

# TRANSCRIPT

## LEGISLATIVE COUNCIL LEGAL AND SOCIAL ISSUES COMMITTEE

### **Inquiry into Homelessness in Victoria**

Melbourne—Thursday, 2 July 2020

*(via videoconference)*

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## WITNESS

Dr Michael Fotheringham, Executive Director, Australian Housing and Urban Research Institute (AHURI).

**The CHAIR:** Good morning, everyone. I now declare open the Standing Committee on Legal and Social Issues Inquiry into Homelessness in Victoria. I am sure it goes without saying from my committee colleagues, please ensure that your phones are on silent and radios turned off.

May I first begin this hearing by respectfully acknowledging the Aboriginal peoples, the traditional custodians of the many lands that we are meeting on today, and pay my respects to their elders both past and present. I particularly welcome any elders or community members who are here today to impart their knowledge or any who are watching the broadcast of these proceedings. I think it goes without saying that whenever we look at issues around disadvantage or criminalisation, we know that our Aboriginal brothers and sisters are always exponentially affected.

If I could just give you a statement that we are required to provide to all witnesses. All evidence taken at this hearing today is protected by parliamentary privilege. That is provided through our *Constitution Act* but also through the standing orders of the Legislative Council. Therefore any information that you provide to us today is protected by law. However, any comment repeated outside this hearing may not be protected. Any deliberately false evidence or misleading of the committee may be considered a contempt of Parliament. Also, just to acknowledge that all evidence is being recorded. We are also very fortunate to have a great team that is broadcasting this as well today. A proof version of the transcript will be made available to you following the hearing. I encourage you to have a look at that, Michael, and then ultimately it will end up on the committee's website.

We have received your submission; thank you very much for that. If you would like to make some opening remarks to us, then we can open it up to a more general committee discussion.

**Dr FOTHERINGHAM:** Thank you very much for the opportunity, and thank you for the opportunity to provide both a submission and testimony today. I will make just a very brief opening remark, if I may, reflecting essentially on the submission that AHURI has provided but I guess also looking to acknowledge the changing context since the submission was made in March of this year, with the obvious changes to a whole range of parts of our society through the COVID pandemic.

Just to step through the key points of our submission, one is to understand that homelessness is not just about rough sleeping and it is not just about rooflessness, it also includes a range of inappropriate housing or inadequate housing, and severe overcrowding is a key dimension of that. Australia is one of the very few nations that recognises that broader conceptualisation of homelessness. I think that is an important way to understand what the homeless experience looks like. It is not just about sleeping rough on the streets year in, year out; it is also about having inadequate housing and the cumulative effect of that over time, whether you are couch surfing or in an overcrowded house or in other ways in unsafe or inadequate housing.

The submission that we provided runs through a range of statistics of homelessness and its changing nature over time. I will not look to read all of those stats out to you. You have had a chance to see them, and I am sure that you have many submissions that run through the statistics, so I will not bore you with that. But I will, I guess, just make a couple of quick reflections.

One is that the nature of homelessness and the geographic spread of homelessness is changing. Capital cities remain the dominant location for homelessness across the country and in Victoria, though the role of homelessness in remote areas and regional areas is increasing. Part of that is in the overcrowding space, particularly in remote housing where there is less housing available, but there are also shifting patterns across cities. So as much as Melbourne has the greatest amount of homelessness within Victoria, it is not just within the Melbourne City Council area—not just in the CBD. It is spread across the suburbs, and increasingly across the suburbs. Again part of that is due to overcrowding and part of that is also connected to the cultural diversity of communities, so where there are large migrant communities there is often more overcrowding, lower income levels, and through that higher rates of homelessness or inadequate housing. That is a continuing effect.

That is important to understand because the distribution of homelessness services is not matched to where homeless people are. There is usually an assumption that where the services are is where the homeless people will go—a magnet effect of services—and that is not the case. There are a whole range of drivers for where people take themselves who are homeless, just as there are for those of us who have their own home, whether it is rented or owned. There are a whole lot of decisions that guide that, particularly for families where there are children enrolled in schools. People are actually still located in a place rather than just drifting to where the services may be.

It is also important to understand that homelessness is caused by a whole range of different factors. Our submission talks through both individual and structural drivers of homelessness. Some of the individual factors include domestic and family violence and the need to leave that. Previous experience of homelessness is probably the strongest predictor of future homelessness: if you have been homeless before, you are more likely to become homeless in the future, particularly childhood experiences. Leaving institutional settings is a key driver of homelessness, so people who have been in prison, in remand, in mental health facilities or hospitals or in out-of-home care. Often leaving those institutional settings is a driver into homelessness, and that is something that policy needs to look very carefully at because there is a potential whole-of-government responsibility here to look at what sort of departure settings and what sort of systems are in place to ensure that people transition from institutional settings into housing and not into homelessness. Of course unemployment is a key driver—lack of income.

Mental health has a complex relationship with homelessness. There is some evidence that mental health issues can cause homelessness. Equally there is evidence that homelessness causes mental health issues. There is a complex interaction of both those individual drivers, of those individual risk factors and the systems that support them, so the mental health system and the homelessness system and how they work together. There is a need for better integration of those systems, as has been talked about elsewhere.

There are also broader structural drivers of homelessness. Housing affordability is obviously a key one: if you cannot afford a home, that is a key reason to become homeless. It sounds obvious, and perhaps it is, but it is something we have not solved. The other side of that I guess is labour markets—high unemployment and lower income are predictors of homelessness.

In terms of Australia's system and Victoria's system, just very briefly, we have the national housing and homelessness agreement as a 10-year plan—or five years plus five years; a five-year review for it. It is a significant improvement on the previous agreements that existed between the commonwealth and states. There was the national partnership agreement for homelessness and the national affordable housing agreement. They were separate agreements, with the NAHA, the affordable housing agreement, as a 10-year agreement and the NPAH, the national partnership agreement for homelessness, as a much shorter term agreement, typically no more than three years—often one year a time—which created a great deal of uncertainty for states in funding homelessness systems and for homeless service providers in funding their programs, in keeping their staff and in keeping the doors open. That sort of uncertainty meant a lack of workforce development, a lack of program development and a lack of growth of that sector that is grossly under-resourced.

The new agreement that includes the new NHHA, the national housing and homelessness agreement, includes both housing and homelessness within one longer term agreement and is a significant improvement, with homelessness reinforced as a key dimension. At a Victorian level, the Homes for Victorians strategy and the Victorian homelessness and rough sleeping plan of 2018 are the key platforms for activity. The Victorian system has a broad range of systems, and one of the things that AHURI is currently looking at is what are the impacts for individuals of the different emphases that different states have put on different types of services.

Victoria has a particularly strong emphasis on advocacy and advisory services, which are an important dimension of helping people to avoid or get out of homelessness. There are of course also direct housing support services, material aid, and right now we are seeing spikes in demand for material aid in terms of food, health care and so on with the COVID pandemic. That is likely to continue over the coming months. The balance of different types of services is an ongoing debate amongst all of these different jurisdictions as to how do you get the balance right.

Alongside that of course is the provision of public housing, social and affordable housing. Victoria has the lowest proportion of public housing of any the states and territories in Australia. The lower availability of

affordable housing and social housing is a key concern and potentially a key solution. The Victorian system, like most jurisdictions, has defined some key target groups for intervention, and those are broadly appropriate: women and children escaping domestic violence, First Nations people and others as detailed in our submission.

One of the strengths of both the Victorian system and most systems across Australia is the de-emphasis of crisis accommodation. Crisis accommodation is a useful component, but we see in other countries the overuse of crisis accommodation—literally warehouses of homeless people. Sometimes we see literally thousands of people housed night by night in large warehouses with very little privacy, no security of tenure and no plan to transition from that into better housing. North America typically has a lot of that sort of system, and other parts of the world. It would be very disappointing if Australia moved in that direction, because it does not lead to good outcomes. It is warehousing of homelessness, not solving the crisis.

What we do have is a client-centred approach, and that is a key strength. What we need more of is a housing-first approach. Housing-first is a methodology, a paradigm in which people who have complex needs who become homeless have their housing addressed first and then their complex needs addressed in coordination with that. It is wraparound services that address their needs rather than the other forms, the other priorities where, for example, there has a talk of a dignity-first model where people need to have their drug and alcohol problems, their health problems and their mental health problems resolved before they can be offered housing.

That does not work. You cannot get engagement with education and employment. Dealing with your health problems while you are homeless is almost impossible; you need to get housed first. There is countless evidence across the world demonstrating the benefit of a HousingFirst model. Broadly Australia's systems follow that model, but there are ways we could probably fine-tune them.

A key area for policy improvement, as I mentioned before, is people exiting institutional settings, whether they be corrections facilities, health facilities or out-of-home care. But that discharge planning and transitioning from those institutional settings into better housing outcomes, not into homelessness, is a key gap and where a whole-of-government approach is needed.

I have probably talked long enough. I will hand back to you.

**The CHAIR:** Thanks very much, Michael. On a technical note, I just noticed your voice was coming in and out a little bit. I do not know if there is a microphone you can sit closer to.

**Dr FOTHERINGHAM:** I will move it closer.

**The CHAIR:** There we go. That is wonderful; thank you. We have got about 25 minutes, half an hour for questions, so that is fantastic. So many things have changed over this time, and to people like me it just seems like there is this amazing opportunity for a HousingFirst model to be implemented right here, right now. We have got international student accommodation laying empty, we have got serviced apartments laying empty and we have got Airbnb laying empty. We have managed to address most of the rough sleeping; I am not sure whether it is adequately. I think we have provided a roof, not a home, in a lot of those circumstances. Is there something that the committee could be recommending could be done right here, right now? We know we need to build more social housing and we need to incentivise governments and businesses and everyone to do that, but is there something that we could recommend at this moment in time?

**Dr FOTHERINGHAM:** Absolutely. I think as much as there have been so many incredibly negative outcomes from the whole coronavirus pandemic, what it has also demonstrated is with the political will there is the possibility of addressing some of these broader societal challenges, and across the country we have seen rough sleepers housed in hotels because the health consequences of rough sleeping during the pandemic are seen as simply unacceptable. My question is: when do the health consequences of homelessness become acceptable again? Because we already know—we have known for a long time—that homelessness leads to serious health consequences. Your life expectancy is dramatically reduced, your quality of life is dramatically reduced, but the mental health consequences and the physical health consequences are incredibly significant. At what point do they become acceptable again? I do not believe that there is a time when having rough sleepers in a relatively affluent society becomes palatable once more. We know we can solve it; we have shown we can solve it. We should continue to solve it. I think the demonstration that it is possible is really important.

Now, the way we have done it during the pandemic is not systematic; it is an ad hoc response. Homeless people being put into hotels as a very rapid, fairly unstructured process across the country has been dramatic in its speed and actually remarkable in its success all things considered. My understanding is in Perth this was first triggered by the Hotels with Heart program, which was not even a government program; it was the hotels themselves saying, 'There's something we can do here'. And it had quite good success rates in working with government to transition a lot of those rough sleepers into longer term housing, into more appropriate housing—something like a 50 per cent success rate in the fairly short term. Some of the media coverage of that was quite negative, saying, 'Only 50 per cent', but actually you take rough sleepers with no wraparound program, with no wraparound support, plonk them in a hotel where they are in a quite different environment, very constrained environment—if they want to have a cigarette, they have got to get permission and go through corridors and lifts and past security guards multiple times—and there is a lot of scrutiny on their every movement and expect good housing outcomes with no support network around them, to get half of them into housing with that is extraordinary. Now, I have not seen stats for Victoria yet—I do not think they have been released; it is probably too soon—but what that has shown is we can do more. The need for housing that is not just hotels but is actually more suitable housing that is appropriate in its design and build—public housing—is key and is completely necessary.

**The CHAIR:** But, Michael, I guess we know that there is a housing shortage, so we know that for some of those sleepers we do not have a public house for them.

**Dr FOTHERINGHAM:** Yes.

**The CHAIR:** So should we be looking at—I do not know how much we budget for a client experiencing homelessness. Is it \$30 000 a year? Can we look at that per head and go, 'Right, Oaks Hotel, serviced apartment, person; can we negotiate?'

**Dr FOTHERINGHAM:** Yes. AHURI has published research previously that looks at the cost-effectiveness of homeless care. If you house the homeless, it costs you money but actually it saves a government money. If you take into account the lower impact on corrections systems, on the health system, on welfare systems by housing someone, you save money. And you get better social outcomes, better economic outcomes, because suddenly you have got someone who instead of being a rough sleeper is housed and can start to look to get their life together, can participate in education, can participate in employment, can spend within the economy because they can be a participating member of society in all the positive economic ways. So for a government—not looking within a portfolio but looking within the whole of government—you save money by housing them.

**The CHAIR:** Yes. Thank you, Michael.

**Dr KIEU:** Thank you, Michael, for your submission. I have one comment and one question for you. My comment is about the overcrowding in the CALD communities. The obvious driver is the economy for the first generation that comes here. There may be a small portion that has chosen to live together, like some of the newcomers, but mostly because they want to save money or they do not have money to live separately, but the second generation starts to move out. So that is the comment.

My question is about the release from institutions. It is a key driver for homelessness. I mean, people are discharged from prison and from hospital and soon some of them will be coming back because they have nowhere to stay and then they fall foul of the law again. I am particularly interested in the military. Both my parents served in the army. Unfortunately they were on the losing side of the Vietnam War, and people were treated very badly on the losing side. But that was the third country. With Australia being a no-conscription regime and a rich country, why does that happen? What has the military done to help those discharged from duty, why is there such a problem and what is the scale of the problem?

**Dr FOTHERINGHAM:** I might just pick up on your comment first around overcrowding and CALD communities. The generational effect that you mentioned is right. There is I guess also another consideration to bring into that, which is the role of multi-generational households. The definition of overcrowding is based on the Canadian National Occupancy Standard system, which is about the number of bedrooms in relation to the number of people and the age of children within that. It is very much based on a Western nuclear family model, whereas for many CALD communities that is not the bottle they have come from; multi-generational housing is

more common and so some of that is by choice. Now the economic dimension that you have mentioned is absolutely right, and I am not meaning to ignore that, but there are also complexities to what we understand a household to be, the Western assumptions are not always appropriate, just as I guess a response to your comment.

Now your question really speaks to exiting of institutional settings and the role of the military as an institutional setting, I guess. This is an interesting area. AHURI has done quite a bit of work in the last three or four years looking at homelessness amongst veterans, and in that work, which has been sponsored by the Department of Veterans Affairs' from Canberra, we have defined that as Australian Defence Force veterans. One of the complexities there is that some homelessness services record veteran status informally, because there has not been a formal measure of it within homelessness data collection systems—and that will pick up veterans from all kinds of other countries. So there has been some muddying of the issue there, but the Australian Institute of Health and Welfare, through their specialist homelessness services data collection, have included now a measure of veteran status, because we think that is an important dimension.

We know that Australian veterans often will not use mainstream services. They are reluctant to engage with those systems. Some of them are very reluctant to engage with the ESOs, the ex-service officer support systems, and choose to remain off the grid, as it were. So there is a big challenge there. There is certainly an over-representation of veterans amongst homeless communities, amongst the homeless, about five times higher than it should be—'should' is probably not the right word, but higher than the population norm. And that is a real concern that veterans affairs are really starting to focus on as one of their wicked problems.

**Ms LOVELL:** Thanks, Michael. I have read so many of your papers from AHURI over the years, both as a shadow minister and as the Minister for Housing. So congratulations on the great work that you do. Given that you do so much research into housing, I was wondering if you could point us to some of the best practice models around the world that the committee might have a look at and might recommend to the government to implement?

**Dr FOTHERINGHAM:** In 2018 AHURI worked with Homelessness Australia to put on the National Homelessness Conference. All things being normal, we would have been doing so again in Canberra next month, but for obvious reasons that is not going ahead quite in the same way and in the same time. But one of the things that we heard about in that conference was the Finnish experience of addressing homelessness. To put it in simple terms, the Finns have eradicated homelessness. Now, that does not mean that no-one ever sleeps rough, but it does mean that they do not continue to. You know, we hear about 'zero homelessness' and a range of other ways to define it—'effective zero' and so on—but what they have done is essentially taken a 'no second night' approach. So if incidents happen, families break up, what have you, someone can be homeless for a night, but the idea is that they do not remain homeless for more than a day. And the Finns have been really successful in doing that, using the HousingFirst approach and using it very strictly. Interestingly, HousingFirst was a model that was actually developed in New York City, where there are very minimal welfare safety nets, so you find someone who is homeless, you house them, and you provide wraparound services that support them and deal with their complex needs.

Finland, on the other hand, has an incredibly sophisticated system. It is one of the Nordic states and is known for this. Because they have got better supports, safety nets, above the homelessness system, the homelessness system just becomes the final safety net for people who manage to slip through all the others, and through their really strong welfare systems they have been able to get down to zero homelessness. There are obvious climate reasons why that is kind of crucial in somewhere like Finland during the winter, and most of us really do not have those specific concerns, but in other parts of the world where winters are similarly fierce—in Canada and so on—getting down to zero is not as successful. So the Finns provide a really good model.

The challenge is, though, that the success of Finland is based on the broader social systems of Finland, and we do not have those. We have some. At one extreme, you have got New York, with almost no safety nets; at the other extreme, you have got Helsinki, with incredibly strong safety nets. Melbourne sits somewhere in between. We have got pretty good safety nets, but they are not comprehensive and universal in the way that Finland's are. What that means is the homeless service system has to work harder and has to integrate with other systems more effectively, and we can see examples of success in that. The homelessness service system and the domestic violence systems have integrated very strongly and work closely together and are really harmonised in many respects.

The mental health system and the homelessness system have a way to go, and there are other systems that need to integrate better. Corrections is clearly one—I mean, nationally we have continued to see people leaving remand systems into homelessness. There is a real challenge there because, actually, failing to release someone because they do not have a home to go to is not actually acceptable. You cannot extend someone's sentence and punish them for being homeless—but there does need to be a discharge plan, a system ahead of discharge that caters for that better. That is one of the key improvements we need to see.

**Ms LOVELL:** So, given that you talk about HousingFirst and the episodes of support or the wraparound services, you would be aware of some of the initiatives like the youth foyers and also the Sidney Myer Haven project in Bendigo that I implemented as the housing minister. Would you be supportive of more of those sorts of models where we give people the medium-term housing with those wraparound services and then support them to get into long-term housing?

**Dr FOTHERINGHAM:** Absolutely. I mean, I think if we are talking medium-term meaning a year, two years, by all means. If we are talking a week, two weeks, much less so. And yes, I am aware of the references. The foyer model is effectively a youth-focused adaptation of the HousingFirst model. Unlike the broader HousingFirst model, it does involve congregate housing—so, group housing for younger people and with care in place. It is almost a transition from out-of-home care systems into a transitional system but with enough time to let young people find their feet—and that is key—and participate in education or employment, and those are really important requirements.

The Geelong Project is a really strong example of a community-based approach to addressing homelessness that involves schools, community services and others in a coordinated and integrated way. And that sort of service integration coordinated approach is key. We often see it in the smaller communities. Geelong has been a great success. In other states we have seen really strong, local community-based approaches in places like Orange. In the capital cities it is harder. There are more services and more diversity and people move around much more, but the challenges remain.

**Mr BARTON:** Thank you, Michael. It is very interesting work you are doing. I just want to touch on a point here where you say about unemployment that a one percentage point increase in the unemployment rate raises the likelihood of homelessness entry by one percentage point. I am a little concerned that come the end of JobKeeper we are going to have a tsunami of unemployment. How are we going to manage that?

**Dr FOTHERINGHAM:** Respectfully, if you are only a little concerned, you are underestimating the problem.

**Mr BARTON:** Okay, I will take it back. I am very concerned.

**Dr FOTHERINGHAM:** I am deeply concerned. I think we have had some amazing successes in managing the pandemic, particularly in the initial public health response. What we have in front of us now as a nation is a key challenge in managing the second wave of this. Now, in Victoria we are seeing the second-wave health effects with the local lockdowns that are in place today. We have been concerned about and have made good inroads into the economic impacts of the initial pandemic, but there are second-wave effects of that as well. And I think where policy has currently not reached—has not got to yet—is addressing those second waves. I think September is looming as an incredibly powerful wave where JobSeeker and JobKeeper are currently flagged to lapse, where mortgage holidays for home owners that have been negotiated with banks, a large proportion of them, are expected to lapse in around September and where the agreements that have been negotiated individually by renters and landlords are also expected to lapse—these were six-month interventions from March—and virtually all of them within about a month of each other are falling apart.

So for someone who is just hanging on at the moment, who is in a private rental they can barely afford but have got some consideration from their landlord, whose wages are down because either they are unemployed now or underemployed now or they have had to take a wage cut to try and hang on, all of the supports drop away—all of the key supports drop away in September. We could well see a huge wave of increased unemployment and homelessness or precarious housing. That in fact then has reverberations for the landlords who suddenly have to face evicting someone and having a loss of income there—admittedly the tax settings will help them—but there is a second generation impact for them as well. If we do not address this properly, we will have waves of impact of the economic consequences of not addressing this problem.

**Mr BARTON:** So it goes back to the fact that it is a lot cheaper to keep people in their homes, keep the support up?

**Dr FOTHERINGHAM:** Yes. Look, if we want an economically productive and engaged society, if we want to rebuild the economy, then we need to keep people in a position where they can engage with the economy. It is very hard to do that if you are sleeping in your car. All you are worried about is where you are going to be tonight and how you are going to manage the kids today. We need to keep people in their houses. They are more productive in society, there are better social outcomes, better health outcomes across the board, lower costs to government across the board. The maths is not terribly complex.

**Ms VAGHELA:** Thanks, Michael, for your time today and very detailed submission. Your organisation, AHURI, is the independent research organisation. Being a research scientist myself I am very interested in the data. At times we talk to quite a few organisations, but they do not have the data. What I would like to know from you is have you got any data which is related to what percentage or what portion of our CALD communities face homelessness or housing issues? That is the first thing, because if that is captured and if we held that information, then that leads to the next question. What are the issues then that lead CALD communities into homelessness? Are the issues the same, or maybe when they come here it is unemployment which is then leading to other issues? That is my first question. The other question is that in your recommendations, one of the recommendations suggests that we:

... increase the capacity of the social housing workforce (e.g. in relation to working with people with mental ill-health) ...

I just wanted to know, we have had the royal commission into mental health. Did you make a submission and make a point about this? Because I would be very interested to know about that.

**Dr FOTHERINGHAM:** I might address your second question first as it is a fairly straightforward one. Yes, we absolutely provided input to the royal commission. I was part of a panel that provided extensive testimony to that commission. It also involved Sarah Humphreys from Sacred Heart Mission and Sarah Pollock from Mind Australia, who has been working with Mind Australia for a number of years on the interaction between housing and mental health, so we have quite an extensive body of work in that space and we have spoken to that at quite some length to the royal commission, both through the panel sessions and separately. So, yes, absolutely. A strong yes on that one.

**Ms VAGHELA:** That is good.

**Dr FOTHERINGHAM:** Your earlier question, though, was around the data, and in particular homelessness data examining CALD communities. AHURI's role is a funder and broker of research. We are funded to deliver the national housing research program each year, which publishes around 25 to 30 major reports per year on housing homelessness and urban policy. We are not a systemic data custodian in the way that the bureau of statistics is and the institute of health and welfare is. In terms of housing and homelessness data, those are the two key agencies that hold the main data holdings. The bureau of statistics run the census of course and a range of other housing-relevant surveys from time to time, typically at more like five-yearly intervals. But the institute of health and welfare is the custodian of the homelessness system data. Homeless service providers report data through on each person who comes through the door to AIHW, who aggregate and publish results of that research. That does include cultural background and language spoken and a range of indicators of cultural diversity, so yes that data certainly exists and exists at not just a state level but it can be examined at a local government area level as well. That data is well and truly available.

**Ms VAGHELA:** So in terms of the research that you do and data you provide—in terms of the past, some of the findings that you have had—have at any level, state or federal, any findings from your research been acted upon and you have seen good outcomes out of those findings?

**Dr FOTHERINGHAM:** Yes, absolutely. I mean, over the 20 years that AHURI has been working in the way we currently do many small policy measures have been picked up from our work, and we track and report on those, but also some large system configuration settings have been based on what we do. The National Rental Affordability Scheme, NRAS, which was set up around 10 years ago, was based on AHURI research. The bond aggregator that is now in the National Housing Finance and Investment Corporation, which is channelling hundreds of millions of dollars into community housing, is based on a significant series of research that AHURI delivered over several years. There are a range of other policy measures—in fact the structure of

the National Housing and Homelessness Agreement that we have now, that I spoke to in my initial remarks. That change in structure to bring the homelessness agreement into the longer term housing agreement with ring-fenced funding for homelessness was a direct result of research we did on behalf of senior officials around the country. So we have contributed to the system design in those ways. Now that does not mean that everything we have published has been picked up. These things have their time, and often the research is published several years before it is perhaps ready at a political level or a policy level to implement. So for example, the bond aggregator work—we published a lot of work over a five-year period and there was probably a five-year lag before it was actually picked up and implemented. So sometimes the seeds need to be planted a little bit ahead of time. But we continue to try and put forward good evidence to help with good policy.

**The CHAIR:** I have just got a final question following up from Tien's questions on overcrowding. I note that when you look at the census—the last two, 2011 and 2016—the biggest growth is in overcrowding.

**Dr FOTHERINGHAM:** Yes.

**The CHAIR:** You could almost say that the growth in our homelessness numbers is almost predominantly in overcrowding. Why? What has happened in the last five years?

**Dr FOTHERINGHAM:** Well, not only that; a lot of that is in Sydney, and it will come as no surprise to you to hear that the housing in Sydney is not terribly affordable—it is a sweeping statement. There is a simple reality that the more unaffordable housing becomes, the more creative people have to be in finding ways through. Now for some that means packing into houses that are not designed for them or apartments that are designed for less people than are in it and just accepting a more cramped existence, whether that is multigenerational or cramped share houses or emerging versions of rooming houses that often operate on the fringes of regulation and legality. So people are crowding in more because they cannot afford not to.

**The CHAIR:** So should we be looking at this from a legislative perspective? I know more housing is, again, the reason this is happening. But certainly we saw some stuff on *Four Corners* with international students: they were paying \$400 a week to have a bunk bed in a small room of four.

**Dr FOTHERINGHAM:** We have an opportunity. We have a pause on migration at the moment that will last for perhaps 12 months, give or take. That eases the pressure on housing construction to meet their particular demand and frees up the capacity of the construction sector to be building housing perhaps for other demands. And this is where governments can play a key role: in creating that demand, build affordable housing. It is a twofold win, because you put people into jobs—you have got people working and that is economic productivity that we want for a national recovery—and you create more affordable housing in the mid-term, which we absolutely need. There is a massive shortfall. We need over 700 000 more affordable housing dwellings over the next 20 years, and we are not on a trajectory to build them. We need to get on that trajectory, and even more because of the pandemic. So there is a key opportunity and the solution is there.

**Dr KIEU:** And yet the federal government is having an economic stimulus in renovations rather than in building. What is your view about that? Sorry, Chair.

**Dr FOTHERINGHAM:** I am conscious of time, so I will perhaps be a little blunt.

**The CHAIR:** Very diplomatic.

**Dr FOTHERINGHAM:** Well, sure, probably diplomatic, yes. The HomeBuilder package is partly for renovation and partly to help with new build, but it is very narrowly defined in terms of its time frame, the availability of the land, the price of land, the income of the purchasers, and so on. So there are significant constraints on how it can be used and the number of people who can use it, which is quite small in national terms. As a piece of a broader policy program, it is a credible piece. As a sole solution, it does not stack up. We need more than that. We need what we needed after World War II. We need a national program of building affordable housing.

**The CHAIR:** Thank you, very much, Michael. That was really insightful, and I think it has given us some direction, and your research and your areas for improvement will certainly help guide our final report. So thank you very much. As I mentioned earlier, there will be a transcript coming to you from this session. I encourage

you to have a look at it and make sure we have not made any real fundamental errors in our understanding of your position. For everybody else, we will just take a short break for a few minutes to bring in the next witnesses. Thank you.

**Dr FOTHERINGHAM:** Thank you very much.

**Witness withdrew.**