



St Vincent de Paul Society  
*good works*

## HOUSING AFFORDABILITY



## Background

The St. Vincent de Paul Society (commonly known in Australia as 'Vinnies') is a global charity organisation present in over 130 countries.

The St. Vincent de Paul Society assists all Australians. Much of the charitable work is carried out by around 40,000 volunteer members visiting people in their own homes and providing material assistance, support and friendship. Other assistance is provided by around 620 'Vinnies' shops, crisis accommodation services in all states, various nursing homes and outreach services.

Australian Bureau of Statistics Australian Social Trends data 4102.0, released on 7 August 2007, demonstrated that in 2003–04, the mean weekly equivalised disposable household income for low economic resources households was \$262, while for the same period, the mean weekly equivalised household expenditure on goods and services for low economic resources households was \$309. These are the people we assist and for the majority of them, housing is simply unaffordable.

## Introduction

Vinnies recognise that the Universal Declaration of Human Rights provides that a person is afforded a right to housing for their health and well-being. We further recognise that in Australia secure housing is virtually an entry ticket to Australian citizenship by ensuring access to;

- Local doctors, hospitals and other health facilities;
- Schools, technical colleges, libraries;
- Opening a bank account and relating to a bank or other financial institution;

- A variety of State and Federal government services; and
- Accessing employment opportunities.

The absence of affordable housing, whether it be social housing, affordable rental premises, or normal purchase in the market place, not only results in a failure to access the above, but creates anxiety and enormous pressure, especially on households with young children. This is exacerbated by continuing instabilities such as:

- Constantly moving from one accommodation to another;
- Enduring sub standard and overcrowded living conditions (often with family or friends);
- Resorting to living in caravans or tents;
- Living in motor vehicles;
- Seeking refuge in crisis accommodation run by charities; and
- As a last resort, living on the streets.

We at Vinnies are only too well aware of these problems from the experience of our 40,000 volunteers at the coal face and even more so through a wide array of facilities to help individuals and families experiencing homelessness.

The burden of housing affordability and homelessness as part of Australia's housing crisis can be broadly classified into three major categories:

1. Those already homeless (Estimated between 100,000 – 200,000);
2. Those in present rent or mortgage stress and about to be deprived of accommodation; and
3. Those lower middle income households in short term danger of not being able to service their housing debt.

At Vinnies, our traditional prime concern has been with category 1, who clearly live in poverty and this still continues to be our priority, however in recent times we have been drawn into category 2. We are now fearful about the growth of category 3.

We now address the specific issues raised by the Senate Committee.

## **Taxes and Levies imposed by State and Territory Governments**

There must be a National approach to the housing issue, preferably through a National Housing Strategy. An initial task in such a strategy is to create a data base on all these taxes, fees and charges, examine their impact and necessity and, where they are found to be necessary (eg some fees are for services rendered) examine the case for uniformity, because approaches to the housing issue are not limited to State borders.

For social housing and low cost rental accommodation, 'not for profit' providers or private investors should receive targeted incentives to assist them in their contribution to the alleviation of the housing crisis.

## **Rate of Release of New Land by State and Territory Governments**

The release of land, especially low cost land, is an important need in assisting an increase in housing development, but the simple release of land where it is more plentiful, often beyond major city limits, is far from a total solution. Households well beyond city limits require motor vehicles or cheap efficient public transport to commute to employment and that is frequently not the case because infrastructure for efficient transport is lacking or too costly.

For low income, disadvantaged households we suggest that the two far preferable options are;

1. to build new town centres outside the city limits in rural areas with pre-arranged/planned industrial or commercial estates. Public and low cost

housing and rental accommodation near to employment centres could create vibrant communities; or

2. re-zone industrial/commercial land within city limits for public and low cost housing. That would also encourage community development with employment prospects 'on the doorstep'. Infill development does not necessarily require high cost transportation and other infrastructure.

## **Proposed Assistance for First Home Owners by State, Territory and Commonwealth Governments and their Effectiveness in the Absence of Increased Supply**

In the absence of an adequate housing supply, Government assistance to first home buyers, much the same as rent assistance to low income households, definitely does help some but there is anecdotal evidence that it tends more to put upward pressure on prices and rents – if this is true then overall it exacerbates a problem it is seeking to resolve.

We believe that the crisis we are currently experiencing in the housing market can only fundamentally be resolved by a national strategy that is based on increasing the supply of all forms of housing. Failure to address both at the same time will result in an intergenerational housing crisis for low income and disadvantaged households.

## **The role of all levels of Government in Facilitating Affordable Home Ownership.**

Resolving the housing problem must involve initiatives by all governments and local authorities to degrees to be negotiated between them but encompassing:



1. The provision of capital funding, especially increases in CSHA funds and investment related to not for profit housing and low cost rental accommodation;
2. Direct involvement in the construction or provision of housing to existing homeless, including the use of any existing structures and the creation of temporary accommodation like that used in mining communities, until proper accommodation can be created;
3. Consideration of options such as an affordable housing corporation which could build housing for low income disadvantaged households. That corporation could draw funds from the private sector, such as pension fund.

## **The Role of Financial Institutions in Home Lending**

Financial institutions have a major role in promoting housing availability and affordability. However it is clear from the crisis we are currently facing that they do not automatically address the Nation's housing needs. The fact that most banks have now increased their interest rates above the Reserve Bank's official rates is clear evidence of that.

## **Conclusion**

Any strategy to address housing and affordability and the policies and programs that it will involve must be based on as comprehensive and accurate data in all aspects of the problem, as is possible. Such a National data base does not exist at present. There is a range of official data and a range of information from university and other research bodies. Ultimately if any strategy fails to be underpinned by an accurate and appropriate data base then it is highly likely that it will fail, as will policies and programs within the strategy.

Overall the support base for government action on housing in the Australian community is developing to a level that might not readily occur again in the medium term and we now have an opportunity to address all aspects of housing, including homelessness , for all these groups involved. This is a 'political' opportunity to develop a National Strategy, with appropriate policies and programs, which should become a corner stone of future governments – for the benefit and well being of all Australians.