

Secure and Suitable Housing

Position Statement

Position

Australia has a housing affordability problem. The challenges are complex, diverse and interact differently in different parts of Australia. Housing is a matter of national importance, and must be taken seriously by all levels of government.

Access to secure and suitable housing is a basic human right; however providing long-term, affordable housing is proving to be one of the most difficult policy challenges in recent times. Without housing that is safe, secure and suitable people often find themselves unable to participate in employment, education, have reduced health outcomes and experience exclusion from their communities.

There is a current and growing shortfall of accessible and affordable housing options for low income earners in Australia across the entire housing continuumⁱ. This includes social housing, affordable private rental housing, disability housing, Aboriginal housing and aged housing. There must be a significant increase in the number of properties across these sectors to provide adequate housing for Australia's population.

Baptist Care Australia supports a fair and equitable housing system where all Australians have access to secure, suitable and affordable housing that is integrated with transport, education, employment and services. This is particularly true when it comes to a housing system that is safe, secure and affordable for low and middle income earners in the rental market, and those with specific needs.

To ensure that adequate housing is available now and into the future, a long-term, integrated and coherent plan with consistent policy governing a national approach to housing is needed.ⁱⁱ

Baptist Care Australia supports initiatives to increase the affordable housing stock across the housing continuum, while also implementing reforms across income security, taxation, social welfare and social housing systems to ensure that we will be able to appropriately house our population into the future.

Baptist Care Australia believes that resolving the current housing affordability crisis in Australia is not impossible – the problem can be resolved with strong cooperation between all levels of government, community service providers and the private market. The failure to do so will result in our most vulnerable people put at an increased risk of poverty and homelessness.

Background

Defining affordable housing can be complex. What constitutes affordable housing for a particular household, and how pressing a concern housing affordability is for that household, will depend on a number of factors. These include a household's financial situation, the housing market it is in, and where it sits on the housing continuumⁱⁱⁱ. There is some general consensus however that housing is considered affordable if it is appropriate for the needs of a range of very low to moderate income

households and priced so that these households are able to meet other basic needs such as food, clothing, transport, education and medical care.

Households that struggle to afford their housing can face a myriad of issues including: living with unmanageable levels of debt, working long hours to pay for housing, travelling long distance to work or services, going without essentials such as adequate food, heating, medication or education and missing out on other opportunities because housing costs are too high relative to income.

Across the board, there has been a significant decline in investment by government in affordable housing.^{iv} This is particularly true for social housing. Social housing is the part of the housing continuum where housing is provided by not-for-profit, nongovernment or government organisations to assist people who are not able to access suitable accommodation in the private rental market.^v Social housing includes public, community and Aboriginal housing, and is designed to ensure that market failure does not exclude people from appropriate housing. Social housing has been severely neglected by both governments and the private market over the past 25 years.^{vi} This has led to long waiting lists for available social housing properties, and social housing providers are unable to provide assistance to some of the most disadvantaged members of our community.

The current housing market disproportionately disadvantages individuals and families on low incomes. There is a major shortfall in the number of secure and sustainable housing options for low and middle income earners, particularly in the private rental market. People on low incomes are often pushed out of the private rental market due to low rent dwellings being too expensive in capital cities and these dwellings often being occupied by higher income households. This can create situations of housing and financial stress, as well as potential homelessness. As a result, those receiving a low income are often forced to move to locations that are cheaper, but have poor transport infrastructure, creating barriers to employment.

Ensuring Australians on low to moderate incomes have access to housing which is secure, suitable and affordable involves all levels of government, the private sector, community organisations and individuals. In order to provide more affordable housing options the government must actively partner with the private sector to finance, develop and invest in affordable housing projects, and the not for profit sector to develop and manage more social and affordable housing.

A robust housing affordability strategy considers the need for appropriate and long-term housing across mid to low income brackets. This includes considering how the private rental market impacts on the housing continuum. Sustainable housing policy must focus on providing security for renters, the provision of more social housing (community and public) and stronger pathways to home ownership.

Effectively managing the housing affordability crisis will take long-term commitments from all tiers of government. The large amount of uncertainty placed on the sector has had a detrimental effect on investment. From a policy perspective, general increases in overall housing supply only have a limited effect on market affordability unless they are large and sustained and are accompanied by significant changes to fiscal and social policy.^{vii} This is due to the fact that typically increases in housing supply only have a limited trickle-down effect to affordable housing for low income groups, and therefore targeted approaches are required. It is simply not possible to deliver the new housing Australia needs without building more housing of all types.

In addition to increasing the affordable housing stock, housing policy should also ensure more efficient and equitable use of existing housing and housing-designated land. This can be done in a number of ways, but must be part of any housing strategy moving forward. In the long run, sustained investment in secure and suitable housing returns dividends not only for those individuals

and families struggling to access appropriate, safe and affordable housing, but also for all levels of government, and ultimately the Australian people.

Solutions

To effectively address the affordable housing crisis in Australia:

- The Federal Government must use policy interventions to improve the efficiency, efficacy and, critically, the affordability of the housing market – particularly as it relates to rental properties for low income earners.
- The development of a coherent long-term national strategy to deliver more secure and suitable housing across all sections of the housing continuum must be a priority. This strategy must provide policy stability over the long term to promote investment in housing.
- The link between affordable housing and homelessness needs to be understood by policy makers, and measures implemented to ensure those who are vulnerable are not pushed into homelessness due to the lack of affordable housing options.
- There must be sustained investment in affordable housing options over the long-term. This includes the provision of additional social housing stock, subsidised private rental housing and appropriately targeted affordable home ownership programs.
- Housing policy should be spearheaded by a dedicated federal minister for housing and homelessness and supported by infrastructure that would provide the expertise, experience, continuity and established networks with all levels of government.
- Housing should be included in the Prime Minister's *Closing the Gap* Report. Access to affordable and appropriate housing must be regarded in the same context as Indigenous education, health and employment.
- All tiers of government need to set appropriate affordable housing targets on all government land development projects, and consider targets for private development projects. Governments must also incorporate legislation that requires the periodic assessment of housing supply and affordability into their strategic and local planning strategies.
- A comprehensive review of the Commonwealth Rent Assistance program must be undertaken, to ensure it best meets the needs of low income earners both now and in the future.
- Innovation in the affordable housing market must be encouraged. There is great opportunity for social impact investment initiatives to support affordable housing projects. Community housing providers have a critical role to play in this space.
- Governments need to support innovation in housing types and methods of construction and delivery, to cater for changing household types and community needs.

Why we care

Baptist Care Australia is a passionate, innovative, Christian association of Baptist organisations around Australia. Our members bring life-enriching care to their clients and residents, their families and communities. Our care for people arises from our belief that God desires wholeness in all aspects of life. Our collective mission is to express Christ's love as we serve people and includes

addressing their physical, emotional and spiritual needs. Our members have an annual turnover of around \$700 million, employ around 9,000 staff, and engage with more than 2,500 volunteers annually. Each year, our services directly touch the lives of more than 190,000 Australians.

The Baptist Care Australia network provides emergency aid and a range of support services to individuals and families experiencing housing stress or homelessness. In response to the increasing pressure on housing affordability, the Baptist Care Australia network is expanding its own community housing offering to increase the availability of affordable housing for the most vulnerable people in the community.

ⁱ AHURI, Modelling Australia's housing need to 2025, 2017

ⁱⁱ Senate Standing Committee on Economics, Out of reach? The Australian housing affordability challenge, 2015

ⁱⁱⁱ University of Western Sydney, Housing affordability literature review, 2008

^{iv} CEDA, Housing Australia, 2017

^v AHURI, Profiling Australia's affordable housing industry, 2016

^{vi} AHURI, Modelling Australia's housing need to 2025, 2017

^{vii} AHURI, Does building more houses fix affordability for low-income households?, 2017