Regional Australia's housing crisis: Plenty of room but nowhere to call home
Remarks by Kasy Chambers, National Press Club of Australia
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Introduction: The rental crisis
Good afternoon press Club members, distinguished guests and friends.

We are all here because Australia's housing crisis has never been more dire, nor more widespread. It has spread across income groups and from the city into the regions. Indeed there is no area that is exempt or immune from it.

You can go to few places without hearing stories of mortgage stress, people moving back home, rental rises, inability to find affordable living and people cutting corners on essentials in order to pay for their housing.

Let me start by establishing that housing is the foundation for everything else – education, health, employment, wellbeing don't stick as well if housing is not present. Housing makes a far greater impact on someone's health than health services for example.

Anglicare Australia has particular interest in rental housing. Renters and rentals have been more in the public eye recently but when we started our Rental affordability snapshot ten years ago it was virtually invisible in public policy.

However, one third of Australians live in rental housing and more of us are spending longer in rentals. Where it used to be the domain of singles for transient periods now families, older people may live out their housing career in rental housing. Housing policy however still views it as the former.

Regional affordability and Anglicare Australia's Snapshot
When we began our snapshot there was a view that regional areas were more affordable. However even ten years ago, the facts did not bear out the public view. By 2023 there was no region that was affordable in Australia for people on low incomes and government benefits. The national picture is stark – out of almost 46,000 listings, four rooms in sharehouses right across the country were affordable for a single person on JobSeeker. After the $40 a fortnight rise in the payment rom last week's Budget, that rose to five. Five out of 46,000. Noone on government benefits fared any better and for the first time this year, a single person working full time on the minimum wage could afford less than one percent of all the rentals. That's the national picture.

Of course Regional Australia is not homogenous, but let me just sample some results for regional areas. Let's take a quick tour:

- In rural South Australia, only one percent of available rentals were affordable for an aged pensioner;
- In central Queensland, nine of the 397 listings were affordable for a couple with two children on JobSeeker;
- On the North Coast of NSW, only eight percent of listings were affordable for a couple both working full time with two kids;
- In the Riverina, just two percent of listings were affordable for a single person on Disability Support Pension;
- On the South Coast, there is nothing for a single Aged Pensioner.
- In the NT and in Tasmania, only one percent were affordable for a couple on the aged pension; and
- In the West, nothing in any of the regions was affordable for low income households.

I will move on from our report but it is important that I do point out that we factor in Commonwealth Rent Assistance and Family Tax Benefits in our calculations.

We have also seen over the years the things that we all know – the price of housing reflects the jobs available. You are in effect buying the number of available jobs through the price of your rent or mortgage. We have watched the rental prices boom and bust along with the mining areas of WA and Central Queensland for example. We have been able to see the construction on the pacific highway in prices.

My point here is that regional Australia needs the package – jobs and housing and essential services.

Housing and aged care

This shortage of affordable housing in regional Australia has huge consequences of course. One set of consequences not often joined the dots on is that of aged care. And there are at least two things going on here. Firstly, aged care employees are finding it hard to find affordable housing close to their work. Many regional providers of aged care are at crisis point in terms of attracting employees to work for them because of the housing issue. Of course this isn't just aged care – the mayor of Port Hedland last year called out the fact that it is housing that is affecting regional development and wellbeing. However in aged care, regional residential facilities are closing down. Close to where we stand today services in Bombala, Bega, Eden and Cooma have closed or are in the process of closing.

Add to this a lack of affordable housing and rentals for older people and we see them needing residential aged care sooner – there is no where they can live in their community affordably.

Tragically, this compounds into older people moving from the small towns they have lived their lives in, away from their communities into residential aged care many miles away. In the case of those towns I mentioned earlier to Canberra a six hour round trip for visitors.

Stage Three Tax Cuts

I also wanted to take this opportunity to point out that the stage three tax cuts will not assist regional housing or life in general. Modelling by Anglicare Australia and later added to by the Australia Institute shows that the ten electorates with the lowest benefit from these tax cuts are all regional electorates – all National seats in fact. In terms of States the State that comes off worse is Tasmania – which actually has the latest affordable housing, and the lowest wages. The benefits of these tax cuts flow to the inner cities

The solutions

We do have an incredible level of crisis which we have at best slept walked into and at worst callously created. However, we do have the money to get out of it.

We are spending big on housing from the federal purse. Where we used to spend these dollars on direct building of social housing and homelessness services since the 1980's we have shifted that expenditure into Commonwealth Rental Assistance, negative gearing and capital gains tax concessions. We spend more now per capita on housing through these payments than we ever did and yet housing has never been less affordable by any measure.

The past three decades have marked a shift in how the Federal Government tackles housing. It used to fund and build homes as its answer to housing affordability. This provided secure homes for working people on those on low incomes, and freed up affordable rentals for people on middle incomes. It also ensured that regional communities got the homes they need, instead of being left to the mercy of whether builders found it profitable to build there.

This changed in the 1990s, when the Government began relying on the private market to do the heavy lifting. It offered people grants and payments instead of providing affordable homes itself.

Anyone can see that this approach is failing. The shortage of affordable rentals has been soaring since 1996, even though every region in Australia has an oversupply of homes.

Supply continues to be the solution favoured by most commentators. Yet Australia already builds anywhere between 165,000 and 240,000 new homes each year, growing faster than our population. Even though supply is growing, it is not making housing more affordable. Building more homes is only part of the answer – we also need a plan to make those homes affordable, something the private sector has shown it cannot do on its own.

It is social and affordable housing that hasn't kept pace with our population. We have a shortfall of 640,000 homes across the country, and that number is only growing. Australia's undersupply is not in housing, but in affordable housing.

Private rentals do not 'trickle down' and become more affordable, but social housing has benefits that trickle up to all Australians. It helps people in need, it frees up cheap rentals for everyone else, and building it helps communities recover after disasters like floods and fires. It is a lifeline for regional areas, ensuring that young people and essential workers can afford to keep living in their own communities. Our own Prime Minister grew up in public housing, and has said that he would not be where he is today without it.

All of this sounds like a no-brainer, but building these homes costs money. Ending our shortfall would mean building 25,000 homes each year for the next two decades. Even maintaining our current share of public and community housing would mean building 15,000 new homes a year. Our current rate is about 3,000 – nowhere near what is needed to end the crisis, or even stop it from getting worse.

Of course, the current Government didn't create this crisis. They inherited it. But that doesn't change the fact that years of Government decisions created this problem. Only Government action will fix it.

Tackling this crisis will take time, and a willingness to put the interests of Australians who need a home ahead of other interests.

Rental stress, insecurity, and homelessness does not have to be the way of the future. We can and we must invest in affordable homes for everyone, especially people who need them the most, and ensure that everyone has a place to call home.

With homes on the line, the stakes for our housing system couldn't be higher. Australia cannot afford more lost opportunities to tackle this crisis.

Our hope is that Australia will finally reach a tipping point that spurs the right kind of action.