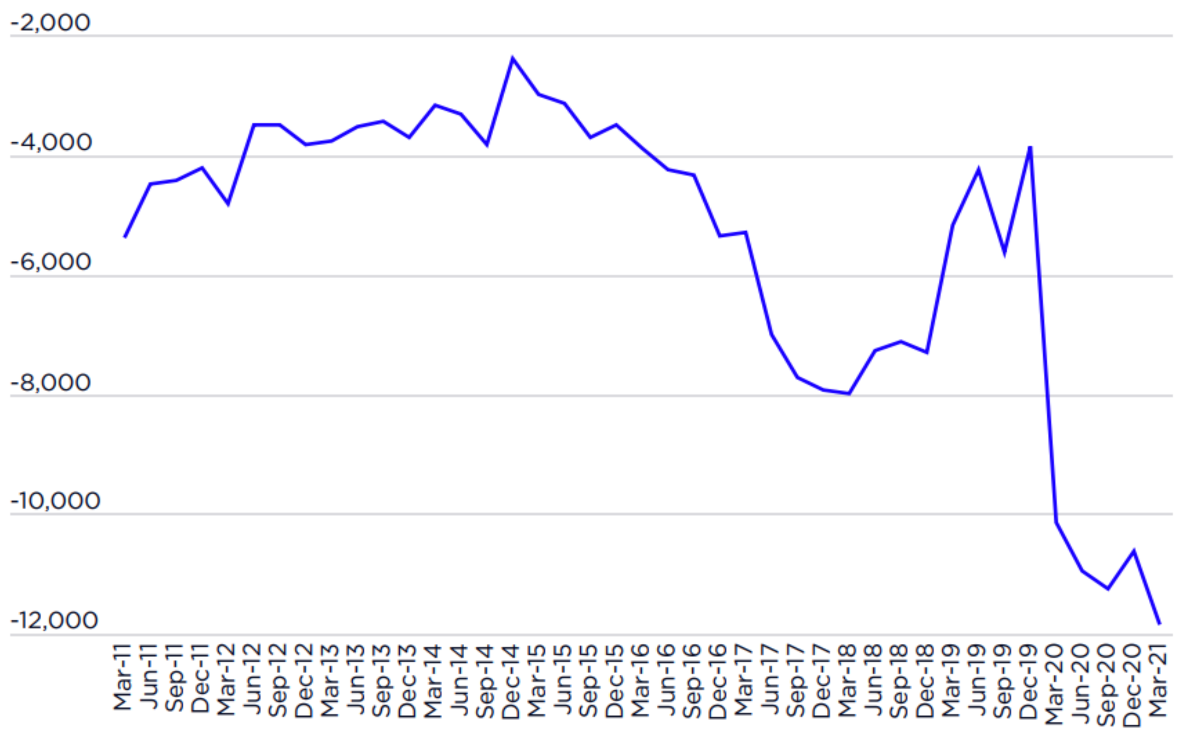
Spatial differentiation

Some of the rental property demand factors discussed above will affect the housing market in geographically specific ways. This is especially true of reduced demand due to Australia's closed international borders, and the effect of this measure on short-stay visitors and overseas students. Given the inner city location of many universities, it is these areas, along with capital city beachside suburbs that would be expected to have borne much of this impact. It seems highly likely that this factor contributed substantially to the sharp decline in rents in inner Sydney and Melbourne as shown in Tables 3.1 and 3.2.

The increased flexibility of working arrangements is also believed to be a strong factor prompting the quantifiable spike in out-migration from capital cities seen in 2020 and 2021 – see Figure 3.9. At the same time, as recently highlighted by the Regional Australia Institute (2021), the COVID-19 crisis appears to have caused a marked drop in migration from regional areas to capital cities – down by 11% in 2020 compared with the previous year. Thus 'regional people have been staying in place in regions in far great numbers' (ibid p.14). A decline in the flow of people departing to state capitals is likely to have impacted on housing markets to the extent that fewer dwellings will have been coming up for sale or rent.

It should be noted that while Figure 3.9 is presented as including all capital cities, the underlying ABS data show that recent outmigration has been, in fact, entirely confined to Sydney and Melbourne. The relatively limited scale of the movement recorded must also be borne in mind. For example, in Q1 2021 net internal migration out of Sydney and Melbourne totalled some 16,000 people (ABS 2021b) – perhaps around 6-7,000 households. Nevertheless, the phenomenon may have made some contribution to the sharply rising rents seen in NSW and Victoria in 2020-21 – see Figures 3.6 and 3.7.

Figure 3.9: Quarterly net internal migration, greater capital cities combined



Source: ABS (2021b)

Much of the media comment on recent outmigration from capital cities to regions has referenced the associated housing market impacts mainly in terms of additional demand for owner occupied housing in regional settings – whether as the buyer's principal residence or as a second home. Assuming that this is accurate, the potential relevance for regional rental housing markets is the possibility that some of the homes purchased as a result were former rental properties. This is how the effect of new housing demand preferences that primarily relate to home ownership could also affect rental housing supply.

3.4 Private rental housing supply

Calibrating private rental housing supply

Private rental housing supply may be measured in various ways. The most conceptually straightforward is the point-in-time stock of private rental dwellings. This will be a product of the balance between additions to and deletions from the private rental stock – that is, dwellings newly built or acquired from non-rental use versus rental dwellings sold to owners for their own residence or occupied by their ongoing owner after being previously tenanted.

A second approach is in relation to the number of dwellings being let during a given time period. This will be a factor of (a) additions to the private rental stock due to newly built dwellings or existing homes previously owner occupied, and (b) existing private rental dwellings being relet after becoming vacant.

A third related measure of rental housing supply – vacancy rates – is slightly different from the first two, being a product of the balance between supply and demand. It is, however, a measure of rental property availability and an indicator of market pressure which is relevant to rental prices.

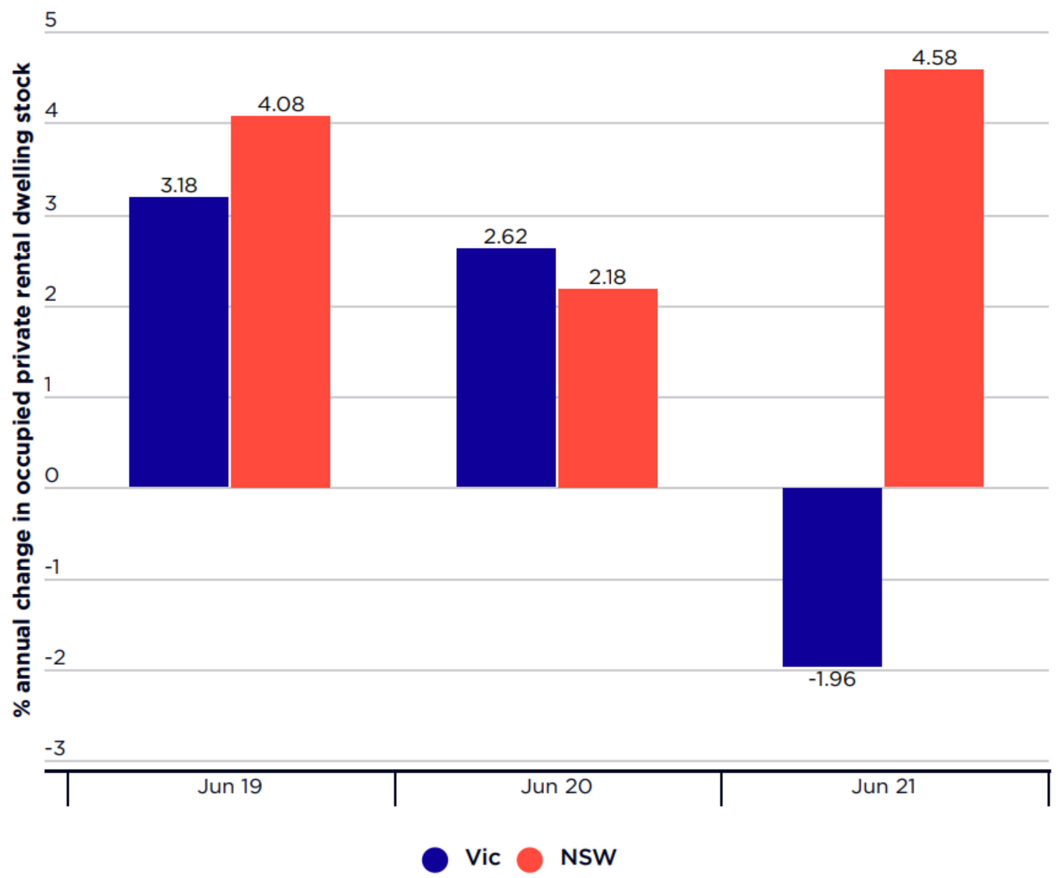
The remainder of this section looks at each of the above in turn.

Private rental housing stock

Nationally, households occupying a dwelling owned by a private landlord grew by an average of 3% per annum in the decade to 2017-18 (ABS 2019). While there are, as yet, no published statistics on the trajectory of private rental sector growth during the pandemic, we can look to rental bond board data in some jurisdictions to provide an indication of such change. Almost all private sector landlords require tenants to pay a bond at the commencement of a tenancy, and residential tenancies legislation in each state requires these bonds to be lodged with a state government agency; total bonds held by the state agency, therefore, is a proxy for the private rental dwelling stock.

Evidence from NSW and Victoria presented in Figure 3.10 indicates substantially contrasting trajectories in terms of private rental stock change over the period 2018-2021. Whereas annual growth remained above 2% in NSW across all three years, there was a 2% reduction in (occupied) private rental stock in Victoria in the year to June 2021.

Figure 3.10: Annual change in total rental bonds held

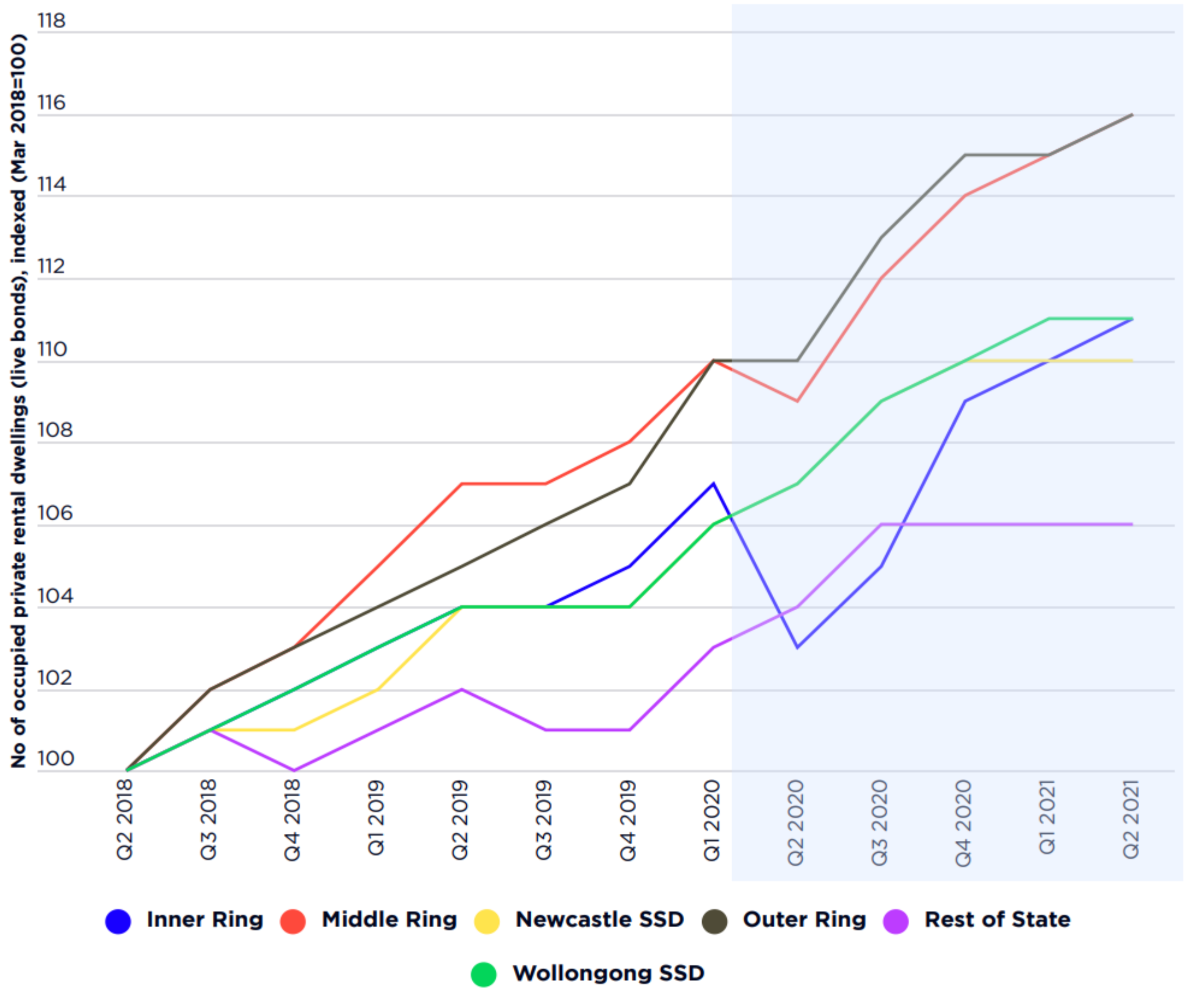


Source: Derived from NSW Rent and Sales Report and Victoria Rent Report (original data from rental bond board records)

Drilling down further into the NSW-Victoria comparison, Figures 3.11 and 3.12 illustrate private rental stock growth (or decline) rates at sub-jurisdictional scale before and during the pandemic. Despite their differences, there is a degree of consistency in that the early phase of the pandemic saw measurable reductions in capital city private rental populations – albeit that these were more dramatic in size and sustained over time in Melbourne than in Sydney. Numerically, this involved a reduction of some 18,000 occupied private rental dwellings across metropolitan Melbourne – mainly in the Cities of Melbourne and Stonnington, as well as Port Phillip and Boroondara.

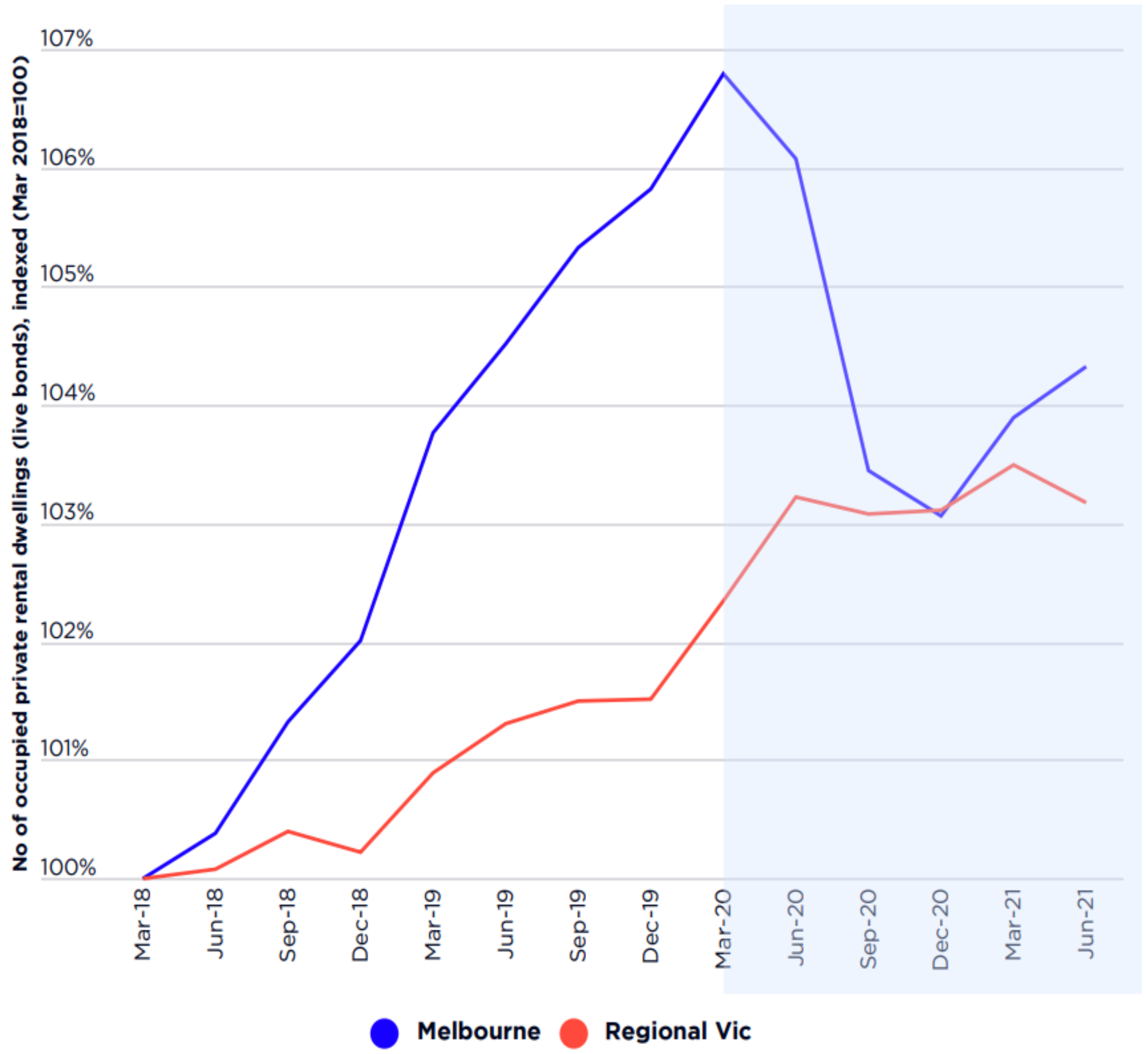
One other significant point to note in both Figures 3.11 and 3.12 is the static stock of private tenancies in non-metropolitan Victoria and in 'rest of NSW' – essentially the area beyond the Sydney Greater Metropolitan Region. Any increase in demand for rental housing in these localities is therefore likely to have contributed to rising rents.

Figure 3.11: Total rental bonds held in NSW 2018-2021, indexed



Source: Derived from NSW Rent and Sales Report - https://www.facs.nsw.gov.au/resources/statistics/rent-and-sales (original data from rental bond board records)

Figure 3.12: Private rental housing stock in Victoria 2018-2021, indexed



Source: Derived from Victoria Rental Report https://www.dhhs.vic.gov.au/publications/rental-report (original data from rental bond board records)

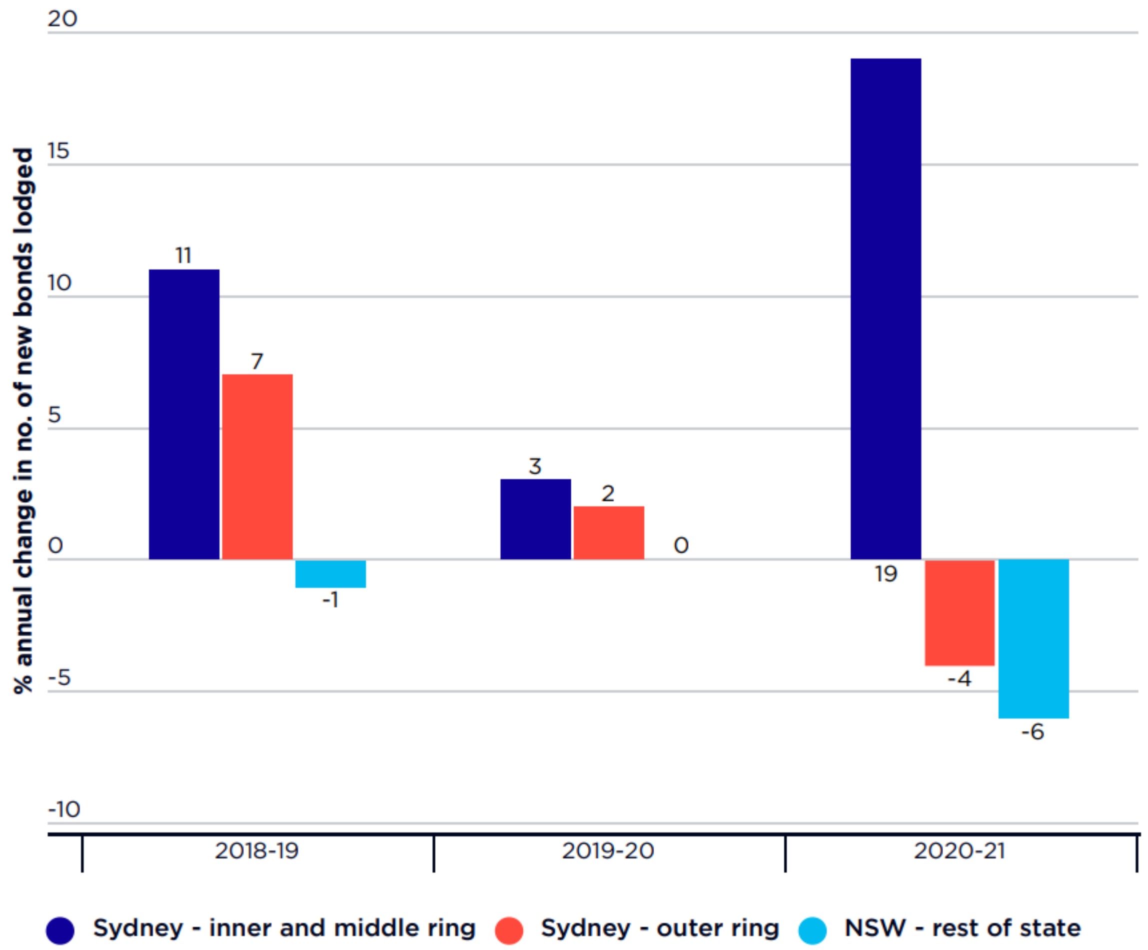
Private rental new tenancies

While total bonds approximate the stock of dwellings in the private rental sector, we can also measure flows in the sector, using new bond lodgements to approximate new tenancies commencing, and bond returns to approximate tenancies terminating. Again, pandemic impacts on rental markets once again initially appear fairly contrasting in NSW and Victoria – see Figures 3.13 and 3.14. Although the geographical classifications used are non-identical there is an apparently major contrast in that Sydney's inner and middle ring suburbs saw large increases in new bonds lodged and bonds returned – i.e. tenancy turnover – during 2020-21. Across Melbourne as a whole, meanwhile, tenancy turnover in 2020-21 was on the same level as the previous year.

Importantly, however, both states saw a marked annual reduction in new bond lodgements in non-metropolitan markets – by 6% in NSW and by 15% in Victoria. This needs to be considered within the context of the previous observation (Figures 3.11 and 3.12) that private rental stock numbers were static (or, in the case of Newcastle and Wollongong, near) during the year. The implication is that private rental housing in these non-metropolitan housing markets saw a reduction in turnover during the pandemic – in other words, fewer existing tenancies being ended and relet. This would be consistent with the expected impact of the rental evictions moratoriums in force in both states throughout most of the year (see Chapter 4). It could also reflect a reduction in tenancies ending to facilitate first home ownership if this were impeded by disproportionately rising regional house prices as, in fact, seen in both states during the year (CoreLogic 2021a).

As shown in Figures 3.13 and 3.14, both NSW and Victoria saw a marked reduction in rental properties being let in regional locations in 2020-21. Whatever the possible explanation(s) for this phenomenon, it would create the conditions for rising rents, unless rental housing demand was falling in parallel, something that seems unlikely. Generalising across regional markets, at least in NSW and Victoria, two supply-side points stand out:

Figure 3.13: Flow of new tenancies in private rental housing, NSW



Source: Derived from NSW Rent and Sales Report - https://www.facs.nsw.gov.au/resources/statistics/rent-and-sales (original data from rental bond board records)

Figure 3.14: Flow of new tenancies in private rental housing, Victoria

Source: Derived from Victoria Rental Report https://www.dhhs.vic.gov.au/publications/rental-report (original data from rental bond board records)

Generalising across regional markets, at least in NSW and Victoria, two supply-side points stand out:

- Despite apparent new possibilities for remote working, the total number of regional tenancies (measured in total bonds held) has not substantially increased – indeed, in the case of Victoria, this number has declined. Notably, there have been fewer new bonds lodged in regional areas during the pandemic than in previous years.

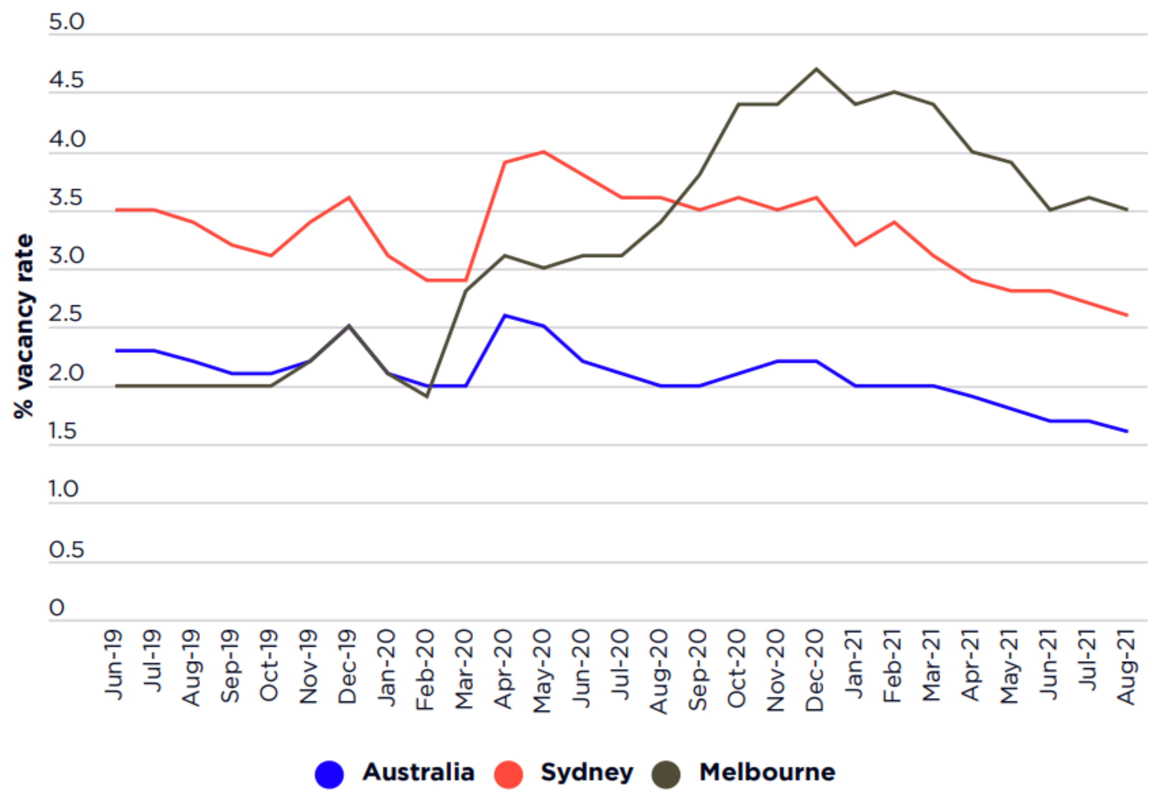
- Despite being less directly affected by the pandemic and lockdowns, regional renter households have turned over fewer tenancies (i.e. moved less) than metro renters – especially in inner and middle Sydney, where there has been a high level of tenancy turnover.

Private rental dwelling availability

The economic shock associated with the 2020 national lockdown, and resulting reduced demand for rental property, is clearly apparent in Figure 3.15. However, the impact was larger and more sustained in Sydney and – especially – Melbourne than in Australia as a whole. In these cities this could also have reflected ongoing additions to supply due to the tail end of the 2010s apartment construction boom.

The scale of the 2020 vacancy rate increase in Melbourne is the most striking feature of Figure 3.15. Notably, this involved a rise of some 18,000 vacant dwellings between March and December – exactly coincident with the reduced number of Melbourne tenancies recorded during this period, as reported in the previous section.

Figure 3.15: Private rental vacancy rates, Australia, Sydney and Melbourne

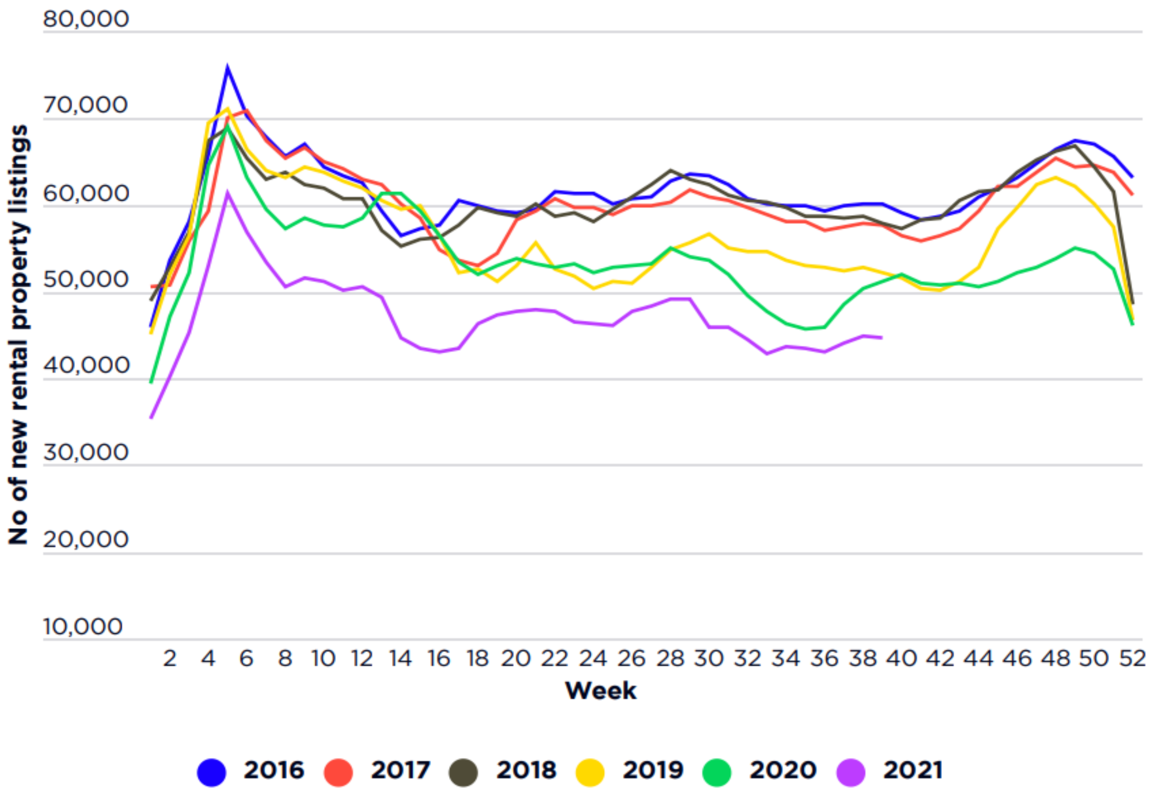


Source: SQM free property data - https://sqmresearch.com.au/free-statistics.php

Unfortunately, Sydney and Melbourne cannot be excluded from the ‘Australia’ figures in Figure 3.15. If this were possible it would likely show only a very small ‘vacancy rate pandemic impact’ beyond the boundaries of the nation’s two largest cities.

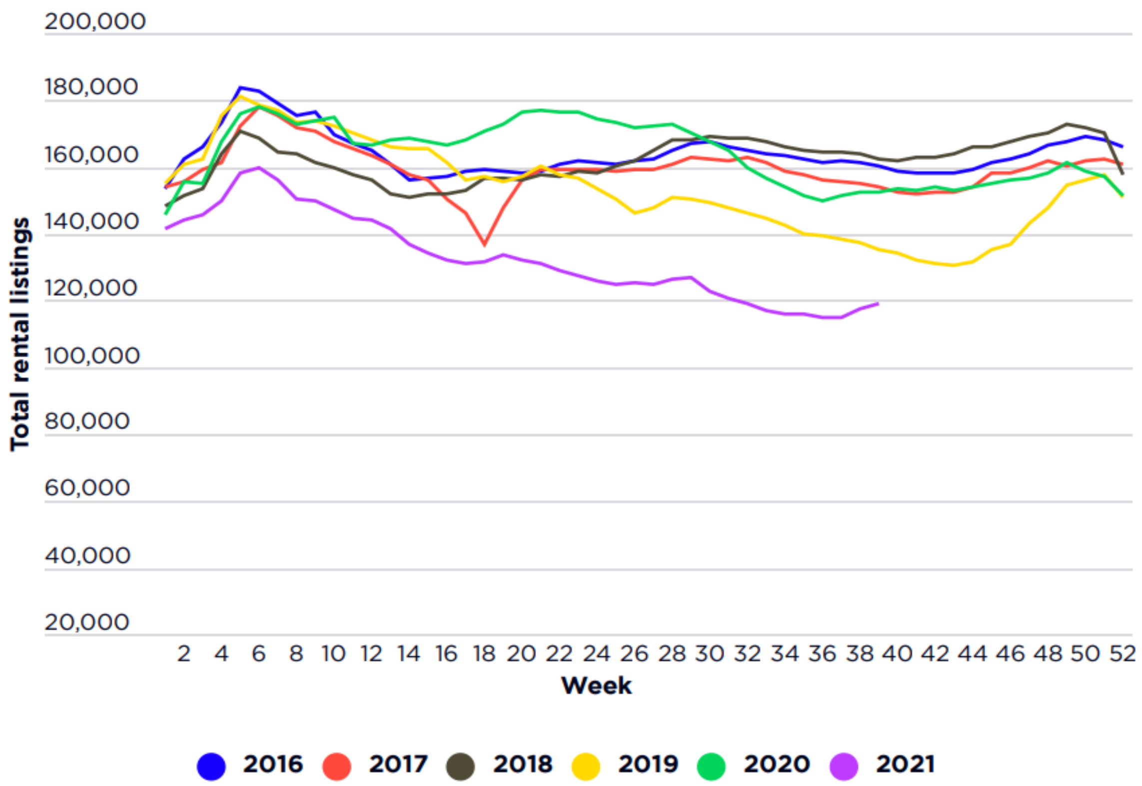
Finally, as further evidence of the highly unusual rental supply conditions during the pandemic, CoreLogic data shows that rental property listings ran well below their historic norms during the first nine months of 2021. For example, in September 2021 new rental listings were running 23% below their 2016-2019 average, while total rental listings were 25% below the equivalent norm – see Figures 3.16 and 3.17.

Figure 3.16: Number of new rental listings (dwellings), 2016-2021



Source: CoreLogic – base data kindly supplied, reproduced with permission

Figure 3.17: Total number of rental listings (dwellings), 2016-2021



Source: CoreLogic – base data kindly supplied, reproduced with permission

3.6 Chapter conclusion

The COVID-19 pandemic has had dramatic, but also dramatically varied, effects on Australia's rental housing market. Closure of international borders from early 2020 resulted in sharply diminished demand for tenancies that triggered rapid vacancy increases and rent reductions in inner city areas – at least in Sydney and Melbourne. Possibly compounded in these cities by renewed lockdowns in 2021, rents in these areas remained substantially below their pre-pandemic levels even towards the end of that year. However, with a resumption of international travel at some level anticipated in 2022, and especially if this brings with it a recovery in international student arrivals, it may be that these markets will quickly re-inflate.

While early pandemic experience seemed to presage general rent deflation across Australia, this has not eventuated. The most striking 2021 development has been the rapid rent inflation take-off in regional Australia. If it continues beyond the current crisis, this trend has serious housing affordability implications for lower income populations in non-metropolitan areas. Given the proven relationship between housing (un)affordability and homelessness (Johnson et al. 2015; Parkinson et al. 2018), this would be expected to result in rising homeless numbers.

Capital city rents also resumed a rising trend in 2021 – though less so in Sydney and Melbourne – with rents increasing at almost twice the level of general inflation over the 12 months to August. Given that the economy has remained somewhat subdued, and wage growth likewise; and given that population growth dwindled in 2020-21 to a fraction of its pre-pandemic norm, the resurgence of rent inflation in most parts of Australia seems somewhat surprising.

As noted above, one possibility could be that new working practices – the partial disconnection of home and office locations – have stimulated second home demand among better off professional workers. That is, a demand for more dwelling units, as well as more dwelling space. Our analysis, however, highlights a supply-side factor, with the turn-over of tenancies falling below its usual rate restricting supply, especially in regions where the stock of rental dwellings is also static or declining..

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4. Rental regulation

Key points

- After the extraordinary rental policy responses of 2020 – eviction moratoriums, rent variation and rent relief schemes – policy responses in 2021 have been comparatively light.
- Whereas in 2020 all states and territories implemented eviction moratoriums, in 2021 only half have had similar restrictions in place during the Delta outbreak – and notably one of the jurisdictions most affected, Victoria, has not imposed a second moratorium.
- There is a deficit of published data on evictions in Australia, but the few available statistics indicate the moratoriums' incompleteness: almost 3,000 South Australian tenancies were subject to eviction proceedings during that state's 2020 moratorium, and almost 4,600 tenancies were subject to termination proceedings in NSW in the first 10 weeks of its 2021 'stay at home' lockdown.
- Most of the 2020 rent relief schemes were undersubscribed, reflecting the significance of federal income support programs, lack of engagement in rent negotiations and the weak delivery of relief through rebates on land tax (from which most landlords are already exempt).
- International students and other temporary residents were excluded from income support in 2020 and experienced high rates of significant hardship; crisis accommodation was useful for some but more needed support to stay in existing tenancies. Temporary residents have been included in the revised income support programs of 2021, but going forward more work on effective support could be done by the education sector.
- Many boarding house residents benefited from temporarily increased incomes and less than usually competitive inner-city housing markets in 2020-21, but while public health initiatives in the sector appear to have been successful, shared accommodation can be a very stressful place to live in a pandemic. In this sector, and in the international student support sector, there are highly knowledgeable workers engaged directly with persons in need; their capacity could be enhanced and leveraged to inform support strategies for each sector.

4.1 Chapter introduction

This chapter examines rental housing policy responses to the pandemic, primarily in relation to tenancy terminations and evictions, and rent liabilities and relief. It picks up these themes from the analysis we presented in our first report, and updates the analysis with policy responses to the 2021 Delta outbreaks. There are some differences in approach: here the analysis is entirely about the private rental sector (not social housing), and this time we have included focus sections on two groups who have experienced special challenges during the pandemic: residents and operators of boarding houses, and international students. The chapter first reviews states' and territories' 2020 and 2021 eviction moratoriums and post-moratorium transitional arrangements, followed by an examination of their arrangements for rent variations and rent relief. The chapter then considers the perspectives of three tenant advocates from NSW, Victoria and Queensland on the operation of the emergency measures and other changes in the sector. The focus sections on the boarding house sector, and temporary residents, follow thereafter.

4.2 Eviction moratoriums and transitional arrangements

In March 2020, Australian governments (meeting as the National Cabinet) announced that there would be a six-month moratorium on evictions for commercial and residential tenancies. While the commercial sector moratorium was quickly effected through a national mandatory code of conduct, states and territories took different approaches in relation to residential tenancies, each implementing their own regimes of varying strength and scope. These are summarised in Figure 4.1. None was a total ban on all landlord-initiated tenancy terminations; Tasmania's was the most comprehensive, with numerous grounds for termination, including rent arrears, suspended for all tenancies. Other jurisdictions distinguished a core group of 'COVID-impacted' tenants for special protection from eviction: this group was defined differently by each jurisdiction, but generally included persons who were ill, or caring for someone ill, from the disease, and persons who had lost income die to pandemic conditions. Some jurisdictions provided a lesser degree of additional protection to tenants more widely, through longer notice periods and greater scrutiny of termination proceedings.

Since then, developments in rental housing policy have been even more varied across Australia. One jurisdiction (Queensland) allowed its moratorium to expire at the end of six months, in September 2020, while others extended theirs. The ACT's moratorium ended next, in October 2020, but was replaced by a 'transitional period', in which COVID-impacted households continued to be protected from eviction for arrears accrued in the emergency period provided they paid rent as it came due in the present period. By the end of March 2021, all but two moratoriums had expired: those two are South Australia and the Northern Territory, whose relatively weak moratoriums have continued to date. Like the ACT, NSW, Victoria, and Tasmania implemented 'transitional' arrangements for COVID-impacted tenants as their moratoriums expired, though with different effects.

In NSW, the transitional provisions allowed eviction proceedings against tenants who were 'COVID-impacted' and accrued arrears during the moratorium, subject to additional requirements including good faith negotiations over repayment plans and a requirement that eviction (including 'without grounds') is 'fair and reasonable' (Schedule 2 cls 26-31 Residential Tenancies Act 2010 (NSW)). The Victorian transitional provisions extended until 26 October 2021 a provision of the emergency period that a failure to pay rent or otherwise comply during that period is not to be taken to be a breach. However, this has been interpreted by VCAT to mean that evictions on the ground of rent arrears arising during the moratorium may proceed but payment orders may not be made until 26 October (COVID-19 Omnibus (Emergency Measures) Transitional Regulations 2021 (Vic) reg 14; RFY v ACV [2021] VCAT 865 (4 August 2021)).

The Tasmanian provisions also allowed eviction proceedings for rent arrears accrued in the emergency period, but also provided for tenants to apply to the Residential Tenancies Commissioner to determine a payment schedule (s 24A Residential Tenancy Act 1997 (Tas)).

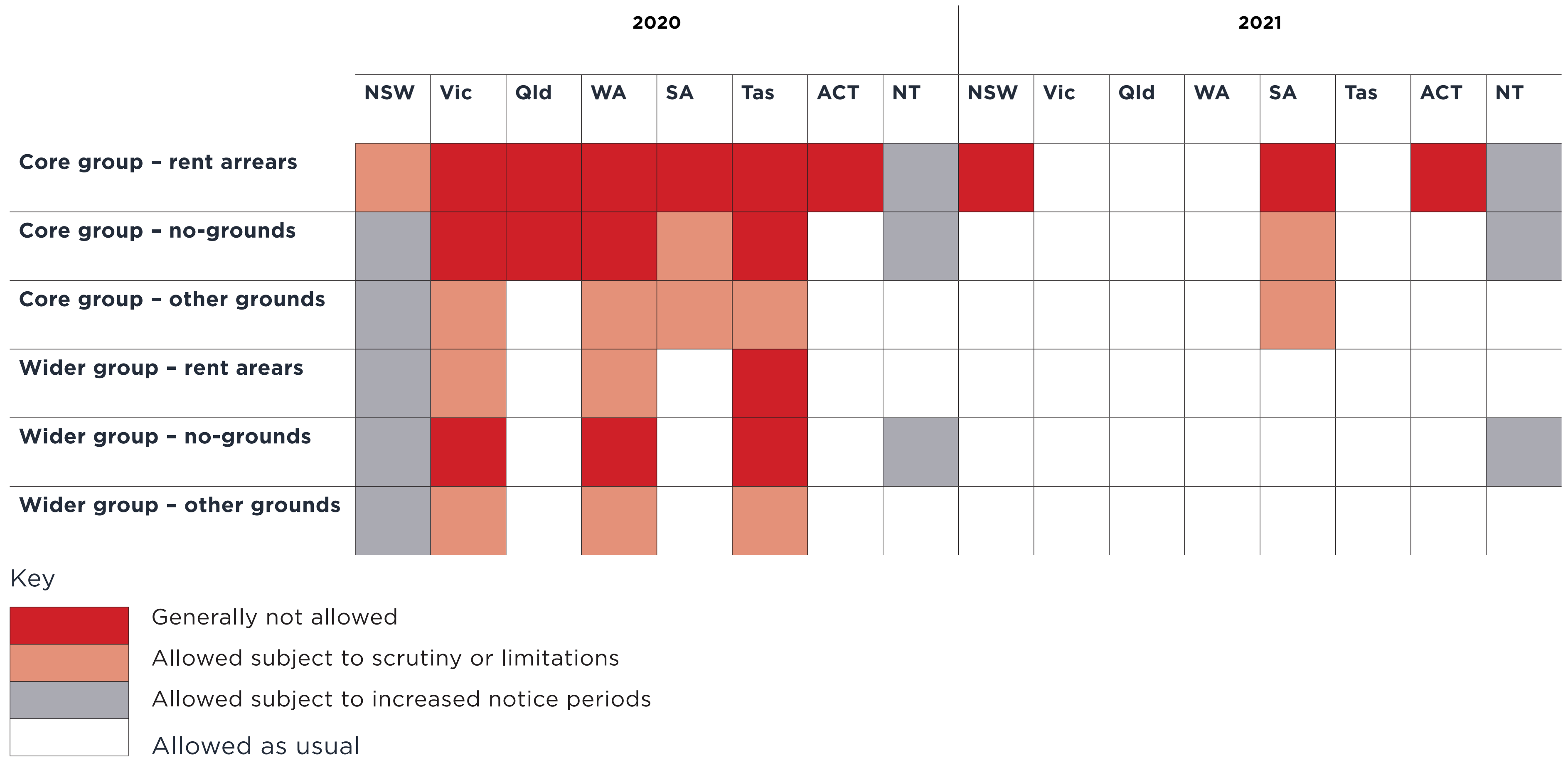
Meanwhile, the ACT extended its transitional period beyond its original 3-month term, although from 1 July 2022 the bar on evictions for rent arrears accrued during the moratorium was lifted, allowing such proceedings subject to a direction that the tribunal first consider making a payment order, rather than a termination order (Residential Tenancies (COVID-19 Emergency Response) Declaration 2021 (No 2)).

In 2021, only two jurisdictions—NSW and the ACT—introduced new moratoriums. On 14 July, two weeks into what was apparently going to be a long lockdown, NSW implemented a ‘freeze on evictions’, originally for 60 days and subsequently extended to 11 November 2021, stopping evictions for rent arrears against COVID-impacted tenants provided they continue to pay 25 per cent of the rent as it falls due. The tenant remains liable for the unpaid amount, though at least some of it may be paid by the state’s rent relief scheme (see below). Other grounds for termination remain available, and there are no additional protections for other tenants. In this way the ‘freeze’ is both narrower and firmer than the earlier NSW moratorium. After it ends (11 November), the freeze will be followed by a transitional period (to 12 February 2022), like that following the earlier moratorium.

In August 2021, as it entered lockdown, the ACT too implemented a second moratorium, on essentially the same terms as its 2020 version. The ACT declaration also provides for a subsequent transitional period, on the same terms as previously.

By contrast, Victoria chose to introduce no second moratorium in 2021, despite experiencing from August a similarly large Delta outbreak and prolonged lockdown. It has, however, implemented a wider program of residential tenancy law reforms drafted prior to the pandemic that include measures to improve tenant security, by disallowing ‘no-grounds’ terminations (except at the end of the initial fixed term of a tenancy), and by requiring landlords to satisfy the tribunal that terminations on most other grounds, including rent arrears, are ‘reasonable and proportionate’. The removal of no-grounds termination is an advance on other jurisdictions, but the ‘reasonable and proportionate’ requirement is more or less in line with the usual provisions applying to termination orders in most other jurisdictions. In terms of mitigating the default risks specifically posed by the 2021 Delta lockdown, Victoria has responded only by reintroducing rent relief, rather than legal protections.

Figure 4.1: Restrictions on tenancy terminations, 2020 and 2021



Note: ‘core group’ is tenants particularly affected by COVID-19, as defined by each jurisdiction.

Source: the authors.

Comprehensive data about tenancy termination proceedings and evictions are not regularly published by any Australian jurisdiction, so we have few quantitative measures of the effect of the moratoriums and their withdrawal. The little data we have provides merely a glimpse into evictions in the 2020 and 2021 emergencies – and into the potential of regular, comprehensive reporting of evictions data.

The South Australian Civil and Administrative Tribunal has published data on landlords' applications for eviction from Q4 2019 to Q4 2020. Landlords' eviction applications did indeed dip after the eviction moratorium commenced near the start of Q2 2020, and were down 33% year-on-year in Q4 2020. Nevertheless, over 3,000 tenancies were subject to termination proceedings during the moratorium that year (Table 4.1).

Table 4.1: Eviction proceedings, South Australia 2019-2020

	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020
Eviction following notice to tenant - application received	1,441	1,617	1,281	831	972

Source: SACAT (2020)

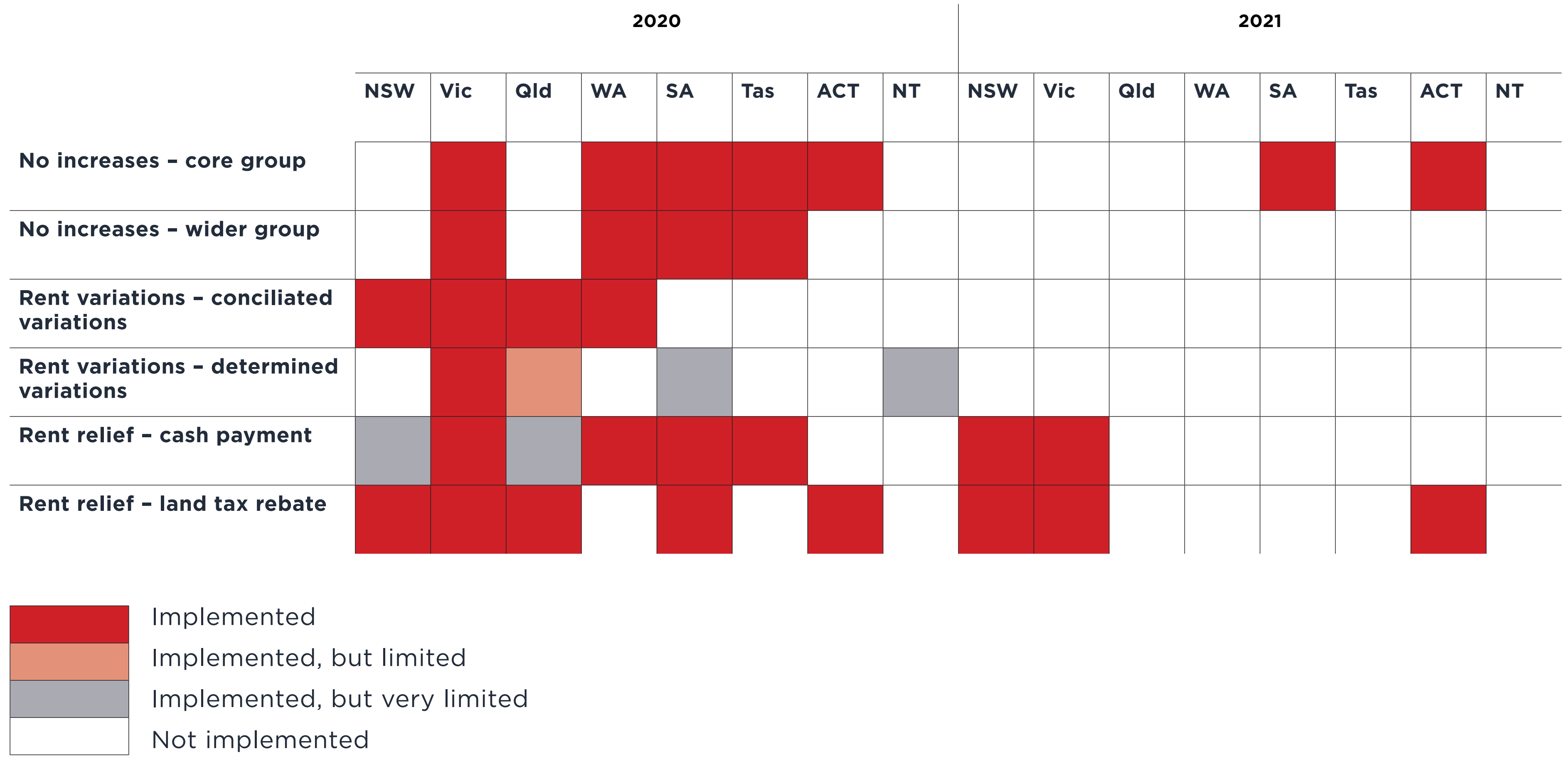
There is also a fragment of data from NSW relating to termination proceedings during part of the 2021 lockdown period. In the 10 weeks following the 26 June 'stay at home' public health order, the NSW Civil and Administrative Tribunal heard 4,581 applications to terminate tenancies, and ordered termination in 1,412 in cases. In the same period, 141 evictions were carried out by NSW sheriff's officers on NCAT orders (NSW Legislative Council 2021b). This underscores the incompleteness of the 'eviction freeze'.

4.3 Rent variations and rent relief

In 2020, all jurisdictions encouraged landlords and tenants to negotiate rent variations, and four implemented formal processes to conciliate variations (NSW, Victoria, Queensland and Western Australia). Five jurisdictions prohibited rent increases during the emergency period (Victoria, Western Australia, South Australia, Tasmania and the ACT, with the ACT's prohibition applying to COVID-impacted tenants only; in September 2020, South Australia narrowed its prohibition to COVID-hardship cases too.)

Furthermore, all jurisdictions but one (the Northern Territory) implemented rent relief schemes, whereby cash payments (Western Australia and Tasmania) or land tax rebates (NSW, Queensland and the ACT) or both (Victoria and South Australia) were offered to landlords agreeing to vary rents for tenants in hardship.1 Most of the cash payment schemes stipulated that the payment was to be credited to the rent account, and so benefited the tenant; the exception is South Australia, which did not stipulate which party should receive the benefit of the payment, and Tasmania introduced a second cash payment specifically to compensate landlords for loss of rent. The land tax rebate schemes compensated landlords who reduced rents, up to certain caps; the ACT's scheme compensated 50% of the loss, up to a cap. Figure 4.2. summarises jurisdictions' rent variation frameworks and relief schemes.

Figure 4.2: Rent variation frameworks and relief schemes, 2020 and 2021



Source: the authors.

In our first report, we reviewed a range of data sources, including our own online survey of tenants, and found that only a small minority of tenants – between 8-16%, depending on the source – actually got a rent variation, and that more were refused or discouraged from asking (Pawson, et al. 2021). In interviews, sector stakeholders indicated that they were less satisfied with the operation of the rent variation and rent relief frameworks than they were with the moratoriums, and that tenants, landlords and agents struggled in the unaccustomed roles of negotiators of relief.

We also observed that the rent relief schemes were designed encourage rent variations, but appeared to be weak levers. This was especially so for the land tax rebate schemes, because only small minorities of rental properties are in fact subject to land tax – with the notable exception of the ACT. This is because of the land value thresholds stipulated in various jurisdictions, below which no tax liability is incurred – in effect, most of those owning one rental property only are exempt.

The available evidence is patchy but indicates that many of the rent relief schemes were significantly undersubscribed compared to original estimated costs. The NSW land tax scheme paid rebates on just 4,800 residential properties – equivalent to 0.6% of private tenancies in NSW (Table 4.2). The total expended on residential rebates was $10m: less than five per cent of originally estimated expenditure (while $86m was expended on rebates for commercial properties: 40% of the original estimate) (NSW Parliament, 2021). Victoria, with its long 2020 lockdown, made cash payments to 33,640 applicants – equivalent to about 5% of Victorian private tenancies – totalling $73m (91% of the original estimated expenditure); however, its total land tax rebate expenditure was $111m, much less than the $400m originally estimated. After a significant underspend in the WA scheme, its terms were changed to pay where a landlord is offering a new fixed term tenancy at an increased rent . The ACT reports in its 2021-22 Budget that residential rebate take-up was ‘lower than expected’ (ACT Government, 2021: 105). Tasmania, having supplemented its original rent relief scheme with the landlord support scheme in late 2020, appears to have made the most extensive provision of relief, reaching a reported 3,400 recipients – equivalent to about 8% of private tenancies in that state.

In 2021, just three jurisdictions reintroduced rent relief schemes. NSW introduced a cash payment scheme in July, in connection with the ‘eviction freeze’ during the Delta lockdown, paying landlords of COVID-impacted tenants up to $4,500. This partly compensates rental losses incurred while tenants pay the 25% part-payments required by the eviction freeze. At 15 October 2021, the NSW government had approved payments to 12,366 applicants, totalling $27m – well short of the $210m for 140,000 households estimated at the announcement of the scheme (NSW Government 2021). The land tax rebate scheme is also available; landlords may apply to one or the other scheme – not both.

The ACT reintroduced its land tax rebate scheme, paying half the cost of rent reductions – up to about $100 per week. The ACT Government estimates that 1,000 residential rebates will be paid, at a cost of $2.2m (commercial rebates are estimated to cost $5.5m) (Chief Minister, 2021).

Table 4.2: Rent relief expenditures, 2020 schemes

	Original estimate	Actual spend	Recipients (% of private tenancies)	Original estimate	Actual spend	Rebate recipients (% of private tenancies)
		CASH PAYMENTS			LAND TAX RELIEF	
NSW	Not known	Not known	1,450 (0.2%)	$220m (residential) $220m (commercial)	$10m (residential) $86m (commercial)	4,800 (0.6%)
Vic	$80m	$73m	33,640 (5%)	$420m (res + com)	$111m (res + com)	Not known
Qld	Not known	Not known	Not known	$400m (res + com)	$241m (res + com)	Not known
SA	$10m	$7.3m	Not known	$50m (res + com)	$34.5m (res + com)	Not known
WA	$30m	$11.6m	8,200 (3.7%)	-	-	-
Tas	Not known	$3.7m	3,400 (7.9%)	-	-	-
ACT	-	-	-	$1.5m (residential)	Not known ('lower than expected')	Not known ('lower than expected')
NT	-	-	-	-	-	-

Note: WA expects further $13.6m expenditure in 2021-22 under changed scheme terms. Tasmania’s recipient number is the total across its two payment schemes.

Sources: ACT Government, 2020: 105 and 2021: 133; Chief Minister (ACT), 2021; DMIRS (WA), 2021: 31; Government of Queensland, 2020; Government of Queensland, 2021: 245; Government of South Australia, 2021: 6; Government of Victoria, 2021: 198; Government of Western Australia, 2021: 257; Minister for Better Regulation and Innovation (NSW), 2020; Minister for Building and Construction (Tas), 2021; NSW Government, 2020a: 1-8; NSW Legislative Council, 2021: 65; Premier of South Australia, 2020; Premier of Victoria, 2020.

Victoria reintroduced its cash payment and land tax rent relief schemes in September 2021. The cash payment is similar to its 2020 cash payment scheme, though the amount is smaller ($1,500) and the eligibility criteria are tighter (in particular, tenants are required to have not more than $2,000 in savings). At 18 October 2021, 156 payments had been made, with another 4,480 applications awaiting determination.

4.4 Stakeholder perspectives on emergency measures and market change

Following the initial round of interviews with various rental sector stakeholders that we discussed in our first report, in August-October 2021 we conducted a smaller program of interviews with tenant organisation representatives in NSW, Victoria and Queensland. (We invited the participation of a real estate organisation, but received no response).

In the initial interviews, the moratoriums and rent variation frameworks were foremost in stakeholders’ comments. As indicated above, the moratoriums were generally well-received – subject to some misgivings by tenant organisations about their incompleteness. They were seen as an effective and easily communicated intervention that helped calm the emergency period. The rent variation frameworks, however, were seen as less satisfactory, and in the absence of clear guidance or direction from governments, parties often approached negotiations from very different positions that frustrated resolution. In particular, there were concerns that the moratoriums would end with significant numbers of tenants with rent deferred or in arrears.

Each of our current interviewees said they saw tenants in hardship and making difficult adjustments around the expiry of the moratoriums – although it was not as straightforward as a rush of evictions. Queensland exited the moratorium first, and our interviewee there observed:

> *There seemed to be a lot of movement in the sector, and a lot of people affected by debts. People ending their tenancies, or having their tenancies ended [by landlords]. There were some really sad stories… but I heard about fewer than I expected (Tenant advocate interview, Qld).*

The sad stories included a tenant who went through the state's conciliation service to get a rent reduction, and then after the emergency period received a rent increase – 'so she was paying much more than she had been, and she'd lived there for 10 years' (Qld). The greater problem, according to our interviewee, was the concurrent change in market conditions (see Chapter 3):

> *As the year progressed, September, October, November [2020], the biggest issue was people not getting properties. And people were shit-scared. And they were getting large rent increases, and having tenancies ending and seeing properties back on the market. And it was distressing for everyone, including the advice workers, who had nothing to give them. The workers found it very stressful. There was a churn, and not just through rent debts but what happened in the market (Tenant advocate interview, Qld).*

Our NSW interviewee said tenants who were facing unaffordable rents or debts acted pre-emptively before the end of the moratorium:

> *It is really hard to say in a reliable, quantitative way [but] my impression is there was a large amount of breaking early [i.e. leaving before the end of a tenancy's fixed term] during the moratorium, and then after that people were either not renewing [tenancies] or not being renewed. Or people were being evicted for sale [of the property], which was because of prices going up because also, if you've got an annoying tenant maybe that slightly edges your scale. But it is clear that there were many tenants ending their tenancies because they couldn't hang on anymore…. So, a lot of movement, and formally tenant-initiated (Tenant advocate interview, NSW).*

This interviewee considered that the legislated transitional provisions were effective for tenants with debts continuing in their tenancies, but 'it's a very small cohort' – most having already moved out. As their comment indicates, and once again referencing market trends discussed in Chapter 3, they saw a wider group of tenants affected by landlords responding to market change:

> *The level of no-grounds [termination] calls in the regions has sky-rocketed. And it's the regions, all regional…. There's a bunch of reasons, but some tenants have been explicitly told: if I evict you, I can get a higher rent from a new tenant (Tenant advocate interview, NSW).*

Our Victorian interviewee said that the 2020 emergency responses had 'exceeded expectations', but coming out of the moratorium 'absolutely, rent arrears have been a considerable challenge' (Vic). The interviewee had hoped that the transitional provisions would offer stronger protections than had been held in the VCAT case, and said that the reforms to the Residential Tenancies Act, that had commenced immediately after the moratorium, 'while very welcome, don't pick up the very pandemic-focused issues around evictions and rent increases.'

Regarding issues arising from the 2021 Delta emergency, the NSW interviewee said that state's eviction freeze, 'has probably held off a lot of rent arrears evictions'. Although narrow, the relative firmness of the freeze was welcome:

> *They have made it more simple: rather than saying you have to negotiate, they're saying as long as you're paying 25%, you're safe from rent arrears eviction. That's made it much more simple for landlords and tenants, and the financial assistance makes it much more easy to wear that…. The debt question is very unresolved, but the [cash payment] helps a bit (Tenant advocate interview, NSW).*

However, the interviewee highlighted other problems that had not been addressed. One was the continued availability of no-grounds termination proceedings: although the longer (90 days) notice periods required arguably meant tenants would not be required to move until after the emergency, our interviewee pointed out that for many tenants, receiving a termination notice immediately triggers a search for alternative accommodation. Another missed problem was continued access to premises by other parties: despite public health orders restricting most other activities, inspecting properties for sale was permitted throughout the outbreak. This 'caused a huge amount of upset for tenants', and was felt to reflect poorly on 'how renters are thought about' by policy makers, agents and landlords (NSW).

Our Victorian interviewee characterised the 2021 response as 'much more pared down': 'tightly targeted' rent relief payment, no moratorium and no infrastructure around rent negotiations. 'Commercial tenants have got a lot more' (Vic).

4.5 The boarding house sector

This section focuses the specific issues faced by residents and operators of boarding houses during the COVID-19 pandemic, drawing on evidence from NSW: specifically, a focus group with 12 boarding house operators, and an interview with an NGO worker closely involved with the sector. The focus is warranted because in several respects the boarding house sector engages major themes of the pandemic: it is shared accommodation, so presents a heightened risk for transmission of the virus; it is used heavily by persons on low incomes; and it is concentrated in locations that have undergone significant shifts in market conditions.

On the most recent published data about the sector (Martin, 2019), there are about 1,040 premises registered as boarding houses in NSW, of which about 80 are exclusively student accommodation, about 20 are 'assisted boarding houses' for people with disability, and the remainder are 'general boarding houses'. These provide accommodation for about 12,400 residents. Half the sector is located in the inner Sydney LGAs of City of Sydney, Inner West and Randwick; one quarter are in the City of Sydney alone. About 600 claim a land tax exemption for 'low-cost boarding houses', and are often referred to as 'traditional boarding houses': typically older buildings with shared kitchens and bathrooms, accommodating single persons (mostly men) on low incomes, on occupancy agreements under the Boarding Houses Act 2012 rather than residential tenancy agreements under the Residential Tenancies Act 2010. By contrast, so-called 'new generation boarding houses' comprise self-contained studios, and cater to workers and students, often using residential tenancy agreements.

Emergency measures and market context

In NSW, as in other jurisdictions, boarding houses were subject to the 2020 eviction moratorium – a remarkable degree of regulation, considering how strongly boarding house operators have resisted regulation and, consequently, how readily boarding house residents can ordinarily be evicted (under the Boarding Houses Act, tribunal proceedings are not required). According to our NGO interviewee, however:

> *On the whole, [boarding house operators] were fine.... the eviction moratorium wasn't a concern, because everyone had more income [the Coronavirus Supplement] and could afford the rent' (NGO worker interview, NSW).*

The interviewee indicated that wider changes in market conditions had also shifted the usual balance in resident-operator relations. The closure of international borders had opened up vacancies in both the traditional and new-generation sectors, and in the inner city apartments, and the clientele of the traditional boarding houses had an unusual range of accommodation options:

> *We were seeing people moving from the traditional boarding houses to the more new-gen types, where they were paying the same price for much nicer, modern accommodation.... We had some people who moved out into their own little flats, for $350 or so per week, which they could afford with the supplement, because they wanted to get out of the sector, they were so sick of boarding houses, and could afford something nicer. I've gone to a few viewings, and at one there were six people viewing and they were a bit anxious but the landlord was saying don't worry, there's plenty of rooms! And it was a real mix of people: stranded internationals, some Australians who were working, and the previous [traditional] boarding house residents. (NGO worker interview, NSW).*

In the focus group, operators from the inner city said that they were still in 2021 operating with significant vacancies: less so in the low-cost boarding houses targeted to people on government payments, but in premises marketed to workers vacancies were 'huge' (BHO 1). This operator had also reduced rents for several residents who had lost work – even though the 2021 eviction freeze, unlike the 2020 moratorium, does not apply to boarding houses, nor does the rent relief scheme.

Boarding houses and health

As shared spaces, boarding houses were quickly on the radar of public health officers when the pandemic accelerated in March 2020. Our NGO interviewee observed 'there were great champions in Health [Sydney Local Health District] who really pushed the boarding house issue':

> *They got plans and protocols in place, to respond very quickly. At the testing stage, if a person is identified as being in a boarding house, there's a flying squad who go in right away. I got a call the other day at 8 in the morning, to check if a place was a boarding house or not. And they offer hotel accommodation for isolation. There's been two pop-up clinics just recently, with us and [another NGO], offering Pfizer to encourage take up, targeting boarding house residents. And quite low key. Not a lot of public attention, but quite targeted. I've been impressed by that. No NIMBYism or anything like that. It's all been done very well, very quietly and discretely (NGO worker interview, NSW).*

As the comment indicates, the public health response had relied on non-government sector knowledge and networks, but it was successful. One of the focus group participants had first-hand experience of the health response:

> *We did have a case of a COVID-positive tenant, and the house was in lockdown for two weeks, and the other residents were taken to other accommodation. Fortunately, no-one else contracted the virus and we got out of that one fairly unscathed. We had a lot of support from NSW Health, who phoned me every second day to see how things were going, and we made a point of phoning the tenants every couple of days to make sure they were coping with their supplies, and their mental health. And we got through that because of the support NSW Health gave us (BHO focus group participant 2, NSW).*

Lockdowns have presented special challenges in boarding houses. The NGO interviewee recalled the early days of the 2020 lockdown:

> *All that panic buying – basic hygiene products, toilet paper, all that stuff – that was a big issue for the people working with us. People were highly anxious about shared surfaces, older people couldn't get toilet paper, people were locked in their rooms, it was really really difficult and stressful. And that was for operators as well as residents (NGO worker interview, NSW).*

In 2021, anxiety was tinged with boredom: 'when we deliver food hampers we also give out playing cards, so they can occupy themselves, playing solitaire or whatever. A lot don't have wifi, maybe just a mobile device, that sort of thing' (NGO). As one of the focus group participants observed, 'there's an emotional aspect: fear, fear of what will happen if COVID gets into the house' (BHO 3). The operator was currently dealing with 'issues and divisions within a house where you've got people who are strongly anti-vax and who go to demonstrations, and others who are actually panicking about it':

> *Basically, there's one person and I gave him an ultimatum: if he goes again to a protest, he can find some other accommodation that will be happy to have him. Because the good of the house is more important to me than income from one room. He'd be difficult to replace but it is impacting everyone. We had a hard conversation... if he steps out of line, it will get to the point where I'll have to give him notice. I have to be hard, because it's about everyone else in the house, and I have people who have cancer, and people who care and protect themselves and don't go out at all because they worry. And this kid goes out and pretends he's hero-ing at the protests (BHO focus group participant 3, NSW).*

Several operators said they would require new residents to be vaccinated, and were considering whether and how they could apply this requirement to existing residents. In this way, as in others, boarding house residents and operators have had to confront the pandemic and its consequences at closer range than most other people. Boarding houses do not appear, however, to have been a major vector for virus – a public health success that has built on the groundwork of relationship- and capacity-building by NGOs engaged in the sector.

4.6 International students and other temporary residents

This section focuses on the situation of non-permanent residents in Australia: the international students and workers on temporary visas who have been specially affected by Australia's closed-border response to the pandemic and exclusions from income support. It draws on an interview with a student support officer from one Sydney university, and a focus group with four student support officers, including an international student, from another Sydney university, as well secondary sources, particularly the contemporary surveys conducted by Berg and Farbenblum (2020) and Morris, et al. (2020).

Prior to the pandemic, about 900,000 persons on temporary visas with work rights were living in Australia, representing about 6% of the workforce; more than half were international students in tertiary or vocational education (Australian Government 2019). Almost 80% were living in private rental housing (ABS 2016). As we noted in our first report, it was in relation to international students that the first housing problems of the pandemic were observed, in early 2020 calls to tenants advice services from students unable to leave China. They had contracted to start tenancies, or continue with existing tenancies, but could not travel to Australia. In our interview, student support officer 1 said some students stuck overseas continued paying rent for months, because they were unaware that they could end their liability or, in other cases, they did not want to cause additional hardship to housemates in Australia. In March 2020 Australia closed its international border, completely stopping the usual inflow of international students and workers; then, on 3 April 2020, the Prime Minister publicly told those already in Australia that for anyone unable support themselves during the pandemic 'it is time to make your way home' (Gibson and Moran 2020). Already generally ineligible for social security payments and state/territory emergency housing assistance, temporary visa holders were excluded from the new JobKeeper payment. The Australian Government made some temporary extensions to permitted hours of work for workers in health, aged care and supermarkets, gave access to superannuation savings (presumably tiny for most of this group), and made a $7m grant to the Red Cross for emergency relief (Berg and Farbenblum 2020: 17).

For most, however, leaving Australia was not an option. At mid-June 2020, 80% of student visa holders (436,494 out of 535,637) were still in Australia (Australian Govt, Department of Education Skills and Employment). In Berg and Farbenblum's (2020) survey of around 5,000 international students, 20% of respondents reported that flights were unavailable, 19% could not return because the country's/domestic state's borders were closed, and 27% could not afford flights. Some spent thousands of dollars from their savings accounts after losing their jobs in order to arrange tickets home, which were eventually cancelled (Doherty et al. 2020; Macmillan 2020). As a result, a significant group of temporary residents remained in Australia but excluded from the main means of absorbing the economic shock of the early emergency, and were protected primarily by the eviction moratoriums, rent variations and rent relief schemes.

Contemporary surveys of temporary residents and international students show high rates of significant hardship experienced by these groups during the 2020 emergency – see Table 4.3.

Table 4.3: Temporary residents' and international students' experiences in the COVID emergency, 2020.

Temporary residents (Berg and Farbenblum 2020)	International students (Morris et al 2020)
- 54% lost their job, and another 16% lost hours of work	-55% lost income, 28% lost more than half usual income
- 48% had been unable to pay rent	-59% found paying rent more difficult than previously, and 27% had not been able to pay full rent
- 42% had been afraid at some point that they would become homeless	- 54% often worried about paying rent (compared to 36% previously)
- 28% had been unable to afford food	- 32% often went without necessities like food (compared to 22% previously)
	- 7.6% threatened with eviction
	- 50% said they were aware of the moratorium
	- 49.5% tried to negotiate a rent variation
	- 31% got a variation (14% a reduction, 9.3% a deferral, and 7.8% a combination of reduction and deferral)

Sources: Berg and Farbenblum 2020; Morris et al. 2020.

In the absence of income support from government, international students were offered some financial support by educational institutions, but its reach appears limited. Eighty per cent of student respondents in Berg and Farbenblum's survey received no emergency cash support; and of those who received it, 40% received under $500 and a further 29% received up to $1000. Only 6% of international students overall received emergency support of more than $1000 (Berg and Farbenblum 2020a). Student support officer 1 also suggested that there were barriers to seeking support:

> *We've heard this a lot 'I don't know if I'm needy of this' or 'maybe there are other people who need this more'.... Not willing to accept it for cultural and other reasons was another factor, or concerns about visas. I think those in most need possibly didn't actually apply or didn't have the skills or ability to.... they were possibly not engaging. (Student support officer 1).*

Our interviewee said that awareness of the eviction moratorium and the framework for conciliating rent variations was also low. They referred students to information and tenants advice services, but without an advocate students found it 'challenging and difficult to navigate... it was just easier to manage it themselves somehow without having the navigate the system' (student support officer 1). This often meant borrowing money or deferring other liabilities in order to pay rent.

Another problem, highlighted in the focus group by student support officer 2, arises from the type of landlord that international students often deal with – one that rips off vulnerable students and avoids engagement in regulatory frameworks:

> *They unfortunately find themselves a lot of the time in tenancies that are not renewed, sometimes they're dodgy boarding houses, you have landlords who don't comply with anything, give fake names and put them on their contracts, and so they can never be found. (Student support officer 2)*

As noted in our first report, the 2020 state-level emergency accommodation programs included New Zealand citizens and other non-permanent residents – an unusual expansion of eligibility – and NSW ran a crisis accommodation program offering international students who were homeless or at risk of homelessness three months' accommodation in student accommodation premises (NSW Government 2020). Student support officer 1 said the program was a 'great help', having assisted over 200 students at that officer's university, but it did not meet the needs of most students:

What we found was people really didn't want free accommodation, they wanted help to pay for their current accommodation, because it was going to impact their friends and who they're sharing with – what would have happened to their housemate if they left? [And] would they lose money from their bond? 'I'm going to move for two months, but where do I then go from there?' If they had a really good arrangement or had a good place, they thought they might struggle to find something more suitable later. They needed rent relief, but crisis accommodation didn't address that. (Student support officer 1)

Respondents in Morris et al (2020) gave their assessment of the support shown by various institutions and agencies: results for landlords or agents, and state and federal governments are given below (Table 4.4):

Table 4.4: Temporary residents' and international students' assessment of support during the COVID emergency, 2020

	Good or excellent	Poor or very poor
Landlord/agent	25%	38%
State government (NSW and Vic)	17%	53%
Australian Government	13%	59%

Source: Morris, et al. 2020: 87.

Fifty-nine per cent of Berg and Farbenblum's respondents said their experience of the pandemic in Australia meant they were less likely to recommend it as a place to visit for work or study, and in open comments highlighted the impact of being told to go home (Berg and Farbenblum, 2020: 45-47). In 2021, the Australian Government has taken a very different approach to income support for temporary visa holders, making them eligible for the COVID Disaster Payment and the Pandemic Leave Disaster Payment. Student support officer 1 said they were not seeing the same level of hardship or need for assistance as in 2020. This arguably reflects, in part, the new income support eligibility, but our interviewee also highlighted the mostly improved conditions in students' home countries and prospects of financial support from family members, particularly for international students without jobs to qualify for the Australian government payments.

Reflecting on the lessons of the emergency, student support officer 1 was concerned that students 'still don't think it's something they can talk to us about, or access help with crisis accommodation and homelessness, I think…. They're trying to do it themselves, rather than approaching us.' The officer noted that within the university, prior to the pandemic, student support workers and others had started collaborating on issues of student housing and access to support, but there was little leadership or collaboration at the level of the education sector. In the focus group, student support officers also emphasised the need for consultation and collaboration:

SSO4: work with the international students in terms of their capacity building, raising their voices what they prioritize and what they want change collectively and work to provide support to issues that they would like to be seen to see changes in. (Student support officers 3 and 4)

SSO3: Government could in future consult with the agencies that are already in existence and see how they can support us rather than trying to reinvent things. We contacted right people at the university to get things happening for these students, but the vast majority don't get that kind of help. In the future, the government should talk to the universities, talk to the community organizations that already have the links, the experience and see how they can actually plug up any kind of gaps there and emergency financial relief. That was the missing thing from the very beginning.

Despite the experiences of the pandemic, it is not clear that these issues are now on the agenda of the sector's peak organisations.

4.7 Chapter conclusion

The emergency of 2021, with a more virulent variant breaking out and extended lockdowns in multiple cities, was met with a lighter response in rental housing policy than the 2020 emergency. Part of the explanation for this, as we suggested in our first report, is that income support did more to absorb the income shock of the pandemic, to a significant extent letting housing policy and, especially, landlords, off the hook. Our examination of the undersubscription of the various rent relief programs reflects this.

This is not, however, to understate the anxiety and economic hardship experienced by many tenants in 2020 or in 2021. Throughout the emergency periods, tenants continued to face eviction proceedings, while others pre-empted debts and eviction by ending their tenancies. Particularly in the regions, and in capitals other than Sydney and Melbourne, the pandemic has set off changes in market conditions that have caused significant stress for renters (see Chapter 3). As we have seen in our focus sections, international students and workers experienced high rates of hardship without income support until the eligibility changes of 2021. Meanwhile, inner city boarding house residents had more income and a less competitive market than usual, but the shared nature of their premises made these especially difficult living environments in circumstances of virus outbreaks and lockdown. In both the boarding house sector, and in international student support, there are highly knowledgeable workers engaged directly with persons in need; their capacity could be enhanced and leveraged to inform support strategies for each sector.

However, more generally, the evidently contrasting responses seen in 2020 and 2021 suggest to us that the nature of the more recent phase of the public health emergency has been different. In March 2020, the crisis of the pandemic was also unfolding as a crisis in the global financial system. That specific emergency was abated, and the crisis of 2021 has lacked the undertone of a threat to global financial system stability. This raises the question of how much of the 2020 rental policy response was intended to shore up the sector in order to shore up the financial system – and how much less was done when responding to a 'mere' crisis in public health and impacted households' budgets. That restrictions on evictions and, in several jurisdictions, rent increases, were lifted just as many regions were undergoing a major escalation in rents and tightening availability strengthens the feeling that housing policy objectives around affordability, security and prevention of homelessness are still lower priorities than maintenance of housing asset values, rental income streams and loan serviceability.

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Photo by *Eric Ward* on *Unsplash*

5. Homelessness policy and practice responses to COVID-19

Key points

- Through mass hotel bookings, street homelessness was suddenly reduced to near zero in major cities at the start of the pandemic, an achievement rightly celebrated as showing political and practical scope for decisive intervention on a scale previously unimaginable
- Equally, the swift re-emergence of large-scale street homelessness after the end of new hotel bookings illustrates the limitations of such temporary intervention
- By early 2021, at least 12,073 rough sleepers had benefited from COVID-19 Emergency Accommodation (EA) programs staged by NSW, Queensland, South Australia and Victoria.
- State governments pledged substantial extra funding to enable pathways to longer term housing for former rough sleepers placed in EA in 2020; rigorous assessments were used to ration the limited number of 'accommodation and support packages' to those with complex needs
- When fully implemented, emergency measures prompted by the pandemic in NSW and Victoria will have facilitated safe, secure and supported pathways for around 3,500 former rough sleepers with complex needs.
- Through their post-EA rehousing programs, NSW and Victoria will have to some extent addressed a growing backlog of chronic rough sleepers built up over previous years.
- In Victoria – but not in NSW – short term funding for a housing pathway to more secure housing for former rough sleepers with complex needs is backed by a medium term commitment to large scale net social housing growth, potentially enabling more homeless people to be stably rehoused without disadvantaging access by other high needs groups.
- Significant challenges lie ahead in maintaining intensive support where required by rehoused homeless people with complex and ongoing needs assisted via post-EA programs when state government-funded help expires after 24 months.

5.1 Chapter introduction

In our first report from the current research we analysed the homelessness policy responses forthcoming from Australian governments, as triggered by the COVID-19 pandemic. This story, largely focused on the first six months of the crisis, recounted the extraordinary actions of four state governments (NSW, Victoria, Queensland and South Australia) in large scale provision of emergency accommodation (EA) [3] to rough sleepers and other homeless people. It also documented the initial efforts of these states to transition service users from EA hotels to longer term housing.

Drafted almost a year after our initial report, this chapter provides a fuller account of homelessness EA programs enacted throughout the pandemic to date (October 2021). It does so mainly with reference to official documents and a second round of stakeholder interviews undertaken in mid-2021. It should be acknowledged that this fieldwork was more limited in scale than in the first round of the research. Another limitation is that interview invitations were declined by all three of the three state governments approached to gauge official perspectives on the COVID-19 experience. Moreover, chapter coverage is largely restricted to NSW and Victoria, albeit that these have been the jurisdictions in which the vast bulk of Australian COVID-19 EA activity has in fact taken place.

A key focus for the chapter is the way that the NSW and Victorian state governments have sought to transition some of the most disadvantaged EA service users into safe and appropriate longer term housing. We also reflect on homelessness policy challenges highlighted by the experience of managing the crisis, as well as some possible enduring impacts that may result.

The chapter is structured as follows. First, in Section 5.2, we briefly review recent trends in the incidence of homelessness spanning the pandemic. Then, at the heart of the chapter, Sections 5.3 and 5.4 document and analyse the EA programs rolled out in NSW and Victoria, and the schemes developed by the two states to transition EA residents into longer term housing. Section 5.5 then presents some interviewee reflections on the experience of participating in these programs – especially in terms of their strengths and limitations. Finally, in Section 5.6 we draw some brief conclusions.

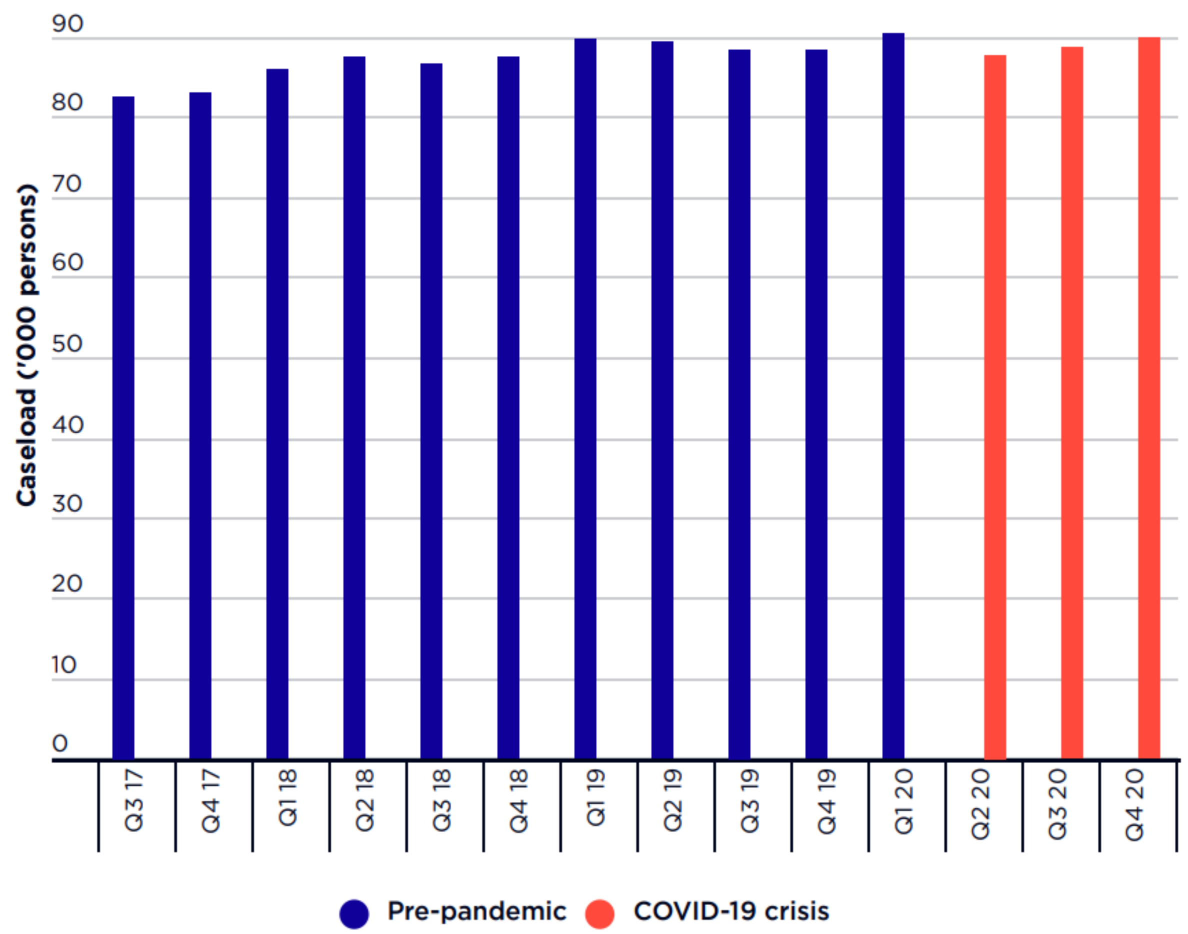
5.2 The incidence of homelessness in 2020-21

The standard headline measures of homelessness in Australia are statistics drawn from the 5-yearly ABS Census, and 'caseload' figures published in the AIHW Specialist Homelessness Services (SHS) series. The latter relate to individuals assisted by SHS providers across Australia. Publication frequency of these administratively generated figures was stepped up by AIHW in 2020 by adding monthly statistics issued in quarterly batches.

To monitor trends in homelessness between censuses, analysts usually focus on the cohort of SHS service users being assisted during the relevant period. This yields statistics on the cohort's overall size, and on the circumstances and profile of those concerned. As shown in Figure 5.1, there was little sign of any notable COVID-19 pandemic impact on homelessness in 2020. It should also be acknowledged that SHS service users include people designated as 'at risk of homelessness' as well as those actually homeless.

3 The terms emergency accommodation (EA) and temporary accommodation (TA) are often used synonymously. In this report, however, EA is used to denote the provision of temporary accommodation specifically in response to the pandemic.

Figure 5.1: Average monthly Specialist Homelessness Services assisted caseload, by quarter, 2017–2020



Source: derived from AIHW monthly SHS statistics - https://www.aihw.gov.au/reports/homelessness-services/specialist-homelessness-services-monthly-data/contents/monthly-data

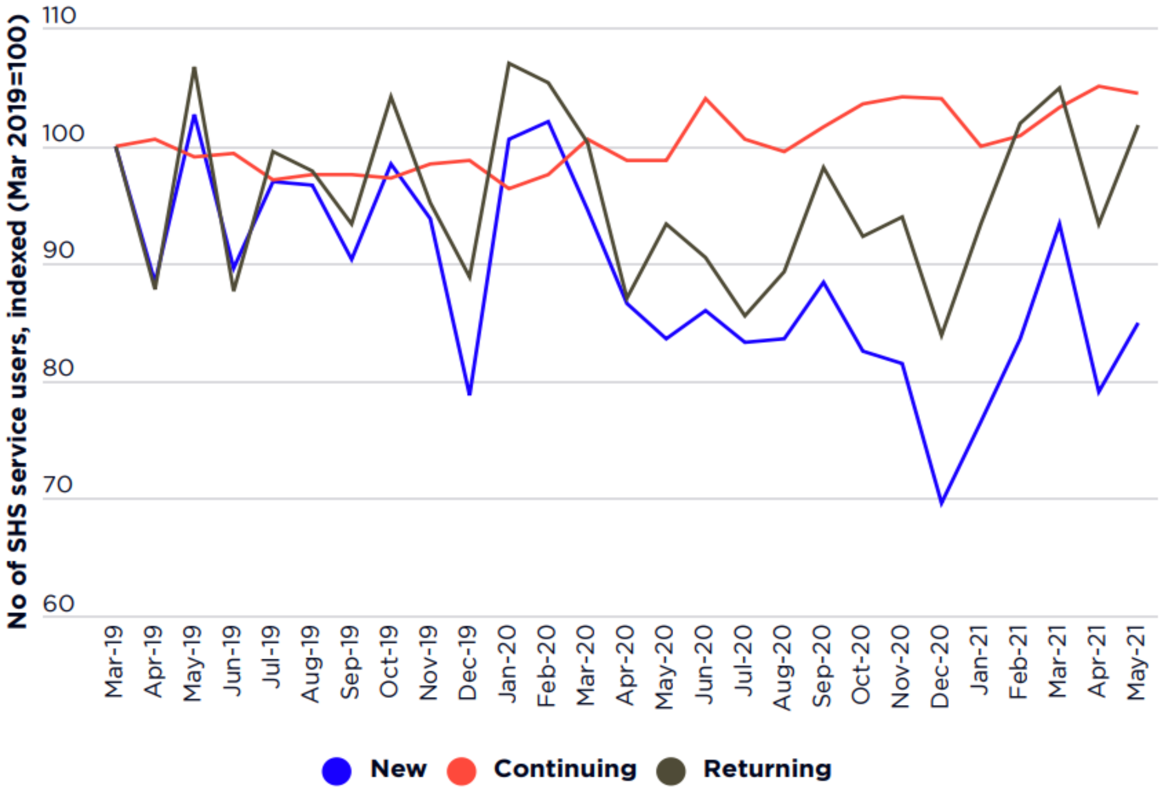
The 'assisted users' statistics tracked in Figure 5.1 are essentially 'stock' figures that include both 'ongoing' service users and people who sought SHS help during the period for the first time (or made a fresh claim for assistance, as former clients from a previous homelessness episode). In seeking to understand the homelessness impacts of changing housing market conditions (or policy initiatives), it would be more informative to focus on the flow of new claims for assistance, rather than on the stock of people receiving help.

With these considerations in mind, a new analysis of SHS service user data is presented in Figure 5.2. This analysis, enabled with the kind assistance of AIHW, differentiates service users in any given month on the following basis:

- new service user – person receiving services in a given month for the first time (since the current system was established in 2011)
- continuing service user – person receiving services in a given month and already receiving services in the previous month
- returning service user – person receiving services in the current month and in an earlier month (since 2011) but not in the previous month.

To indicate the relative size of these cohorts, in January 2021, around 87,600 people received SHS services, of whom 76% were continuing clients, 14% returning clients and 10% new service users. Classified as such, this new breakdown arguably provides a more meaningful insight into homelessness trends during the pandemic than the standard data presentation. Given the hugely differing size of the three cohorts, trend over time analysis needs to be presented on an indexed basis, as in Figure 5.2. As shown in this graph, the 'continuing service user' caseload rose slightly during 2020 and into 2021, consistent with the pattern of recent previous years. New homelessness cases, meanwhile dropped sharply during 2020. This flow quickly contracted by 15% on its pre-pandemic level, generally remaining 10-20% below its level in early 2020 right through until May 2021.

Figure 5.2: Trend in SHS service user cohorts, 2019-2021, indexed to March 2019



Source: AIHW – as previously published in Pawson (2021).

The trend of newly arising homelessness in 2020 (as shown in the New service users in Figure 5.2) coincides closely with the sharp reduction in new homelessness apparent from the 'flow based' official homelessness statistics for England (Fitzpatrick et al. 2021). It would seem possible that, in both countries, these trends in part reflect the eviction moratoriums imposed from March 2020 in combination with emergency income protection as described in Chapter 1.

For most of the period April 2020 – May 2021, the flow of SHS new service users was running at 10–20% below that of the previous two years. One way to quantify the overall impact of this downturn in new applications for assistance is to compare the recorded number of such cases with the number that would have eventuated from a continuation in the flow of new SHS service users in the preceding year (that is, the twelve months to 31 March 2020). By April 2021, the difference between these two numbers – the number of people for whom 'homelessness was avoided' – totalled some 15,000.

It is also important to consider that the counter-factual scenario for 2020 might have involved a sharp increase in renter evictions due to rising arrears caused by lockdown-induced loss of income. Even allowing for the fact that most tenants in this situation will have been protected by the Australian Government's income support measures (see Chapter 1), many non-permanent residents (e.g. international students and migrant workers) were excluded from such support. Viewed from this perspective, the quantum of homelessness prevented by eviction moratoria could have been substantially higher than 15,000.

5.3 Policy responses: emergency accommodation (EA) programs in 2020 and 2021

2020-2021 EA programs: nature and motivation

Soon after the onset of the pandemic in March 2020 NSW, Victoria, Queensland and South Australia launched EA programs to provide safe spaces for existing rough sleepers and homeless people in shelter premises with shared facilities [4]. The term 'safe' in this very specific context crucially encompassed the scope for an individual or household to self-isolate in compliance with stay-at-home (or 'lockdown') rules stipulated under Public Health Orders. By September 2020, according to data collected for our first report (and further discussed below), more than 40,000 people had been assisted in this way (see Pawson et al. 2021, Table 7.1). Consequently, street homelessness in Adelaide, Brisbane, Melbourne and Sydney was reduced to residual levels at mid-year.

Providing temporary accommodation for homeless people is not, in itself, out of the ordinary for Australia's state and territory governments. At least in some jurisdictions, short stays in motels, caravan parks or similar housing is part of business-as-usual 'housing assistance' services available to people without a place to live. The NSW Government, for example, provided temporary accommodation to some 24,000 households annually in the three pre-pandemic years to 2019-20 (NSW Government 2021a). Similar help is also provided to homeless people by specialist homelessness services (SHS) providers. For example, some 87,000 people received such SHS assistance in 2019-20 (AIHW 2020).

A key difference in the crisis, however, was the terms on which assistance was provided and the nature of the accommodation involved, as well as the government-led, pro-active nature of the process. While involving action at unprecedented scale, this built on street homelessness engagement and rehousing efforts by several state/territory governments already significantly ramped up in several cities in the late 2010s (Pawson et al 2020). As from March 2021, pre-existing practice here was not only hugely expanded, but also implemented more inclusively so that it encompassed non-Australian citizens, and so that service users were booked into hotels for longer periods and with fewer conditions.

4 Western Australia also prepared to launch its own program at this stage but drew back from proceeding when it became clear that border closure and lockdown had quickly stemmed the state's initial COVID-19 outbreak.

Crash implementation of EA programs in March/April 2020 was physically possible only because February/March border closures and lockdowns had rapidly emptied virtually all of Australia's hotels and other short-stay accommodation. Programs were, nevertheless, reliant on governments sanctioning substantial new expenditure – not only payments to hoteliers (for room charges and meals), but also fees to NGOs contracted to implement and manage operations and to provide necessary support to EA-residents. NSW and Victoria alone had pledged $51 million between them for this purpose by June 2020 (Mason et al. 2020). Bearing in mind that in some states large volumes of EA needed to be retained or renewed over much of the next 18 months, the overall 'extraordinary expenditure' on such services must have easily run to several hundred millions of dollars. Notably, however, all of this burden was shouldered by the states themselves; the Commonwealth Government made no contribution.

Crucially, the political willingness for such commitments rested largely on a re-framing of rough sleeping and congregate accommodation occupancy. In the special circumstances of the pandemic this was no longer simply a matter of individual misfortune calling for philanthropic aid on individual welfare grounds, but a hazard to public health necessitating state action:

> *The states … initially did incredibly well to help people who were rough sleeping and get them into hotels and other forms of accommodation. That was partly serendipitous because that accommodation wasn't being used for anything so it was available … But it became clear that it wasn't done to protect homeless people; it was done to protect the rest of the community from homeless super-spreaders, walking around cities dropping in here, there and everywhere and taking the virus with them [National peak body interviewee].*

> *The onset of the COVID-19 pandemic in March 2020 saw a spectacular effort on the part of homelessness services, accommodation providers, local government and the Victorian Government to rapidly provide emergency accommodation and support for people experiencing homelessness as part of the public health response to the pandemic (Parliament of Victoria 2021 p229).*

Importantly, business-as-usual rules limiting temporary accommodation eligibility and booking duration were for relaxed for EA bookings. In NSW, for example, the usual limit of two nights (or five nights for people demonstrably seeking their own accommodation) was dropped in favour of 30-day bookings, potentially extendable. More generally, in the first March-May 2020 national lockdown and subsequently, it was at least implicit that support would continue at least for the duration of restrictions at this level. As part of this 'relaxed regime', and in recognition that this was likely to be fruitless during a lockdown, EA residents were no longer required to demonstrate rental property search activity as a condition of room booking extension.

Significant rule relaxations on temporary accommodation eligibility included waiving normal restrictions according to Australian residency. Normally barred from assistance, non-permanent residents were accommodated along with Australian citizens.

At the end of the initial national lockdown (May/June 2020) state governments re-instated business-as-usual rules for new temporary accommodation bookings. Existing bookings lapsed except for those judged as high need cases, for whom existing bookings were maintained while longer term housing options were explored. The programs developed for this purpose in Victoria and NSW are discussed in Section 5.4.

After June 2020 new large scale EA programs were initiated on several occasions in Victoria, in response to each of the state's subsequent lockdowns. As from June/July 2021, with both NSW and Victoria re-entering what turned out to be lengthy lockdowns, governments pledged new EA program funds and re-commissioned NGOs for program delivery:

> *Every time we're going to lockdown the Department says here's some … brokerage funds, whack everyone back into hotels. And then, when we come out of lockdown, they're like well that's the end of that [NGO interviewee, Victoria].*

Quantifying 2020-2021 EA activity

Because temporary accommodation assistance by state/territory governments is largely unreported in routinely published official statistics, and because the Commonwealth Government put in place no special effort to quantify this remarkable episode, the precise scale – and cost – of COVID-19 EA programs will never be known with certainty. At least in the early days of the pandemic numerous hotel placement statistics were cited in the media, although not always specified in clearly defined or mutually consistent ways. In an effort to remedy this situation our first report from this research (Pawson et al. 2021) included original estimates covering activity during Q2 and Q3 2020, based on statistics collected from relevant state governments.

While that data collection effort was not repeated in the second phase of the research, we can draw on EA activity statistics on NSW and Victoria more recently reported in media and official sources:

- In Victoria, the initial March-May 2020 lockdown saw 4,500 people assisted via EA (Parliament of Victoria 2021 p229). By August 2021, according to the Victorian Government, EA hotel placements through the pandemic to that point had totalled 19,000 (Booker 2021).
- From 1 April-30 June 2020, NSW Government-commissioned EA accommodated over 13,000 people for over 131,000 nights. This implies, on average, 10 nights per person, with 1,456 people typically accommodated each night (NSW Audit Office 2021).
- In the period 1 April 2020 - 31 January 2021 'the [NSW Government] provided temporary accommodation to 4,355 people who self-identified as sleeping rough and 32,518 people in total' (NSW Audit Office 2021 p27). Moreover, in the period to 18 April 2021, 26,000 households exited temporary accommodation (ibid p36).

Regarding the scale of EA placements in the June-October 2021 NSW and Victoria lockdowns, interview evidence suggests that assisted cohorts were substantially smaller than in March-May 2020. The Melbourne-wide number being accommodated in August 2021 was reportedly 'about a quarter' of that at the 2020 peak – albeit about three times the number in a 'business-as-usual' context (NGO interviewee, Victoria). In NSW, meanwhile, in August 2021 there were ‘around 400 ex-rough sleepers housed in EA across NSW’ (Peak body interviewee, NSW). In inner Sydney the number was estimated as ‘around 200’, compared with ‘280 or 290’ at the peak of the 2020 program.

As noted above, in our first report we estimated that 40,000 people were assisted with EA during the period 15 March-30 September 2020 – see Table 5.1. As also acknowledged above, this cohort involved both rough sleepers and people occupying homelessness shelter accommodation that was deemed unsafe in the pandemic due to overcrowding and/or sharing of facilities. Another large component of the total (at least in terms of those being assisted for short stays) will have involved others newly experiencing homelessness during the pandemic (e.g. due to domestic and family violence) and therefore needing short term accommodation. In other words, the continuation of the business-as-usual temporary accommodation scenario as outlined above.

Table 5.1: Emergency accommodation placements – flow 15 March-30 September 2020 (persons)

	Former rough sleepers	Other homeless	Total
NSW	24,000		24,000
QLD	3,276	1,648	4,924
SA	513	0	513
VIC	3,929	6,882	10,811
TOTAL	40,248		40,248

Source: authors’ 2020 survey; interview with NSW Government official, October 2020.

Considering the particular concerns about people experiencing street homelessness – especially the ‘chronic rough sleeper’ component of this cohort – there is a special interest in estimating the numbers of rough sleepers assisted via 2020-2021 EA programs. From statistics collected in the first phase of our research we can say that former rough sleepers assisted by the Queensland, South Australian and Victorian governments totalled 7,718 (see Table 5.1). Unfortunately, no equivalent figure was provided by the NSW Government, although it has been officially reported that 4,355 former rough sleepers had been assisted via EA in the period April 2020-January 2021 (NSW Audit Office 2021 p3).

These figures suggest that, by early 2021, at least 12,073 (7,718 + 4,355) rough sleepers had benefited from EA programs (of whom 8,284 were in NSW and Victoria). Particularly within the context of the ABS estimate of 8,200 rough sleepers nationally on Census night 2016 (ABS 2018), these are notable figures. They are also important benchmarks against which to consider the programs initiated to house people from EA, as discussed in Section 5.4.

Emergency accommodation as experienced by service users

Not everyone offered EA as part of the COVID-19 emergency response in Australia was willing to accept this. Some chronically homeless people explained this as reflecting unsatisfactory experiences of government-provided EA prior to the pandemic. These encounters would have been experienced within the context of business-as-usual EA practice. This would likely have involved short stays in relatively low-quality motels, with any extension of an initial short (e.g. 3-night) booking being conditional on the service user fulfilling demanding expectations for accommodation search documented in a ‘rental diary’. Moreover, as reported by interviewees, room-sharing with strangers was sometimes expected. For some with experience of this regime the behaviour of other service users had been found alarming:

> *I won't get to those places … I walked out of a few places like hostels … Half the people on ice all day, every day, going nuts … I walked out of it … [P]eople were like wanting to jump off balconies on drugs and stuff … they don't know what people are doing in rooms and you get shared with whoever gets checked in your room. So if you get someone who's a thief, you're out of your room, they're stealing your stuff (EA service user interviewee 29_M_EA-PW-OP).*

Standard ‘rental diary’ obligations could be traumatizing – described by one service user as a ‘horrific experience’. In the context of accommodation bookings being restricted to very short periods, service users described the stress experienced in needing to pack up their belongings and reapply every three days:

> *I just think that the whole notion is pathetic and you're just overstressing people that are already in a very stressed situation.” “every three days having to be plunged into a large element of uncertainty (EA service user interviewee 05_M_EA-PW).*

> *If I’m in that kind of need again, I’ll stay in my car… [The hoops are there] to make it so damn hard that you'll … just disappear, that you'll go away and stop bothering them (EA service user interviewee 12_F_EA_OP).*

Service users who had accepted EA offers under pandemic-period rules in Sydney mainly saw this in positive light, describing the hotels as ‘5-star’, ‘brand-new’ and ‘well-run’, although where cooking facilities were absent this presented a problem for some.

As recounted in our first report, apparently large numbers of homeless people booked into EA during the pandemic left hotels without any known accommodation destination. This will have included some who were asked to leave because of their inability to follow establishment rules. Among service user interviewees, one had been told to leave because of noise complaints that he blamed on the fact that, lacking previous experience of apartment living, he had unwittingly disturbed other guests:

> *I'm used to walking in a backyard so I just had no idea about this living in a unit (EA service user interviewee 27_M_EA-PW).*

The same interviewee reported having been ‘kicked out’ of another EA placement because of smoking. He claimed ignorance of the rules and laid responsibility on the social worker: “She put me out on the street” (EA service user interviewee 27_M_EA-PW).

However, while some others complained about support workers allegedly lacking necessary knowledge or experience, there were also powerful tributes:

> *She sort of saved me in a way … she was patient … and helpful (EA service user interviewee 27_M_EA-PW).*

So, she [the caseworker] helped me. First up she helped me get onto Centrelink properly. Then she helped me get me Medicare card, because I had no ID … Now, she's got my child support payment reduced from $70 a fortnight to $10. So now I'll be getting another $60 a fortnight, so that's good. She done that for me as well … She's helped me cross every bridge (EA service user interviewee 01_M-EA_OP)

5.4 Policy responses: transitioning EA residents into longer term housing

All four EA program states made substantial efforts to assist EA service users into longer-term tenancies in 2020 and 2021. This included expansion of private rental subsidy and property headleasing programs, as well as enhanced access to social housing vacancies (albeit that the latter will have displaced other high priority applicants). The remainder of this section focuses on the structured programs established by the NSW and Victorian governments for this purpose.

NSW Government 'Together Home' program

Originally announced on 9 June 2020, Together Home is the NSW Government's $122 million program primarily targeted on former rough sleepers with complex needs and placed in EA during the early phase of the pandemic. Thus, as officially phrased, the program 'aims to transition people onto a trajectory away from homelessness and into long-term stable housing, while improving overall personal wellbeing' (NSW Government 2021). A 'Together Home package' usually consists of a tenancy in self-contained dwelling and funded personal support for 24 months. Funding committed in three tranches during 2020 and 2021 is expected to underpin allocation of 1,050 packages, a small proportion of which are more fully resourced 'for clients with severe mental health conditions to receive intensive assistance' (NSW Audit Office 2021 p32).

On 30 June 2020 the NSW Government's initial COVID-19 EA program effectively ended, with business-as-usual (short stay only) rules for TA bookings restored. Existing bookings were maintained only for former rough sleepers. On the basis of data collected in our Phase 1 research, we estimate there were 2,000 people remaining in EA at that time (Pawson et al. 2021, Table 7.2). Using the Vulnerability Index-Service Prioritisation Decision Assistance Tool (or VI-SPDAT) the Government's Department of Communities and Justice (DCJ) began a triaging assessment of remaining hotel residents to ration the 400 Together Home packages funded at that time. By 30 September 2020 EA placements were down to 900.

Together Home is mainly being delivered via community housing provider (CHP) acquisition of private rental properties on a two year 'headlease' basis, with other NGOs commissioned to provide associated outreach support. As seen by one SHS manager, this role had proved testing for some participating CHPs:

They're now housing people who previously would never get a look in. It really is those who are most disadvantaged, where anti-social behaviour, property care etc is kind of through the roof (NGO interviewee, NSW)

From the above interviewee's perspective, this was partly about the need for adjustment to a Housing First mode of operation which 'places the client far more in the driver's seat', a reference to the argument that headlease property acquisition ideally involves the prospective tenant:

Some CHPs have treated Together Home like social housing and it is not social housing. It is much more Housing First (NGO interviewee, NSW).

From an SHS perspective, it was considered that CHPs needed to better recognise that a 'property-led' approach is inappropriate in this context. In practice, irrespective of any commitment to service user involvement in Together Home headlease property procurement, this has been found challenging in 2021:

There's been a huge issue in terms of the [specific needs of the] cohort, and in terms of the [problem that] in regional areas there just aren't the properties to headlease (NSW Peak body interviewee).

Perhaps partly with these problems in mind, Tranche 3 funding in May 2021 came with 100 public housing vacancies. Taking this into account, the program could be interpreted as an expansion of the NSW social housing stock by 950 dwellings. However, Together Home funding runs only for two years from the service user's tenancy start date. At the outset, it had been intended that residents would, at this two-year point, transition to a longer term tenancy – possibly in the private sector or otherwise within the mainstream social housing portfolio of the responsible CHP. Thus, as stated in an official guidance note:

The client's support plan must also consider the client's exit from the program into long-term housing and what supports they will need at this point (NSW Government 2020).

Subsequently, however, the model seems to have evolved towards an expectation that Together Home tenancy allocations should be treated as long-term – effectively open-ended – placements:

Those clients won't be moving – they can't. Where would they move to? (NSW Peak body interviewee)

This suggests that while the funding that enabled the original headlease acquisition might end after 24 months, the tenancy could potentially continue – assuming, of course, property owner willingness to extend the arrangement. The apparent implication is that the responsible CHP would need to contain the associated costs of retaining the headlease arrangement – perhaps by terminating a pre-existing headlease elsewhere in its portfolio. Either way, the net effect will be that the funded expansion of the social housing stock is only short-lived.

More of a concern for homelessness advocates – and for participating CHPs – is that support funding likewise ends after two years, despite the understanding that many assisted individuals have enduring conditions that make such help an ongoing necessity. In response, particularly for recipients of high needs packages, attention has been focused on enabling tenants to qualify for NDIS funding:

A big focus in a lot of the funding has been on [commissioning] those neurological assessments you need in order to be accepted onto the NDIS' (NSW Peak body interviewee).

So what proportion of EA-assisted former rough sleepers have been (or are likely to be) assisted into longer term tenancies? From the fragmentary published data this question is difficult to answer with certainty. As noted above, it is understood that 4,355 rough sleepers had benefited from EA by

January 2021. The NSW Audit Office notes that in the period May 2020-January 2021, 669 former rough sleepers were helped to transition from EA into longer term tenancies (including supported accommodation) [5]. Strikingly, 390 of these were public housing tenancies. We also know that, by May 2021 some 1,050 Together Home packages had been funded (NSW Government 2021b), although some of these were unlikely to be taken up until later in the year.

Integrating the various relevant figures cited above suggests that at least 1,719 (669 + 1,050) former rough sleepers in EA would have been assisted into longer term housing by time the Together Home program is fully implemented. On the face of it, this would imply 39% 'successfully rehoused' (i.e. 1,719 of the 4,355 former rough sleepers booked into EA). Partially validating this assessment is the separately reported Audit Office finding that 72% of the 'approximately 4,000' former rough sleepers exiting EA between 1 April 2020 and 18 April 2021 'left with an unknown housing outcome' (p36). Considering that a substantial number of Together Home nominees will have remained in EA on 1 April 2021, it can be surmised that the percentage of the entire cohort eventually transitioned into longer term housing will be higher than the 28% implied here.

A final complexity to integrate into this assessment arises from the fact that in its second phase, eligibility for a Together Home package was extended beyond the 'former-rough-sleeper-with-complex-needs-accommodated-in EA-in-2020' cohort. This opened up access to two other high needs groups, the first involving people rehoused into EA in 2020 from certain 'old style' inner Sydney homelessness shelters. For those directly concerned, this made it possible to avoid their resumption of congregate living after a substantial period of better conditions. More broadly, as seen by some, the potential inclusion of this group in Together Home was highly beneficial as a move that could enable occupancy reduction, overdue shelter modernisation and re-occupation at permanently lower densities.

The second group were rough sleepers with complex needs who had not been accommodated in the 2020 EA cohort, but who were nominated by agencies:

> *In the new Together Home you don't need to be in TA first. [Thus enabling possible assistance with long term housing for] people who can't be booked into TA with their pet or refuse to consider TA because of previous bad experiences (NGO interviewee, NSW).*

The numbers accepted into the Together Home program from the two groups were probably quite small, but in any case they mean that the 'successfully rehoused out of EA' percentage will have been somewhat lower than the 39% as reasoned above, most probably about 35%.

Whether the outcome of this process is considered an achievement or a disappointment depends to some extent on one's perspective. Positively, it is fair to highlight the use of a rigorous process in assessing the extent and complexity of individual needs so that limited – but nevertheless extraordinary and appreciable – resources were prioritised accordingly. Through this process some 1,700 former rough sleepers, many with complex needs were identified for rehouseing with support. Most were allocated social housing,or quasi social housing in the case of headleased properties. This may well have included a significant number of chronic rough sleepers whose housing prospects were

5 Net of 123 persons nominated to the Together Home program, 79 people passed into the care of family or friends, and 21 accommodated in boarding houses.

indirectly enhanced via the COVID-19 crisis. At the same time, only a minority of the state's former street homeless population in EA – perhaps around 39% – were helped into longer term housing and a proportion of the remainder may well have become homeless once more.

NSW former EA residents interviewed for this research and who had experienced a smooth transition from EA into social housing (or a headleased private rental property) variously described it 'fantastic' and 'a great journey'. Their life changed from being suicidal in some cases, to feelings of security and home pride:

> *This gave me a new lease of life … No way in the world it couldn't have happened any better (EA service user interviewee 01_M-EA_OP).*

> *I can get married … it's spacious where I can actually introduce a wife … I can have guests here … it's beautiful … I have no complaints at all (EA service user interviewee 28_M_EA-YP).*

> *I was couchsurfing … I felt like I couldn't even make it to the end of the year … I was depressed … I was going downhill rapidly … But as I moved into here, I feel like I can do another 50 years …[Referencing a former drug addiction] … that's not gonna happen any more … because I'm here (EA service user interviewee 01_M-EA_OP).*

Victorian Government: Homelessness to a Home program

The Victorian Government's $150 million 'From Homelessness to a Home' (H2H) program was announced in July 2020. H2H is targeted to former rough sleepers with complex needs and provided with EA in 2020, to transition them into longer term tenancies with floating support. From an official perspective H2H was seen as representing 'an opportunity to make a significant, lasting impact on homelessness and rough sleeping in Victoria (Victorian Government 2021 p7).

Program funding was intended to cover costs of:

- Extending EA bookings through to 2021 where necessary
- Floating support for EA residents with complex needs
- Procurement of headleased properties
- Private rental subsidies for lower need EA residents (Parliament of Victoria, 2021).

An impression of the scale of need being addressed can be gained from the previously cited estimate that Victoria's EA placements early in the pandemic numbered 4,500 (Parliament of Victoria 2021 p229) although it is unclear whether this referred to a stock or a flow measure. In any event, the program's scale – 1,845 H2H packages – necessitated a careful triaging exercise to target these to EA residents who were former rough sleepers with complex needs. One NGO involved in the process, for example, needed to select approximately 420 households from an EA population of around 1,000, in particular to identify those with 'a history of chronic homelessness'.

After the Government's cut-off date for H2H eligibility (6 Dec 2020), EA bookings ended for those accommodated during lockdowns earlier that year but not selected for a move-on housing package. Moreover, rough sleepers and others accommodated in 2021 lockdowns have been ineligible for H2H assistance.

As it evolved, the move-on housing element of the program was configured as follows:

- 1,467 private rental properties headleased by NGOs or Government
- 378 mainstream public housing tenancies. (Victorian Government 2021)

Thus, the greater part of the program involved a short-term expansion of the social housing stock, for the two-year duration of headleases. However, the temporary nature of this provision needs to be seen within the context of the Victorian Government's Big Housing Build stimulus investment program expected as channelling 12,000 new social and affordable housing units into the system over several years from 2022. This influx of new social housing could potentially provide a long-term housing solution for many rough sleepers initially transitioned into H2H headleased properties in 2021.

H2H program implementation has reportedly proved more testing than initially anticipated. As recounted in May 2021 progress was being hampered by challenges in procuring suitable dwellings, especially in regional Victoria (Topsfield 2021). At that stage only 163 households had been rehoused under the scheme (of the 1,845 targeted for such help). 520 people were continuing to be accommodated in hotels while awaiting moves to new homes. 'Others have moved to other temporary accommodation such as boarding houses, staying with friends or are back on the streets while a long-term property is secured' (ibid).

5.5 Reflections on COVID-19 homelessness responses

Pandemic stimulus for new ways of working and working together

Although most of our interviewees were NGO workers, many commended what were seen as positive – and possibly lasting – homelessness policy and practice changes resulting from the public health emergency. From this perspective, in the terms discussed in Chapter 2, COVID-19 had represented a 'focusing event'.

Firstly, as expressed by interviewees in NSW, Victoria and Queensland, it was universally perceived that collegiate cross-sector joint working had been significantly enhanced through the crisis. Referencing a street homelessness needs audit in 2015, one NSW interviewee recalled that this had given rise to calls for 'an inner-city [homelessness] plan':

> *We wanted a plan, and not just a plan that you can put on a shelf, but actually having an interagency group … We were asking for that for five years. It did happen [in March 2020] because of COVID… basically down to our advocacy and the sector's advocacy on the need for a taskforce to address the issues related to the health issues around COVID, is why it got up (NSW peak body interviewee).*

Moreover, the resulting cross-sector interaction had been highly beneficial:

> *Working together has really improved … and there's a hugely better level of respect and understanding of everyone's roles, and a real sense that we are all working collaboratively and collectively together to end rough sleeping. That has really, I think, made a huge difference (NSW peak body interviewee).*

Secondly, at least in Sydney and Brisbane, it was anticipated that the 2020 partial or complete depopulation of certain outdated inner city homelessness shelters could lead to a permanent re-configuration of hostel style accommodation in these areas:

> *[There's a possibility that] we'll [be] look[ing] at a very different congregate care model in the inner city which is actually a great outcome … rooms with their own bathrooms and much [smaller] client numbers than they had previously … That's the model the services want to move towards going forward and so we're anticipating that's what we'll end up with, which is really great (NSW peak body interviewee).*

Similar prospective changes in Brisbane were attributed to the experience of emergency action to de-populate unsuitable hostels early in the pandemic:

> *[COVID-19] provided an opportunity to think differently, do things different and get better outcomes, in a 'build, measure, learn' approach. [Therefore] I believe we've taken great strides forward (Queensland NGO interviewee)*

> *There should be some credit paid to the Queensland State Government for having taken advantage of a crisis situation to, you know… start implementing some good reforms' (Queensland peak body interviewee).*

Neither was this only a matter of improved understanding between state government and SHS players, it also extended to potentially lasting changes in social landlord practice. Thus, for one NGO interviewee, cross-sector collaboration in the COVID-19 emergency had helped to highlight the need for 'a supportive housing element within the social housing system'.

Homeless people with very high needs still not accommodated

Both Together Home and From Homelessness to a Home were widely commended by research interviewees as providing a pathway to more secure longer term housing for many chronic rough sleepers, even though program scale remained relatively modest:

> *The amazing thing is that never before in my rather long career in homelessness have I seen this level of investment into single adults (Victoria NGO interviewee).*

> *[This] makes it possible to get people into properties because there's a subsidy there. It's the limitation on the [number of] the packages that's the issue … We've never had it this good, but in terms of the numbers it's still not enough (NSW NGO interviewee).*

Beyond this, notwithstanding that ongoing NDIS assistance could be a possibility for some (see Section 5.4), there were worries about the limited duration of funded personal support, and its potential termination after 24 months. As might be expected NSW interviewees also stressed the limitations of Together Home as involving only a temporary expansion in social housing provision:

> *The downside … is that there hasn't been any additional social housing, and so … it put a squeeze on other cohorts, so women and children escaping domestic and family violence. Also, transfers … within social housing became very, very difficult in inner Sydney, because the focus was really on housing people sleeping rough, without the additional housing supply that's required (NSW peak body interviewee).*

More specifically, several participants posed concerns about a small proportion of very high needs clients for whom neither the NSW nor Victoria rehousing program models were appropriate. Thus, as argued by one interviewee, a small proportion of their organisation's ex-rough sleeper service user cohort was 'technically ineligible' for From Homelessness to a Home because they lacked the capacity to live independently in the community. For example:

> *[People needing] access to clinical mental health support or a whole range of other things that that that aren't [associated with] an apartment out in the community'. Their needs can be catered for only through permanent supportive housing … where we need to wrap a whole care team round [a person] (Victoria NGO interviewee).*

> *We've got a few clients who Housing have said … need to demonstrate that they can sustain a tenancy. So yes, the people who need it are barred from housing, I suppose, until they can sustain that tenancy (NSW NGO interviewee).*

> *In the total housing picture the bit that's missing … is long term supported housing. There's some people [who] are just never going to be able to manage an individual tenancy. At the moment, unless you're lucky enough to go into Common Ground … there aint nothing until you're old enough to go into aged care. [This is] a group of people who just cycle in and out of mental health institutions and or jail … and they only get the support when they go into a crisis service like a mental health [facility] … There's a big gap between SDA housing[6] and a group home [on the one hand] and social housing [on the other] (NSW NGO interviewee)*

Growing representation of non-permanent residents in street homelessness cohorts

As discussed in our first report, pandemic experiences in relation to homelessness also shone a bright light on the ineligibility of non-permanent residents from social security or social housing assistance. Notably, 2020 EA programs relaxed normal rules excluding temporary visa holders from government-provided temporary accommodation. However, they have remained excluded from move-on housing programs such as Together Home and From Homelessness to a Home:

> *In terms of unforeseen impacts, what we are seeing in Sydney is a huge increase in the number of people who are non-citizens who are sleeping rough, and that is because of the loss of access to casual employment that was keeping them housed, and no access to income support … I think it's around 30-40 people sleeping rough right now in … the City of Sydney … There's been an ongoing issue … that there's no avenues for support for these people (NSW peak body interviewee).*

The representation of New Zealand citizens and other non-permanent residents among street homelessness populations was expected to be significantly higher, post-pandemic, than previously.

5.6 Chapter conclusion

In terms of its homelessness consequences, Australia's experience of the COVID-19 pandemic largely defied expectations. As measured by the numbers using SHS services, the national scale of homelessness remained largely flat, while the flow of newly homeless people declined. Perhaps more striking, in states affected by significant virus outbreaks governments acted to protect homeless people on a previously unimaginable scale. Huge bureaucratic efforts were made and hundreds of millions of dollars committed, not only to short term 'sheltering' of former rough sleepers and others at risk, but also to longer term housing and support for a substantial number of those involved.

By the time they have been fully implemented, emergency measures prompted by the pandemic in NSW and Victoria, alone, will have facilitated safe, secure and supported pathways for around 3,500 former rough sleepers with complex needs. Not all of this action will have been additional to the counter-factual scenario of a pandemic-free 2020 and 2021. But, thanks to pledges of extraordinary funding, these programs will have to some extent addressed a growing backlog of chronic rough sleepers in the states involved that had been built up over previous years.

None of this is to say that homelessness will be much reduced in post-pandemic Australia. Exacerbated by flaws in our housing and social security systems, and by inadequate prevention efforts, the flow of newly homeless people will continue in 2022 as before. Some will find themselves sleeping rough, at least for a short time. The 2020 experience where mass EA programs saw street homelessness suddenly reduced to near zero in major cities was rightly celebrated as demonstrating previously unimagined political and practical scope for decisive intervention. Of equal significance, however, was the swift re-emergence of large-scale rough sleeping after the end of new emergency accommodation bookings. In the City of Sydney, for example, street homelessness numbers were back at over 80% of pre-pandemic levels by February 2021, following the resumption of 'business-as-usual' temporary accommodation arrangements for new service users from 30 June 2020 – and despite the fact that many former rough sleepers remained in EA. This only goes to show that if governments were serious about 'solving homelessness' they would need to commit to far more fundamental systemic change to achieve this.

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6 New social housing supply

Key points

- In 2020 and 2021, four state governments announced significant self-funded social housing construction programs as a component of post-pandemic stimulus investment; at face value these add up to nearly $10 billion
- In all, state/territory governments plan to construct over 23,000 social housing units over the three years from 2021-22; a threefold increase on national social housebuilding rates during the late 2010s, and comparable in scale to the Rudd Government's post-GFC Social Housing Initiative.
- States such as NSW and SA have pledged little or no post-COVID social housing construction stimulus; here, planned activity is largely focused on replacing rundown public housing, meaning that new development gains are largely offset by demolition losses.Thus, the net addition to social housing provision over the next three years will be around 15,500 across Australia.
- Queensland and Victoria will be responsible for more than 60% of Australia's social housing construction (and 80% of the net increase in provision) in the period 2021-22 – 2023-24.
- The scale of planned development in Queensland, Victoria and Tasmania, will (at least temporarily) reverse historically declining proportionate representation of social housing in these states.
- In other jurisdictions continuing diminution of the sector's share of all dwellings is in prospect, with NSW's social housing set to fall below 4% of total occupied stock within 10 years.
- While impressive, Australia's recent social housing construction revival is not only patchy across the country, but also unsustainable without a reversal in current Commonwealth Government refusal of additional financial support to enable social housing growth.
- The experience of attempting to analyse changes in the scale of social housing provision demonstrates the fundamental inadequacy of existing routinely collected official statistics relevant to this topic.

6.1 Chapter introduction

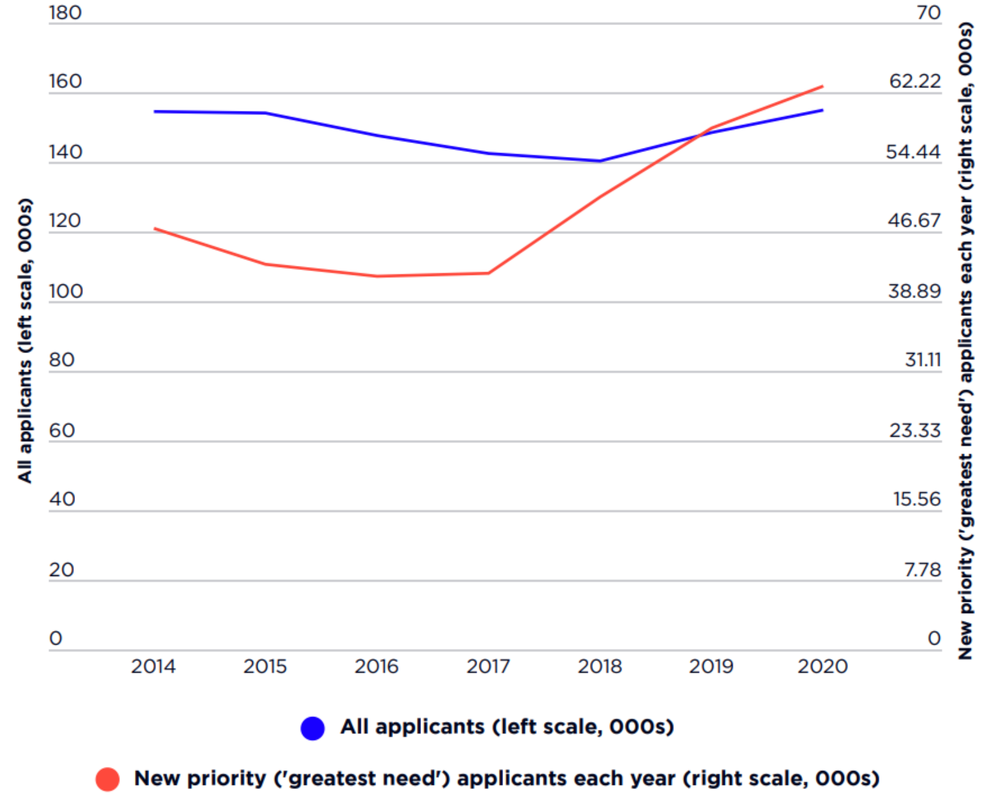
As demonstrated in Chapter 5, the COVID-19 crisis saw state government ambitions to rehouse formerly homeless people out of emergency hotel accommodation highly constrained by a lack of social housing. Perhaps partly in recognition of such problems, but more evidently motivated by aspirations to stimulate post-pandemic economic recovery, several state governments have announced significant self-funded social housing construction programs. Drawing on unpublished statistics collected from state/territory governments, and on official published accounts, this chapter analyses the impact of COVID-19 on social housing investment as represented by these initiatives.

The chapter is structured as follows. First, to contextualise new construction programs, Section 6.2 briefly reviews social housing demand and supply trends in the period leading up to the pandemic. Next, in Section 6.3, we document and analyse state government announcements of expanded social and affordable rental housing[7] investment made in 2020 and 2021. Then, in Section 6.4 we analyse the new housing construction pipelines that have resulted from these commitments. Finally, in Section 6.5 we reflect on these analyses.

6.2 Social housing demand and supply in the immediate pre-pandemic period

Difficulties encountered by state governments in rehousing homeless people from emergency hotel placements in 2020 and 2021 are just one recent symptom of an intensifying shortage of social housing that was apparent well before the pandemic. Growing demand pressure in the immediate pre-COVID period is, for example, evident in the rising numbers of priority applicants awaiting a social housing tenancy in recent years. Since 2016 this cohort has expanded by 51% (Figure 6.1). This followed a 30% rise in homelessness in the previous decade (ABS 2018).

Figure 6.1: Eligible social housing applicants awaiting tenancy allocation, Australia, 2014-2020



Source: AIHW (2021).

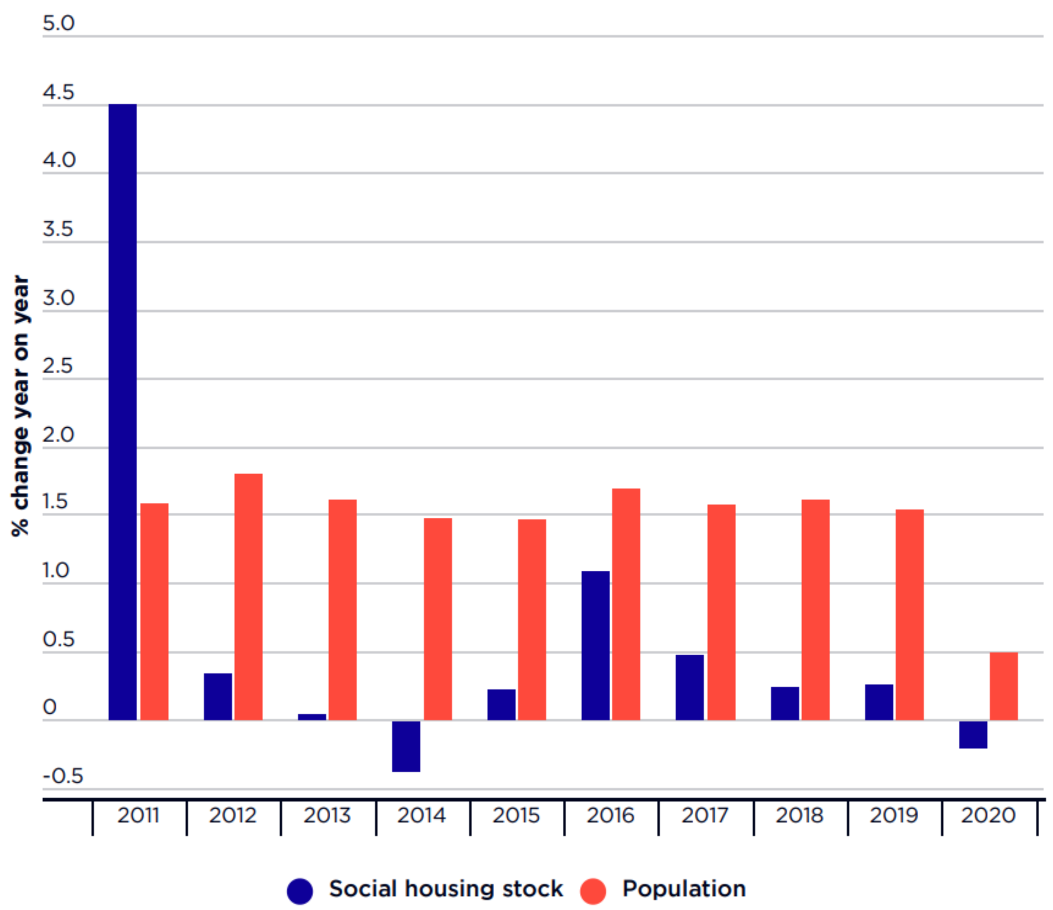
Notes: 1. Figures relate to 30 June each year. 2. According to AIHW definitions, 'greatest need' applicants are either: homeless, occupying housing judged unsafe, injurious to health, or otherwise unsuitable, or facing 'very high rental housing costs.' 3. Eligibility to register for a social housing tenancy is restricted to very low-income households.

7 Social housing is defined as housing targeted at very low-income households, usually rented out at 25% of tenant household income; affordable rental housing involves provision targeted at low to moderate income households and usually priced on a discount to market rent basis.

In part, the growing backlog of priority social housing applicants reflects the failure of Australian governments to grow social housing in line with rising need. As shown in Figure 6.2, for most of the 2010s population growth has run at more than three times the level of social housing expansion.

The first year in the Figure 6.2 sequence reflects the extraordinary impact of the Rudd Government's national Social Housing Initiative (KPMG 2012). Launched in 2009 to counter the Global Financial Crisis, this four-year stimulus investment program represents the only significant addition to the social housing stock of the past 25 years. Across the last decade, however, Australia's population grew by 16%[8] whereas – even with 2010 as the base year – social housing expanded by only 7%. In the second half of the 2010s population growth outstripped social housing growth more than threefold – 7% versus 2%. Similarly, in every year from 2012 onwards, much faster growth in population than in social housing stock (see Figure 6.2) meant that the ratio of the former to the latter continued to grow. This was true even in 2020 when population growth was unusually depressed due to the pandemic, but when social housing stock actually diminished – see Figure 6.2.

Figure 6.2: Annual growth rates – social housing stock and population, 2011-2020



Sources: Steering Committee for the Review of Government Service Provision (2021); ABS (2021a). Note: Dwelling stock figures relate to 30 June each year, population numbers relate to 31 December each year. Note: Allowance made for missing SOMIH statistics for Northern Territory for the years to 2018.

8 Similarly, in the decade to 2016, total households grew by 16%

A key factor affecting the changing scale of social housing provision is new housing construction. As shown in Table 6.1, consistent with Figure 6.2, the years 2009 and 2010 were exceptional, due to the Social Housing Initiative. More recently new building commencements have oscillated around 3,000 units – or around 1.5% of all housebuilding. This compares with 16% of all residential construction commissioned by state governments in the period 1945-70. Maintaining social housing representation in the national housing portfolio – some 4.2% of occupied dwellings in 2018 – would require a construction share at least at this level. Failure to build at this rate means a continuation of the trend ongoing since the 1990s, whereby social housing continues to decline in these terms (from 6.3% in 1991).

Table 6.1: Social housing commencements by jurisdiction, 2007-2020

	NSW	Vic	Qld	SA	WA	Tas	NT	ACT	Total
2007	831	416	774	618	1,018	12	157	116	3,942
2008	929	605	835	262	1,003	48	126	119	3,927
2009	1,780	2,431	1,257	828	1,125	136	209	35	7,801
2010	5,269	1,661	3,345	1,493	2,677	120	548	326	15,439
2011	587	251	709	460	738	200	480	56	3,481
2012	409	559	218	459	920	19	166	35	2,785
2013	927	396	539	578	980	50	142	77	3,689
2014	407	312	557	612	490	53	132	90	2,653
2015	1,491	206	539	205	1,113	10	161	87	3,812
2016	822	277	535	291	785	6	171	298	3,185
2017	741	471	638	252	776	104	169	85	3,236
2018	502	346	568	101	525	102	189	150	2,483
2019	266	527	553	218	487	124	145	65	2,385
2020	682	381	410	383	685	116	216	90	2,963

Source: ABS (2021b). Note: figures derived from the cited source by subtracting private sector dwelling commencements from all commencements. This is a reasonable proxy for new social housing construction although there is uncertainty on whether community housing-initiated activity is fully captured.

Importantly, however, beyond fluctuating rates of housebuilding, the changing level of social housing provision also reflects dwelling sales and demolitions – activity that is regrettably unpublished in any official series. We return to this issue below.

6.3 Post-pandemic social housing stimulus investment programs

Calls for a national social housing stimulus program featured prominently in 2020 debates on post-pandemic economic recovery measures (Martin 2020). However, while these were pointedly dismissed by the Commonwealth Government (Coorey 2020), several other Australian governments announced significant self-funded social housing investment programs in 2020 and 2021. The Victorian Government's Big Housing Build has attracted most attention, largely on account of its extraordinary scale. Other notable initiatives have also included those of governments in Tasmania, Queensland and Western Australia. New South Wales also claims to have increased social housing new build investment as a contribution to post-pandemic economic stimulus. Before analysing the resulting social housing development pipelines, this section first examines the stimulus programs as published by each of the five states concerned.

Victoria – Big Housing Build

Announced on 15 November 2020, the Victorian Government's Big Housing Build initiative is a $5.3 billion program scheduled to construct 12,200 new dwellings over a four-year period. This will include:

- 9,300 social housing units, replacing 1,100 existing public housing properties to be demolished. Nearly half of the new social housing units – 4,200 – will be developed by community housing organisations.

- 2,900 'affordable and low-cost homes … to help low-to-moderate income earners live closer to where they work and provide options for private rental' (Premier of Victoria, 2020).

According to publicly released information, CHP-developed schemes will absorb $1.38 billion of the fund, understood as being enacted via capital grants to underpin development costs. This equates to $329k per dwelling. However, with rents set at the standard rate of 25% or 30% of tenant income, supplemented by Commonwealth Rent Assistance it should be possible for CHOs to support a certain amount of debt (Pawson et al. 2016). Assuming this has been factored into the calculations it may be that overall unit dwelling development cost has been estimated at $400k or more. Much will depend on program-wide mix as regards schemes constructed on government-owned land versus those involving acquisition of privately-owned sites.

Exactly what is involved in the 'affordable and low cost homes' component of the BHB has yet to be fully disclosed. It would seem that this may include both affordable rental housing (e.g. rented out to low-income workers at 75-80% of market rates), and dwellings for sale to moderate income earners on a shared equity basis – i.e. where government retains an ownership stake in the dwelling, thus reducing the size of the resident purchaser's necessary mortgage and deposit payment.

Importantly, while the BHB stimulus investment will hugely ramp up social and affordable housing development in Victoria, it comes on top of smaller already-announced programs that, collectively, are expected to involve commencement of 15,800 dwellings over four years (Premier of Victoria 2020).

Queensland

On 17 June 2021 the Queensland Government announced a $2.9 billion housing stimulus investment program. This supplements a pre-existing financial commitment to the Government's 2021-2025 Housing and Homelessness Action Plan. The 2021 funding package involves three separate programs:

- $1.74 billion under the Queensland Housing Investment Growth Initiative (QHIGI) to expand social housing across the state by 2,765 dwellings, substantially involving schemes already planned and designed. Implicitly, this involves capital grants (averaging $629k per dwelling) to community housing organisations (and possibly other providers).

- A $1 billion investment fund (Queensland Housing Investment Fund – QHIF) to generate annual returns estimated at $40 million, implicitly to be channelled into ongoing revenue subsidies to participating housing developer-managers over a number of years. This model appears similar to the NSW Social and Affordable Housing Fund, and also the Victorian Social Housing Growth Fund (Pawson and Milligan 2015; Raynor 2017; Pawson et al. 2020, pp287-288). Again, published information suggests that some or all of the program – 3,600 homes to be developed over four years – will be delivered by community housing organisations.

- $60 million to acquire two year leases on 1,000 existing dwellings under the Help to Home program. (Queensland Government,2021a)

Information released alongside the 2021 Queensland Budget also states that there will be '7,400 new builds over the next four years under the Queensland Housing Investment Growth Initiative' (Queensland Government 2021b). This implies that the newly announced funding for 2,765 dwellings will supplement an existing program already funded to develop 4,635 homes.

Attempting to reconcile these various figures suggests that newly constructed homes during the term of the 2017-25 Housing Strategy will total 11,000 (2,765+3,600+4635). Separately, the Queensland Government has also stated that it is 'increasing the supply of social and affordable housing by almost 10,000 over the life of our Housing Strategy' (Queensland Government 2021b). This appears to imply that at least 1,000 existing public housing dwellings will be demolished or sold in the course of the 2017-25 Housing Strategy development program – see Table 6.2.

Table 6.2: Interpretation of Queensland Government published statistics on social housing construction (dwelling commencements)

	2017-21	2021-25	Total
Qld Housing Investment Growth Initiative	4,635	2,765	7,400
Qld Housing Investment Fund		3,600	3,600
Total development	4,635	6,365	11,000
Sales and demolitions (implicit minimum)			(1,000)
Net growth of social housing 2017-25			10,000

Sources: see text. Note: Headleasing acquisitions discounted.

Tasmania

Supplementing an existing allocation of $125 million (Tasmanian Government Affordable Housing Action Plan 2018-2023), the state's 2020-21 Budget confirmed allocation of an additional $100 million for community housing development (Tasmanian Government 2020). Existing funds already designated for this use also included $58 million freed up by the Commonwealth Government's agreement to a debt waiver on historic loans issued under the Commonwealth State Housing Agreement (Holmes 2020).

Western Australia

An additional allocation of $875 million committed in the state's 2021 budget, was reported as boosting Western Australia's forward program for social housing investment to $2.1 billion (Government of Western Australia 2021). This was anticipated as sufficient to fund 3,300 new social housing dwellings (implicitly at $636k per unit), to be delivered over four years.

New South Wales

Within the economic recovery plan announced in its November 2020 budget, the NSW Government specified $812 million in additional spending for 'new and upgraded housing' (NSW Government 2020). This was to enable delivery of 'almost 1,300 new social homes across the state'. In practice, however, at least $270 million within the package was designated for public housing maintenance (Tenants Union of NSW 2020). Beyond this, at least 500 of the 'new social homes' were 'accelerated' rather than newly funded projects. Others involved estate renewal projects where most of the dwellings concerned would be replacing existing homes to be demolished. A new funding tranche of $183 million as announced in October 2021 (NSW Government 2021) looked set to add only a relatively small number of additional dwellings to the pipeline – see Table 6.2 footnote 9. At least proportionate to the state's size, these were relatively small commitments.

6.4 Social housing pipeline analysis

Projected new construction

Largely thanks to pandemic stimulus investment programs (especially in Victoria and Queensland), a significant increase in social housing construction appears in prospect for the three years to 2023-24. As shown in Table 6.3, our bottom-up analysis which aggregates figures for each state/territory jurisdiction suggests that over 23,000 new social housing units will be commenced over this period, compared with a under 9,000 in the three years to 2020. Indeed, the projected annual rate of social housing construction 2021-22 – 2023-24 represents almost a threefold increase over the pre-pandemic benchmark rate (7,750 versus 2,610). Figure 6.3 sets this within a longer historical series. These data were primarily sourced through a pro forma sent to state/territory governments – see also Section 1.5 and Appendix 1

Table 6.3: Social housing pipelines and their net contribution to social housing portfolios, 2021-22 – 2023-24

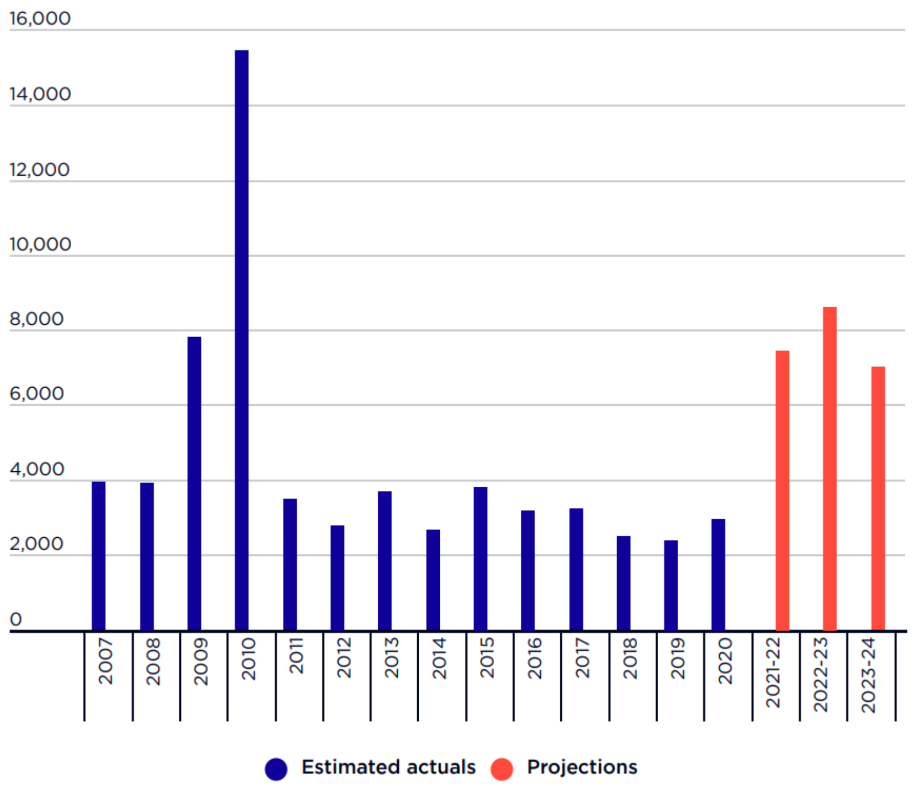
<table>
<tr><th rowspan="2"></th><th rowspan="2">NSW</th><th rowspan="2">Vic</th><th rowspan="2">Qld</th><th rowspan="2">SA</th><th rowspan="2">WA</th><th rowspan="2">Tas</th><th rowspan="2">NT</th><th rowspan="2">ACT</th><th colspan="2">Australia</th></tr>
<tr><th>2021-22 - 2023-24</th><th>Annual average</th></tr>
<tr><td colspan="11">(1) Projected social/affordable rental dwelling commencements</td></tr>
<tr><td>(a) Developed by state/territory govt for state/territory govt management</td><td rowspan="2">2,479</td><td rowspan="2">6,221</td><td rowspan="3">4,774</td><td>428</td><td rowspan="3">2,475</td><td>31</td><td>27</td><td>899</td><td rowspan="3">23,040</td><td rowspan="3">7,680</td></tr>
<tr><td>(b) Developed by state/territory govt for management by CHP</td><td>0</td><td>195</td><td>27</td><td>40</td></tr>
<tr><td>(c) Developed by CHP</td><td>335</td><td>3,150</td><td>443</td><td>1,302</td><td>24</td><td>190</td></tr>
<tr><td>TOTAL</td><td>2,814</td><td>9,371</td><td>4,774</td><td>871</td><td>2,475</td><td>1,528</td><td>78</td><td>1,129</td><td>23,040</td><td>7,680</td></tr>
<tr><td colspan="11">(2) Losses</td></tr>
<tr><td>(a) Planned/budgeted public housing dwelling demolitions</td><td>1,041</td><td rowspan="2">1,065</td><td rowspan="2">375</td><td>475</td><td>1,602</td><td rowspan="2">150</td><td>56</td><td>172</td><td rowspan="2">7,472</td><td rowspan="2">2,491</td></tr>
<tr><td>(a) Planned/budgeted public housing sales on the open market</td><td>1,371</td><td>360</td><td>414</td><td>36</td><td>352</td></tr>
<tr><td>TOTAL</td><td>2,412</td><td>1,065</td><td>375</td><td>835</td><td>2,016</td><td>150</td><td>92</td><td>527</td><td>7,472</td><td>2,491</td></tr>
<tr><td>(3) Net addition to social/affordable rental housing stock (1 minus 2)</td><td>402</td><td>8,306</td><td>4,399</td><td>36</td><td>459</td><td>1,378</td><td>-14</td><td>602</td><td>15,568</td><td>5,189</td></tr>
</table>

Sources: (a) Authors survey (NSW (community housing), Vic, SA, Tas, NT, ACT); (b) Freedom of Information request (NSW (govt-initiated activity)); (c) Government announcements (WA, Qld).

Notes:

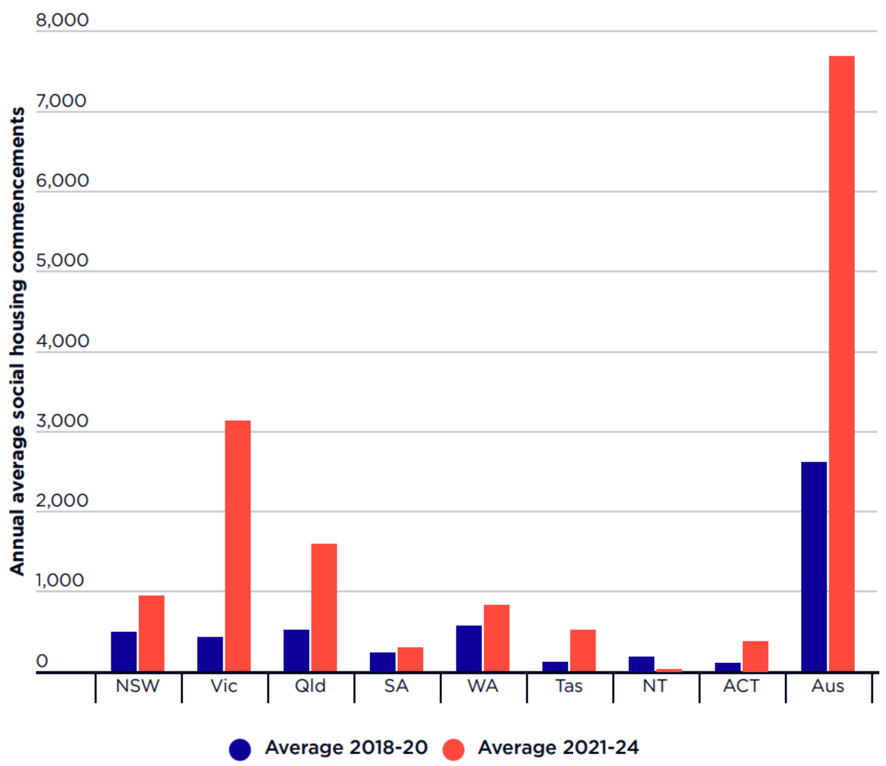
1. Light type figures are author estimates (see below for details in each specific instance); black type figures from survey returns.
2. Figures for Vic, Qld and WA based on pro rata shares of 4-year programs
3. Queensland figures based on 4-year program statistics derived from media releases - see text for reasoning and assumptions
4. WA demolitions estimate based on ratio of newly built social housing to social housing demolitions in 2020-21 (as provided by WA Government)
5. WA sales estimate based on carrying forward 2020-21 figure (as provided by WA Government)
6. NT figures take no account of the social housing construction activity taking place under the 2018-23 agreement involving the Commonwealth Government and the NT Government to invest $1.1 billion into remote Indigenous housing in the territory (with equal contributions from national and Territory governments). The program is mainly focused on relieving overcrowding by extending existing homes. Thus, it will result in 'the construction of 1,950 bedrooms – equivalent to 650 three-bedroom houses – over 5 years' (Australian Government 2018). Within the timeframe of our analysis this would equate to around 1,170 bedrooms, or 390 family-sized homes.
7. CHP-developed figures missing for Vic, Qld and WA; ACT figures based on low estimate provided by CHIA ACT.
8. While it is likely that the vast majority of commencements relate to social housing, figures may include a small proportion of affordable rental homes, especially in Qld.
9. On 16 October 2021, after our table had been completed, the NSW Government announced $183 million for social housing investment as part of its economic recovery strategy (NSW Government 2021). The greater part of this was designated to 'accelerate the delivery' of projects already planned, or to fund housing maintenance or homelessness services. Beyond that, a proportion of the funds were for additional social housing not already announced – possibly as many as 400 over an unspecified number of years.

Figure 6.3: Actual and projected new social housing commencements, Australia, 2007 - 2023-24



Sources: Estimated actuals – see footnote to Table 6.1; Projections – authors' survey – see Table 6.3

Figure 6.4: Social housing development activity 2018-20 versus 2021-24



Sources: 2018-20 – see Table 6.1; 2021-24 – See Table 6.3.

As shown in Figure 6.4 the projected national increase in social housing development over the next three years is also in prospect for most jurisdictions. Nevertheless, 61% of all projected commencements over the period will be in just two states, Victoria and Queensland. Despite being the nation's largest state, NSW will make only a very modest contribution to the Australia-wide total.

However, ignoring the highly uneven distribution of this activity across the country, the additional social housing construction projected for delivery 'as a result of the pandemic' is substantial. As shown in Table 6.3, the next three years should see commencement of some 23,000 units across the country. Moreover, because the stimulus programs of Queensland, Victoria and Western Australia are each of four-year duration, this does not wholly capture their full impact. If we add 'fourth year' stimulus program commencements for these states, as well as 'business-as-usual' social housing construction for that fourth year (estimated as 2,610 social housing starts), the four-year national total equates to 31,190. Business-as-usual activity across four years (at pre-pandemic rates) would have generated 10,440 commencements. Therefore, the 'stimulus increment' is 20,750 (31,190-10,440). Significantly, albeit coincidentally, that is very close to the 19,700 homes built under the Rudd Government's 2009-12 Social Housing Stimulus.

In modern Australia, both the Social Housing Initiative and the post-COVID stimulus programs are of highly unusual scale. At the same time, the 2021-24 program equates to only about 2.6% of the 800,000 housing commencements that would be expected over this period in total (at pre-pandemic housebuilding rates). For reference, public housing construction ran at around 16% of all housebuilding in the period 1945-70 (Pawson et al. 2020 p94). Even in 1991 it still equated to 8%.

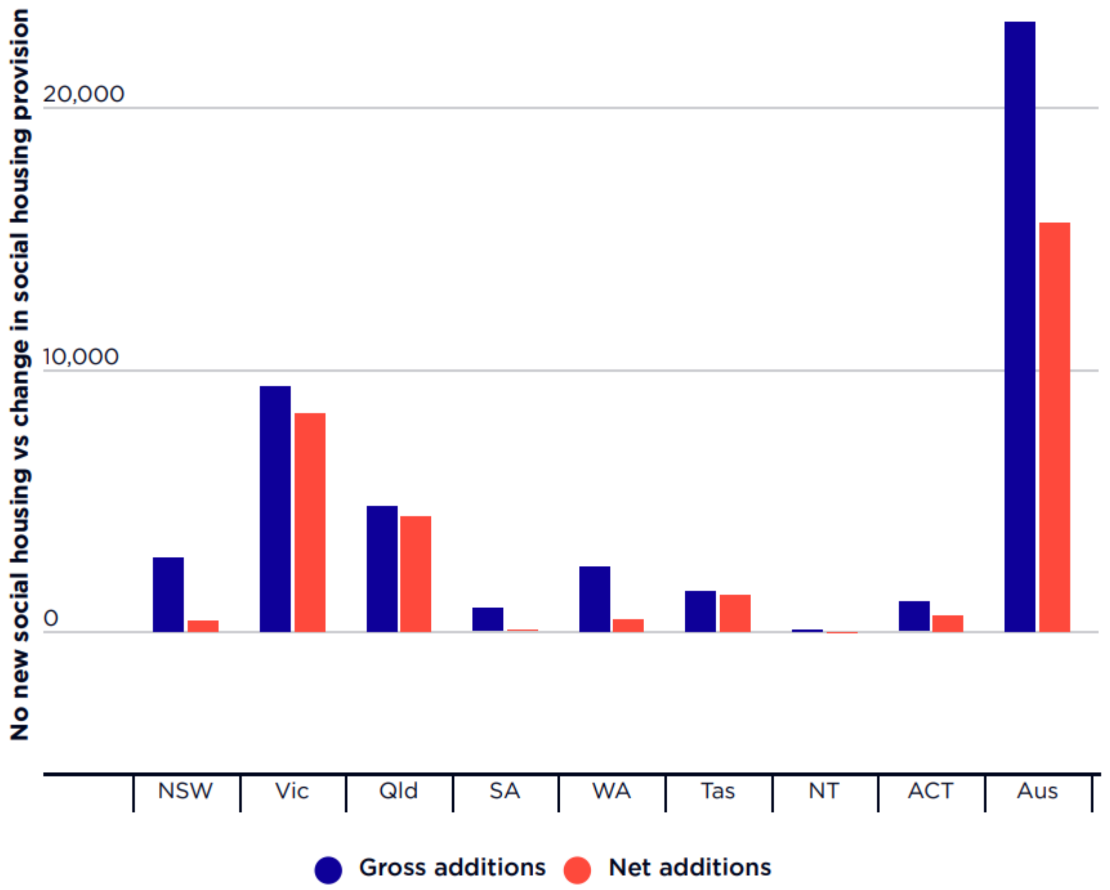
Net addition to social housing stock

When it comes to the net change in social housing provision expected to result from planned programs (see Table 6.3, bottom row), the dominance of Victoria and Queensland is even more stark: as shown by the table, these two jurisdictions alone will account for 81% of the overall expected increase in social housing stock over the three years to 2023-24. This reflects the fact that, in their post-pandemic investment programs, these states are prioritising new supply rather than estate renewal. In states like NSW and SA, by contrast, projected new construction is substantially predicated on the demolition and replacement of existing social housing (as well as open market sales on a significant scale). Thus, the resulting net increases in provision in these states are minimal.

Across its full four-year term, Victoria's planned program should see the state's social housing expanded by a sizeable 14% - this after a decade of nil growth. Similarly, assuming it delivers the 10,000-unit net increase officially planned (see above), Queensland's 2017-25 strategy will expand that state's social housing portfolio by 14% over this slightly longer period.

Nevertheless, despite the nominally large scale of Victoria's planned program, the resulting increase in social housing as a share of all housing is likely to be modest – a boost from 2.89% of all housing to 3.00% - or a percentage point increase of 0.11% as shown in Figure 6.6. This partly reflects the rapidly growing private housing stock in that state, as projected on the basis of construction rates over the past decade. The only minimal net growth in social housing projected for NSW over the period (see Table 6.2) is projected as resulting in a significant decline in the sector's share of all housing from 4.89% to 4.68% - a percentage point reduction of 0.21%. A continuation of this trend would see representation reduced to below 4% within 10 years. To benchmark that figure, as recently as the mid-1990s social housing accounted for more than 6% of all occupied dwellings, nationally (Pawson et al. 2020). The OECD average is 7.1% (OECD 2021).

Figure 6.5: Projected social housing commencements 2021-22 – 2023-24, and projected net change in social housing provision

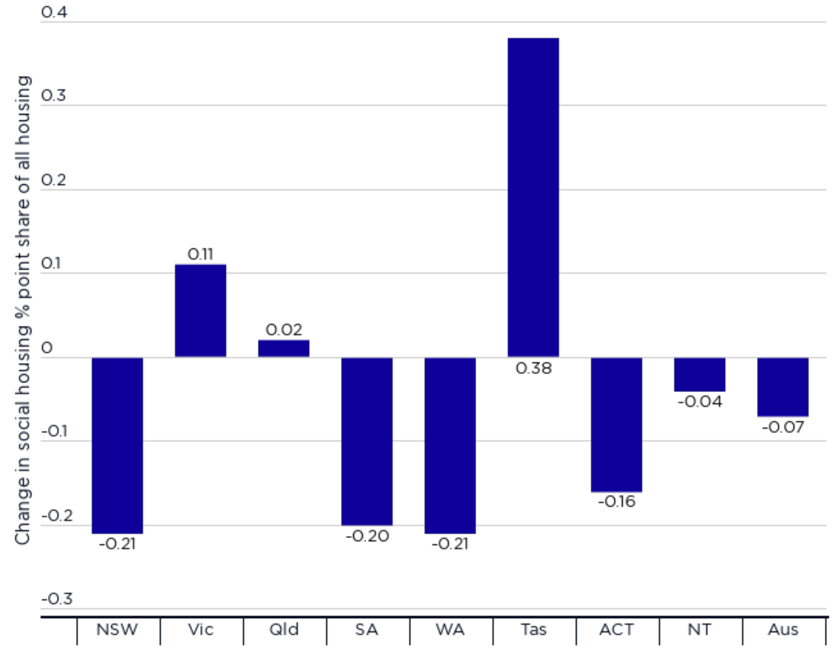


Source: Authors' survey – see Table 6.3

Nationally, despite the significant increase in overall social housing construction anticipated over the next three years, the resulting net change in provision (see Figure 6.5) will be inadequate to prevent a further reduction in the sector's share of all housing, Australia-wide. According to our projections this will decline from 4.22% to 4.14% of estimated total dwelling stock over the period. Represented in terms of the associated reduction of 0.08 percentage points for Australia as a whole, this is shown in Figure 6.6 alongside the comparable estimated changes for each individual jurisdiction.

The final important point to bear in mind here is that the ongoing proportionate reduction in social housing provision as projected over the next three years will be occurring in parallel with the accelerating contraction in affordable rental housing provision under the National Rental Affordability Scheme (NRAS).

Figure 6.6: Projected change in social housing proportionate share of all housing, 2021-22 – 2023-24



Sources: Social housing dwellings – Steering Committee for the Review of Government Service Provision (2021), Authors' survey; All dwellings, ABS (2017); ABS (2021b).

Initiated in 2009 under the Rudd Government, NRAS provided a 10-year subsidy for newly built rental properties enabling these to be rented out to qualifying households at sub-market rates (below 80% of the rent for a comparable property). The period 2022-24 is set to see the expiry of subsidies for some 24,000 NRAS dwellings across Australia (Australian Government 2021, Table 3b). Some NRAS properties developed by community housing organisations will continue to be rented out on a discount-to-market-rent basis even when subsidy is no longer received. Nevertheless, since many others will be sold or re-let at market rates, a substantial reduction in sub-market rental housing provision is likely to result.

6.5 Chapter conclusion

In this chapter we have attempted to quantify new social housing construction that Australia can expect over the next three years, and to calibrate its contribution to housing provision in net as well as gross terms. Securing disclosure of the simple statistics required to inform this analysis involved a protracted interaction with the governments concerned, with necessary recourse to a Freedom of Information request in one instance, and reliance on piecing together official statements from media releases in another. Even an historical analysis of social rental construction and its net contribution to housing provision is impossible from routinely published statistics. At the very least, there is a case for expanding the remit of the annual Report on Government Services collection to include new social and affordable rental housebuilding, demolitions and open market sales.

Moving to our substantive findings, the significant social housing stimulus programs initiated by several states in the wake of the pandemic will slightly improve housing opportunities for very low-income populations in those jurisdictions in coming years. In other jurisdictions, however, continued declining social housing representation will compound the growing stress that will follow from the shrinkage of the NRAS portfolio.

Beyond 2024, when the relatively large self-funded Victoria and Queensland social housing development programs are at an end, the prospects are still more concerning. Given their limited financial means it is hard to imagine these – or other – jurisdictions maintaining or substantially ramping up social housing investment from their own resources. Only if the Commonwealth Government resumes its historic responsibility as the main funder of additional social housing will this recent trend be maintained.

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7. Conclusions

7.1 Reviewing pandemic impacts on Australia's housing

The COVID-19 pandemic has hugely impacted Australia's housing system, but in quite different ways from those initially anticipated. Expectations that a sharp and possibly prolonged economic shutdown could massively destabilise and devalue property markets have been almost entirely unrealised. Many predictions informed by earlier economic recessions have proved misguided.

Far from seeing a collapse in house prices and rents due to falling demand, Australia has in fact experienced a 2021 property boom of near-unprecedented proportions. Despite population growth barely above zero and market housing construction holding up, house prices have climbed to new record levels. With most economic commentators attributing this to monetary policy (minimal interest rates and quantitative easing), compounded by homebuyer subsidies, we can legitimately say that this has taken place 'because of the pandemic' (Janda 2021; Jericho 2021) .

However, in some ways even more remarkable in the context of net out-migration and zero international tourism has been the trajectory of residential rents over the past year. Our analysis suggests that this may be mainly explicable in terms of new demand in markets with unusually low rates of rental property turnover, a factor particularly acute in many parts of regional Australia.

One part of the housing system where, as revealed by our research, supply is set to be greatly expanded over the next three years is the social rental sector. Acting on a scale not seen in decades, several state governments have chosen to invest nearly $10 billion in social housing construction – both as a contribution to economic stimulus and to (partially) remedy a decade of near inaction. And, again, it is entirely fair to say that this is occurring 'because of the pandemic'.

None of these developments would have been anticipated at the start of the public health emergency in March 2020. Neither, as the COVID-19 crisis suddenly emerged, would many have imagined that governments might rapidly establish large scale emergency accommodation programs for street homeless populations, nor that this would be accompanied by (at least initially) wide scale eviction restrictions to guard against a surge of new homelessness due to renter unemployment.

While imperfect, these initiatives must be credited as substantially successful – at least in the short term. In the case of emergency accommodation this has even led to funded programs that may see thousands of former chronic rough sleepers transitioned into longer term housing.

One interpretation of these developments could be that the housing system proved more resilient than expected. The 2020 economic downturn caused no discernible surge in mortgage defaults or homes put up for sale due to lost salary or rental income. 'System resilience' could be one way of describing the effect of mortgage industry absorption of loan payment deferrals. While this was one of the less visible aspects of housing system pandemic response, it was undoubtedly an important one. As explained in our first report, this was essentially enabled by the Reserve Bank (Pawson et al. 2021 p14).

At least as important in staving off much greater housing disruption, however, was the heavy lifting performed by the Commonwealth Government's 2020-21 income protection measures: JobKeeper and the Coronavirus Supplement to JobSeeker and other social security benefits. Substantially thanks to these, the stress on the rental system was much less than initially feared – perhaps largely confined to tenancies occupied by the non-permanent residents pointedly excluded from the 2020 income protection measures.

7.2 The COVID-19 pandemic as a focusing event

How far can the pandemic be characterised as a focusing event, a moment where crisis policymaking enabled consideration of measures normally 'beyond the pale' and/or opened the way to longer term reform? As discussed in Section 7.1, emergency housing measures enacted by state governments in 2020-21 certainly transcended what would have been previously imaginable. The same can undoubtedly be said of the Commonwealth Government's 2020 income protection programs. Notably, equivalent measures deployed in response to lengthy 2021 lockdowns in ACT, NSW and Victoria were for the most part narrower in scope and/or more limited in generosity (although the Disaster Payment regime included more non-permanent residents).

Whether the pandemic has proved to be the kind of focusing event that might open up scope for fundamental housing system governance or policy reform is much more doubtful. Among NGO stakeholders interviewed for this research some believed that the sector's intense experience of joint working with state government colleagues on emergency homelessness action had taken collaboration to a new level – one that could beneficially endure beyond the crisis. Others saw that this same joint enterprise had popularised with state government colleagues the Housing First model as an applicant-centred and housing-led response to homelessness.

Beyond this, few stakeholders believed it likely that Australia's 2020 – 2021 experience would lead to substantial lasting positive change in this policy area. Any early hopes that the crisis might restore a sense of shared Commonwealth-state responsibility for social housing and homelessness management were quickly dashed. Not only did the Australian Government fail to offer any contribution to extraordinary homelessness expenditure, but the relevant minister doubled down on the claim that the possible expansion of social housing is an action for which the Commonwealth Government bears no obligation (Coorey 2020).

However, while the post-pandemic state-funded boost to social housing construction is certainly remarkable, there is no historical precedent for a sustained program of this kind, other than where backed by the national government's far superior fiscal power. Unless and until the Commonwealth's stance is reversed, it appears highly unlikely that the marked (albeit still inadequate) recovery in low-cost rental housebuilding indirectly triggered by the pandemic will endure beyond 2025.

Compounding our initial assessment (Pawson et al. 2021), the evidence presented in this report suggests that many of Australia's official responses to the COVID-19 pandemic have been notably effective as emergency protective measures for vulnerable renters and people experiencing homelessness. Equally, however, it remains highly questionable whether any of the actions specifically targeted on rental housing and homelessness has moved the country towards the systemic change needed to tackle deep-seated housing inequities.

A crucial part of the narrative of a crisis is its lessons for policy reform (Widmaier, et al. 2007: 755). In this sense, as in others, the crisis of COVID-19 continues. So far, it appears Australian policy-makers have learnt new lessons about mechanisms for supporting the financial system and for supporting the circulation of incomes through the household sector, while visions glimpsed early in the emergency of new possibilities for securing tenancies, making rents affordable and ending homelessness are receding.

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Appendix 1: Social housing pipeline survey pro-forma

State/territory:
Officer completing pro-forma:

1. Number of actual or expected social/affordable rental dwelling commencements:	**2020-21**	**2021-22**	**2021-23**	**2023-24**
(a) Developed by state/territory govt for management by state/territory govt				
(b) Developed by state/territory govt for management by community housing organisation				
(c) Developed by community housing organisation				
(d) Developed by state/territory govt or community housing organisations - total				
2. Actual/planned/budgeted number of public housing dwelling demolitions				
3. Actual/planned/budgeted number of public housing sales on the open market				

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