

Federal Election 2007

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Affordable Housing: a right for every Australian

Why is this issue important?

All Australians deserve a home, somewhere to be safe and to keep their belongings. A house or somewhere safe and secure to live is much more than that though. The presence or otherwise and the standard of a place to live directly impacts on other vital features of life such as health and employment.

Affordable housing is becoming more difficult to achieve for many sectors of the Australian communities: People paying off mortgages, trying to get a first foot in the housing market, trying to access the private rental market, on waiting lists for public or social housing and those who are homeless.

There are implications in future years for those who have not managed to collect equity in their homes as social policy relies increasingly on this.

What are the facts?

The National Forum on Affordable Housing suggests the following definition for 'affordable housing': "Affordable housing is housing which is reasonably adequate in standard and location for a lower- or middle- income household and does not cost so much that such a household is unlikely to be able to meet other basic living costs on a sustainable basis" (NFAH, 2006). Housing is affordable if a household is spending no more than 30% of their gross income on housing (National Shelter 2007).

Housing is affordable if a household spends no more than 30 per cent of their income on housing.

The Housing Industry Association – Commonwealth Bank Affordability Report for the year to September 2007 found that housing affordability had dropped to a new all time low.

- ***Private Rental***

Private rental is harder to find and costing households more. 2006 Census shows that 519,764 renting households (36.7% of all renting households) are spending more than 30% of their income on rent. HIA and NATSEM modeling predicts that one in two rental households will be in housing stress in less than three years.

Although the private rental sector is supposed to provide people with greater flexibility and choice, most low income earners struggle with limited availability, unaffordable rents, insecure tenure, discrimination and social exclusion.

Nevertheless, private rental is increasingly becoming a permanent form of tenure for many households. In addition competition for private rental accommodation is stiff further disadvantaging those on low incomes.

The Australian Bureau of Statistics released the October CPI information showing that rents had increased by 5.8% in the twelve months to September 2007.

- ***Mortgages***

Commonwealth Bank and Housing Industry Association Affordability report figures show that the average housing repayment to gross income ratio for typical first home mortgages is now 30.8% compared with 17.9% in 1996 and the lowest on record. At the same time established house prices have soared by 11.4% in the twelve months to October 2007 (HIA)

Mortgage defaults grew by 329% in the year to December 2006 (Australian Prudential Regulation Authority 7th August 2007). The proportion of households experiencing mortgage stress rose from 18.3% in 2001 to 27.2% in 2006 (ABS Census data). The interest rate rise in November 2007 can only exacerbate this.

- ***Public Housing***

The availability of public housing has fallen sharply over the last decade. Anglicare Victoria released data in October 2007 which showed that there has been a decline of 50,000 public housing units in the decade to 2006 across Australia. Waiting lists for public housing have grown in the last ten years and families with two children are now experiencing a three year wait in Sydney.

The decision by Federal government (enacted through the Commonwealth State Housing Agreement) to more sharply target public housing to those most in need has led to rising levels of disadvantage in public housing tenants. This has often meant a lowered capacity to pay rents leading to less rental revenue for the State and Territory governments; less money available for repairs and maintenance and expansion of public housing places. This decrease in revenue along with increased support costs for the tenants has led to a less sustainable public housing sector.

Funding for social housing has also fallen – 30% in real terms in the last decade (National Shelter 2007).

- ***Homelessness***

The Australian Bureau of Statistics makes a special effort to include homeless Australians in the Census. In 1996 and 2001 the Census indicated that on any given night at least 100 000 Australians are homeless. The Census also tells us where homeless Australians are staying. Approximately:

- Half are staying temporarily with relatives and friends,
- Twenty percent are living in boarding housings and other temporary accommodation,
- Fifteen percent are sleeping rough on the streets of our cities and towns,

· Fifteen percent find a bed in the homeless service system.

There are some groups of Australians that are more at risk of homelessness. These include young people, single parents, and increasingly older Australians especially single males.

The current housing crisis creates a bottle neck for people exiting from emergency accommodation (such as SAAP services) as there is increased pressure on all housing places.

What would Anglicare Australia like to see?

Anglicare Australia is calling on all political parties to develop real policies and mechanisms to deal with the different housing issues including :

Development of a National Affordable Housing Plan to achieve integrated planning for homelessness and housing which also links to other social service delivery planning. To achieve this Anglicare Australia also calls for the establishment of:

- A Housing Support Minister located within Cabinet and Department for Housing with requirement to work with State and Territory departments on housing and planning issues.
- A coordinated strategy for growth in affordable housing. This includes a reform of the current tax related provisions such as negative gearing, capital gains tax exemptions and provisions which make investment in low cost rental properties unattractive to private sector investments. The tax system must come to work *for* low income community members not against them
- A real commitment to renegotiating a transparent CSHA framework, which includes linkage to a reformed SAAP service delivery system.

In 1996 and 2001 the Census indicated that on any given night at least 100 000 Australians are homeless, with 15 per cent sleeping tough.

A National Affordable Rental Incentive Scheme (NARI) to increase incentives for landlords to offer tenancies to people on low income and promote more building of housing by community organisations.

A suite of schemes to support people in entering the private rental market for the first time.

An increase to the amount of money available for public housing to re-dress the current issues that have caused the decline in sustainability of the system.

Increased funding of and recognition of social housing as a community-based option providing secure and affordable tenure for those on low incomes. This funding should also include extra resources to explore new methodologies of provision and

innovative responses in the social housing arena without detracting from current needs and programmes.

Recognition that not all Australians will have equity in their own home at any stage in their life. Social policy must recognise that this will be doubly disadvantaging to those vulnerable Australians that have not been able to achieve large savings through superannuation either.

A commitment to working with and through National bodies such as Anglicare Australia and ACOSS to determine long range, strategic responses to the current crisis.

Anglicare Australia is also a member of ACOSS; and is adding its voice to Australia Fair; Australians for Affordable Housing; and the National Affordable Housing summit.

NOTES FOR THE MEDIA:

This release is part of a series published by Anglicare Australia calling for government action on the income divide, housing affordability, climate change, reconciliation, and State and Federal relations.

The Anglicare Australia network is made up of 43 agencies in Australia who spend \$635 million every year supporting disadvantaged Australians. 20,000 volunteers and 10,000 staff provide services to almost 500,000 people in every state and territory of Australia at every stage of life. Anglicare agencies feel strongly that there is more to supporting people than simply meeting their immediate need and seeks to speak out to provide a strong voice for Anglican care in Australia.
