

Housing at the crossroads: the case for an integrated national housing policy for Australia

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Overview

1. The changing face of Australia
2. Why housing matters
3. A way forward – building blocks of a National Housing Policy



The National Housing Strategy....

“One answer is that it was (and still is) very difficult to define, let alone articulate and gain acceptance of: ‘What is the housing problem?’ ...Such a complex policy process required a clear definition of the problem as well as wide acceptance of it if policy reform were to be achieved.”

Meredith Edwards 1997

1. The changing face of Australia

- *The winners and losers of globalisation:*
- Between 1971 and 2001 the proportion of employed persons working full time declined from 89% to 69%
- In May 2003 22.1% of the jobless had been unemployed for more than 10 years
- Real median household incomes are falling – eg. between 1986 and 1996 they fell by 13% in Adelaide and 11% in Melbourne
- Children living in families with no parent employed increased from 11% in 1979 to 18% in 1998



The changing housing system

- *These demographic changes are influencing, and being influenced by, changes in the housing system:*
- Households are entering homeownership later in life (46% of 25-34 year olds owned or were buying in 1986, down to 35% in 1998)
- Declining job security, casualisation and part time employment may be factors – HECS?
- More people renting, and more renting for longer periods – 40% are long term renters (more than 10 years)



- Rental market is growing, but the % of low cost rental is declining – between 1986 and 1996 low rent dwellings declined by 28% (almost 70,000) while the number of low and moderate income earners grew by 70%
- Since 1996 the number of low-income urban households in dwelling stress grown from 90,000 to over 250,000.
- Funding for public housing declining in real terms – Qld predicts the public housing portfolio may decline by 25% in next 20 years
- 100,000 homeless on any one night in Australia



The spatial dimension to inequality

- Settlement patterns increasingly shaped by housing affordability – Marshall (2003) found 62% of households leaving Sydney and Adelaide said housing affordability was a key consideration
- “There is a significant increase in the geographic polarisation of household income across Australia ... the poor are living together in one set of neighbourhoods, and the rich in another”



“The single most important problem facing Australia now and in the years ahead is the crisis of the burgeoning gap between the wealthy and the poor and disadvantaged. The gap is so wide that unless action is locked in now to gradually reduce it, **the emergence of two nations with conflicting aspirations and cultures will proceed.**”

Society of St Vincent de Paul, 2001



2. Why Housing Matters

- What are the consequences of living in neighbourhoods with high concentrations of unemployment and poverty?
- What are the consequences of renting all your life and moving regularly?
- What are the consequences of overcrowding and of living in very poor quality housing?
- Answering these questions helps us to understand the consequences of our current course, and to set housing objectives for the future



- Gautreaux and MTO suggest that neighbourhood matters
- UK studies suggest that poor housing can influence stress and mental illness
- Australian studies suggest that stable public housing can contribute to educational benefits for children



3. A Way Forward

- We need a vision for housing
- We need national housing targets (for example home ownership levels)
- We need an integrated, systemic approach to reshaping the housing system
- We need to give greater emphasis to the policy levers that shape the housing system



What is our ideal housing system?

- Tenure targets – how much home ownership, how much social housing?
- A rental housing market that works for long term renters – in particular having the option of longer leases
- Socially and economically diverse neighbourhoods – what level of mix is desirable?
- What is the ideal, what are they key indicators, how are we traveling?



A housing vision in a broader context

- Determining our housing goals requires an understanding of why housing matters
- What are our national social and economic goals, and how does housing contribute to these goals?
- For example, is social mix integral to achieving equality of opportunity? Is housing stability important in encouraging social and family cohesion?
- The Singapore approach – housing as a strategy to encourage family cohesion (first home buyers bonus), and housing as a strategy to encourage social cohesion (ethnic mix)



- A vision will help us to set specific targets, and to guide policy making in the range of areas that shape the housing system
- For example, a national target for home ownership would be a good start, but it is not enough
- We need a clearer understanding of why homeownership matters, and what we hope to achieve as a nation through encouraging home ownership



Reshaping the housing system

- Housing is a system
- The housing system is the product of Commonwealth taxes and charges, CSHA and CRA, financial regulations, State planning policies, State taxes and charges, Local Government planning schemes, building codes, private investment policies, lending practices etc etc
- A vision would help facilitate these various players to work together towards common objectives
- How often do these housing policy levers work in harmony, and how often at odds?

- “Just as war is too important to be left to generals, so too housing may be too important to leave to housing policy makers”
- CSHA discussions are a small component of the housing system. \$1.4b for CSHA, \$1.7b for CRA, \$13b capital gains tax exemption for owner occupied
- The simplification of the capital gains tax system was a great chance to introduce incentives to invest in affordable housing
- Why did we miss this opportunity? Lack of common objectives? Lack of understanding that everyone has a part to play in shaping the housing system? Housing just not on the agenda?



A National Housing Policy

- No more missed opportunities
- A housing vision embedded in a set of national social and economic goals – built on an understanding of the non-shelter outcomes of housing
- A statement of where we are going, with specific targets and performance measures
- A national framework that clarifies the roles and responsibilities of various players in the housing system – everyone has a part to play



The End

5 minute version available on:

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