

What is Affordable Housing?

Affordable housing means housing costs that leave a household with sufficient income to meet basic needs such as food, clothing, transport, medical care and education.

The 1991 National Housing Strategy identified 30% of gross income as the appropriate benchmark. This also coincides with the maximum acceptance mortgage repayments set by institutional mortgage providers.

The issue of housing affordability is particularly acute where a person's income falls in the two lower quintiles, i.e. the lower 40% of income distribution. Where this is the case and that person spends more than 25% to 30% of his or her income on housing payments, that person is deemed to be experiencing housing stress.

1999 ABS data suggest that , private tenants were the group most at risk of suffering housing stress – 54% of private tenants experienced housing stress, a rate twice as high as for purchasing owners and 6 times higher than public tenants.

Contrary to economic theory, excess demand for affordable housing has not brought forward a corrective supply response. Private investors have not rushed to fill the gap. Large investors have continued to shun investment in low-cost housing. The overall picture of the private rental sector is one of a fragmented cottage industry, with little overall stability.

Public housing was created due to private rental market failure. The need for a strong and sustainable public housing system remains.

The consequence of Housing Stress (or after housing poverty)

Poverty prevents full participation in the normal life of the community and increases the incidents of other problems that the community and government have to respond to. Since the Henderson Poverty Inquiry in Australia in the 1970s, research has consistently found a relationship between poverty and housing costs, especially for households in the private sector .

Related adverse social impact includes:

- Overcrowding and homelessness
- Family instability and breakdown
- Lower effective access to the labour market
 - Health problems
 - Low levels of educational attainment
- Crime
- Negative impact on social capital and social cohesion.

(This information is drawn from the Affordable Housing Consortium Report 2001)

Stats &
Facts

In
June
2001
According
to Rent
Assistance
stats there
were

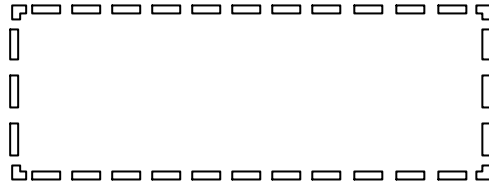
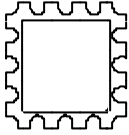
15,000

Tasmanians
living in
housing
stress.

The latest
figures show
this has now
risen to

17,000.

Sticky



Shelter Taps

Housing: A key to well-being

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sheltashortz

UPDATE ⇨ Commonwealth State Housing Agreement (CSHA)

As mentioned in the December 2003 Sheltashortz, Tasmania has not signed off on the CSHA as we need a better deal for this State. At the time of writing this newsletter, negotiations continue. We will keep you posted on any new developments.

Shelter voices concern over SALE OF PUBLIC ASSETS

In a recent letter to The Mercury's editor (6.6.03) Shelter's Chair, Lisa Roberts expresses concern about the increasing crisis in affordable housing across Tasmania. While congratulating the State Government on its announcement of a soon to be released Affordable Housing Strategy to

address the crisis, words now need to be turned into bricks and mortar.

To this end. '....Shelter calls on all tiers of government to reassess the proposed demolition of the inner city [Hobart] Transport Commission Building, and show commitment to the Sullivans Cove Planning Scheme 1997 that supports the provision of a range of household types and income groups. The plan is to demolish the building and to hand this state-owned asset to a private developer for luxury units. This is a missed opportunity for the state and local governments to show their commitment to the provision of affordable inner city housing.

Shelter rejects the claim that the Wapping area has no more room for low-cost housing. Shelter also urges all stake holders to question the sale of public assets and who benefits from such sales.'

New Managements Committee for Shelter

At the last Shelter General Meeting (25.2.03) a new management committee was elected. Recent changes to the constitution have allowed for a larger management committee so that Shelter can help build more effective linkages with a state wide focus.

The committee consists of the following members:

- ★ Lisa Roberts - Colony 47
- ★ Kate Lord - Anglicare
- ★ Sylvia Engels - Bethlehem House
- ★ Narelle Butt - Richmond Fellowship
- ★ Roslyn Houston - Individual - South
- ★ Brian Abraham - Individual - North
- ★ Jenny Bertram - Magnolia Place
- ★ Cinnamon Whatley - Karinya Young Womyns Refuge
- ★ Emma Bridge - Individual - South

