

AHURI Evidence Review 066

Wed 29 Oct 2014 — by Matthew Lovering, Writer/Analyst, AHURI Limited

17% increase in homelessness

New AHURI research identifies that the number of homeless people increased by 17 per cent between 2006 and 2011, while the Australian population only increased by 8 per cent. This increase in homelessness occurred after a 6 per cent fall in the number of homeless people in the five years before that (i.e. from 2001 to 2006).

Change in homeless population and rate 2001, 2006 and 2011

Census year	Rate of homelessness	Homelessness population	Australian population
2001	50.8 per 10,000	95,314	18,769,249
2006	45.2 per 10,000	89,728 6% decrease	19,855,288 6% increase
2011	48.9 per 10,000	105,000 17% increase	21,507,717 8% increase

It is very difficult to see how any changes in individual factors (such as mental health issues, substance abuse etc.) solely account for this pattern of decrease and increase in rates of homelessness between 2001 and 2011. Rather, the pattern suggests the influence of structural factors (i.e. society wide factors) on rates of homelessness and reinforces the understanding that homelessness is due to a complex interplay of individual factors (such as mental ill-health, substance abuse and a history of contact with institutions) and society wide factors (such as weakening labour markets or a shortage of affordable housing).

The declines in homelessness between 2001 and 2006 occurred against a backdrop of strong economic growth, low unemployment and rising household incomes. For example, in August 2001 (the time of the 2001 Census) Australia's unemployment rate was 6.8 per cent (with a homeless rate of 50.8 per 10 000 people). By August 2006 (the time of the 2006 Census) it had fallen to 4.9 per cent, with a homeless rate of 45.2 per 10 000 people.

However, macroeconomic conditions deteriorated sharply in 2007–08 due to the Global Financial Crisis. National economic growth stalled, unemployment and underemployment rates rose and growth in household income slowed. In August 2009, the unemployment rate reached a high of 5.8 per cent seasonally adjusted. By Census night August 2011 the unemployment rate was 5.3 per cent and the homeless rate had climbed to 48.9 per 10 000 people.

The research also shows that rates of homelessness in 2011 were correlated with areas of higher unemployment. A ranking of Australia's regions in order of 'rate of

homelessness' finds that [unemployment rates were 1 to 2 percentage points higher in the regions where the rate of homelessness was greater.](#)

Unemployment statistics also reveal some of the individual factors that react with structural factors to influence homelessness. A 2011 survey of 204 clients of homeless support services revealed that [only 7 per cent of respondents were employed](#) at the time of the survey, 27 per cent had full-time employment two to five years ago, 32 per cent had full-time employment more than five years ago and 10 per cent never had a full-time position. In 2006 (five years before the 2011 survey), society-wide unemployment rates were falling, so why couldn't the 32 per cent who had full-time employment more than five years before (or the 10% who had never had a full-time job) get full-time work? This, of course, is where individual factors influence who is at risk of becoming homeless.

The 2011 survey revealed that [62 per cent of respondents hadn't completed year 12](#), a much higher percentage than the 29 per cent of all Australians who had not completed year 12 or equivalent. Low levels of formal education do equate to lower levels of employment with [unemployment rates of 7 per cent for people aged 25 to 54 who didn't complete year 12](#) (in May 2012), compared with the then overall [unemployment rate of 5 per cent.](#)

The homeless survey respondents also had a greater incidence of mental disorders. Compared with the total Australian population, the respondents had greater incidence (over their lifetime) of mood disorders ([44% compared with 15%](#)) and anxiety disorders (39% compared with 26%). Unfortunately, having a mental disorder does reduce a person's ability to get employment, as is demonstrated by only [62 per cent of working age Australians with a mental illness being employed in 2011–12](#), compared to 80 per cent of those without a mental illness.

This *Evidence Review* shows that society wide factors such as employment are integral to rates of homelessness, and that the Commonwealth Government, whose responsibilities contribute to labour market performance, therefore has an important role in helping to reduce rates of homelessness, above and beyond its investment in homelessness services.

This edition of AHURI *Evidence Review* draws from the following AHURI research projects:

- [The structural drivers of homelessness in Australia 2001–11](#)
 - [The cost of homelessness and the net cost of homelessness programs: a national study](#)
- and
- [ABS Labour Force, Australia, Aug 2001](#)
 - [ABS Labour Force, Australia, Aug 2009](#)
 - [ABS Labour Force, Australia, May 2012](#)
 - [ABS QuickStats](#)
 - [Department of Health, National Mental Health report 2013](#)

→ [AIHW Australia's welfare 2013](#)

AHURI has an extensive body of research on housing, homelessness and related urban issues, including research specific to Indigenous Australians. Our work informs the policies and practices of governments and industry, and stimulates debate in the broader Australian community. This research is free to download from our website due to the continued funding we receive from the Australian Government and state and territory governments.

Access this edition online: <http://evid.in/EvRev066>

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