

AFFORDABLE HOUSING POSITION STATEMENT

Having a secure and suitable home is a significant factor in ensuring the health, wellbeing and inclusion of individuals and their families in our community. Affordable and appropriate housing does not only provide a physical structure to house its occupants, it also provides the foundation for individuals to participate meaningfully in education, employment and the life of their community.

As well as being a determinant of health and wellbeing, adequate housing is also a recognised human right in the *Universal Declaration of Human Rights*, and the *International Covenant on Economic, Social and Cultural Rights*. However, this right is not enshrined in Australian domestic law.

Where are we now?

Homelessness and unaffordable housing remain chronic issues around Australia. The shortage of affordable housing manifests in many ways. While much of the discussion centres on the impact of homelessness and the risk of homelessness, housing stress itself – the consequences of living in an inadequate, inappropriate, and expensive dwelling – is an important measure of the cost of this housing crisis. Similarly, when housing is unaffordable to purchase it creates extra pressure in the private rental market and can push households on low incomes further out of the housing market.

Private rental

The private rental market is a vital component of the housing continuum. However, as the supply of public housing stock reduces there is an expectation that the private rental market will meet the needs of the community. However, there is a significant shortfall in the private rental market's supply of affordable properties that would be appropriate for households on low incomes.¹

One of the major issues we have in Australia is the absolute inability of people at the lower end of the income spectrum to afford housing that meets both criteria of being good quality and adequate without unacceptable strain placed on household finances. In 2013-14, 50% of lower income renter households were in rental stress.² 34.7% of lower income households who are renting are in moderate housing stress, which means that they are spending more than 30% of their income on housing, and 15.4% of lower income households are in severe housing stress, which means that they are spending more than 50% of their income on housing.³

Anglicare Australia's research through the annual *Rental Affordability Snapshot*⁴ highlights how difficult it is for people on low incomes to secure accommodation, without being in a position of housing stress. The severe financial hardship associated with meeting the cost of rental accommodation leaves many low

¹ AHURI *Increasing the supply of affordable housing for low income tenants* <https://www.ahuri.edu.au/policy-issues/increasing-affordable-rental-supply>

² ABS 4130.0 - Housing Occupancy and Costs, 2013-14

³ Ibid.

⁴ <http://www.anglicare.asn.au/research-reports/the-rental-affordability-snapshot>

income families with the difficult decision of choosing between basic necessities such as paying bills, buying food, seeing a doctor, or paying the rent.

Public and community housing

The purpose of social housing, and the responsibility of all governments, is to ensure those who are unable to house themselves are supported with adequate and appropriate shelter. According to the AIHW, “as at 30 June 2014, there were 393,844 households in social housing, with the majority in public rental housing (317,000), 9,800 in state managed and owned Indigenous housing (SOMIH) and 67,000 in mainstream community housing.”⁵

State and territory governments are stepping away from public and social housing, which exacerbates the housing supply problem. Over time the public housing stocks have dwindled, forcing lower income households further into the private rental market.

Homelessness

While homelessness is often a result of a number of complex issues in a person’s life, the shortage of affordable and available rental housing is a significant cause of homelessness, as well as an a significant barrier to moving out of an experience of homelessness. Domestic and family violence, poverty, unemployment, social exclusion, mental illness, exiting state care, or exiting prison are also major causes of homelessness in Australia.

The 2011 census surveyed 105,237 people who were experiencing homelessness.⁶ In 2014-15, specialist homelessness services assisted 256,000 people.⁷

Commonwealth Rent Assistance

Commonwealth Rent Assistance (CRA) is an important protection against excluding people on low income from the rental market entirely. In 2013-14, 1.32 million people received CRA.⁸ However, even with the assistance provided, 40% of CRA recipients are paying more than 30% of their income on rent.⁹

The CRA is, at its best, a fairly blunt instrument. All people accessing the assistance payment receive up to the same amount. The CRA in its current form does not take into account the geographic variations that the rental market does.¹⁰

Income inadequacy

It is estimated that people on Newstart Allowance or job seeker Youth Allowance spent on average 21% in excess of their income, with up to 64% of their total income spent on basics including housing.¹¹

The Anglicare network’s research into food insecurity found that households on low incomes experience housing stress, and that in order to ensure that the rent and other bills were paid, food often became one of the few discretionary items in the household budget. This means that families and sometimes even children had to go without food. While in most cases in the survey children were protected from days

⁵ AIHW *Housing assistance in Australia 2015* <http://www.aihw.gov.au/housing-assistance/haa/2015/>

⁶ Australian Bureau of Statistics, *Census of Population and Housing: Estimating Homelessness 2011*, cat. no. 2049.0, ABS, Canberra, 2011.

⁷ AIHW specialist homelessness services 2014-15 web report <http://www.aihw.gov.au/homelessness/specialist-homelessness-services-2014-15/>

⁸ AIHW *Housing assistance in Australia 2015* <http://www.aihw.gov.au/housing-assistance/haa/2015/financial-assistance/>

⁹ Ibid

¹⁰ Melhuish, T, King, A, & Taylor, E, 2004, *The regional impact of Commonwealth Rent Assistance*, AHURI, Melbourne

¹¹ NATSEM (2012) *Going Without: Financial hardship in Australia*, Anglicare Australia, Catholic Social Services, the Salvation Army and UnitingCare Australia, Canberra



entirely without food, they nevertheless missed on out on school events and friendship activities, and reported shame, embarrassment and ill health.¹²

¹² Anglicare Australia (2012), *When there's not enough to eat: State of the Family Report 2012*, Canberra

What should we do?

Addressing the lack of affordable housing continues to be one of the top priorities that Anglicare agencies right across Australia identify as necessary to overcoming the level of disadvantage experienced by their service users. Australia needs to invest in the whole housing spectrum and value housing affordability for the priority it is.

There is no one fix to the housing affordability issue in Australia. It is an issue of infrastructure, tax, employment, environment and population. There are, however, several key policy levers that will facilitate a further shift in the affordability of housing to ensure that all Australians have access to secure and affordable home.

1. Create a tax system that makes affordable housing more available.
 - a. Reform negative gearing rules and the capital gains tax concession to better drive housing affordability rather than the creation of individual wealth.
 - b. Review the impact of other taxes (stamp duty, land taxes etc.) on housing for low income households.
2. Increase social housing stock sustainably and responsibly.
 - a. Increase housing stock.
 - b. Renew existing stock in a timely manner.
 - c. Ensure that community organisations that are taking responsibility for community housing have access to land, title transfer, and/or long term leases.
3. Increase housing stock that matches changing population needs.
 - a. Encourage collaboration between government, private sector and community sector.
 - b. Use incentives for business sector and community organisations to encourage the development of affordable housing, to rent and to buy.
 - c. Develop financing models such as loan/bond aggregators, housing trusts, cooperatives, impact investing to support innovative affordable housing projects.
 - d. Reflect the changes in Australia's population, such as age, culture, single person households, fewer children per family etc.
 - e. Modify and design housing to account for the needs of people as they age or live with disability.
 - f. Leverage the opportunity provided by infrastructure projects (such as transport) to grow the supply of affordable housing.
4. Recognise income inadequacy as a barrier to secure housing and meaningful social participation.
 - a. Increase the rate of Newstart/Youth Allowance and indexation to keep pace with living standards and housing costs.
 - b. Review Commonwealth Rent Assistance and its effectiveness in protecting against the increasing costs of rent.
 - c. Transfer the responsibility for setting the payment rates to an independent body.
5. Create homelessness responses that incorporate housing as a core component, alongside strategies that address the individual and structural causes of homelessness.
6. Create a national plan to address housing affordability and homelessness, with participation across all levels of government, the community sector, and the private sector.

Resources

Anglicare Australia [Rental Affordability Snapshot](#) series

Anglicare Australia. 2015. [State of the Family report: Who is being left behind?](#)

Anglicare Australia. 2012. [State of the Family report: When there's not enough to eat part one](#) and [two](#)

Anglicare Australia. 2011. [2011 State of the Family report: Staying Power](#)

Anglicare Australia. 2003. [2003 State of the Family](#)

Anglicare Australia. 2016. [Submission to the Council on Federal Financial Relations Affordable Housing Working Group](#)

Anglicare Australia 2015. [Housing Affordability: the new normal?](#) Submission in response to the Australian Labor Party's discussion paper, Housing Affordability Strategy

Anglicare Australia. 2014. [When is a crisis not a crisis?](#) Submission to the Senate Economics References Committee Inquiry into Affordable Housing

Anglicare Australia. 2012. [Anglicare Australia submission to the Draft Homelessness Bill 2012](#)

Anglicare Australia. 2008. [Response to Which Way Home](#)

Anglicare Australia. 2008. [Response to NRAS Technical Paper](#)

June 2016