

## Why Affordable Housing Matters

The last two editions of ShelTashortz has examined; firstly the definition of affordable housing, and then possible new options to expand the supply of affordable housing in Tasmania. This edition will go back to the basics of why affordable housing is important.

There are a number of **direct costs**, economic and social, imposed on a household when it cannot afford to rent a dwelling appropriate to its needs. They include:

**Housing related financial hardship or poverty** The role of housing in intensifying and entrenching poverty has long been evident in Australia. The number of household living in **housing stress** (i.e. lowest 40% of income recipients paying more than 30% of income in rent) increased substantially for low-income tenants. For instance: in Hobart in 1986 it was 57%, by 1996 it was 63%. This means that nearly 2 out of every 3 low income private renters in Hobart are in housing stress. According to research, if the rate of growth of stressed households experienced in the past 10 years continues, then the number is expected to double in 15 years and will reach 1 million across Australia in 20 years.

**Overcrowding and homelessness** A lack of affordable housing encourages forced mobility as people strive to find and keep appropriate dwellings. Homelessness is a complex and multi-dimensional problem but, clearly, one major factor in its growth in the recent decade is the lack of affordable, appropriate housing. (Chamberlain 1999).

**Health Problems** Overcrowding and poor housing conditions have been associated with a range of health problems. According to ABS, 16% of private renters have problems with overcrowding, compared with 4% of purchasers and 2% of owners.

**Family instability and breakdown** Inadequate housing, financial stress and forced mobility can contribute to growing conflicts and pressures within families, culminating in domestic violence and family breakdown. Once shattered, coherent family ties may be impossible to re-establish.

**Reduced employment opportunities** An absence of affordable housing in areas accessible to jobs reduces the opportunities for people to secure and keep paid employment. The concentration and marginalisation of people in affordable areas where jobs are scarce reinforces barriers to securing employment. Unemployment and low/unstable income prospects, in turn, narrow the long term housing opportunities of people living in these areas.



things  
have  
changed

September 2003

BOARDING HOUSING  
LEGISLATION PASSED BY  
TASMANIAN PARLIAMENT,  
AIMING FOR PROCLAMA-  
TION BEFORE XMAS.

**Poor educational attainment** Financial stress within the family and frequent housing moves disrupts the schooling of children, while living in overcrowded and/or unhealthy accommodation also undermines the capacity of children to perform well at school.

It is also the case that poor and inadequate housing imposes **wider cost on the community** at large. Lack of affordable housing can divide communities into areas of advantage and disadvantage on a regional level. Increasing social exclusion, which undercuts the normal social linkages that hold a community together and provide a necessary base for economic and social life. Put another way, when the housing system fails, a community's stock of social capital is depreciated. **Affordable housing does matter**, as a lack of appropriate and affordable housing imposes heavy long term cost on the people directly affected and to the community as a whole.

The next page will look at some of the solutions proposed in Tasmania.

22nd September 2003

Release – New report by National Shelter, shows that for many low income people Rent Assistance (RA) is not enough to provide affordable housing in private rental.

Over 35% of people receiving RA are living in Housing Stress

9% of recipients spend more than 50% on rent.

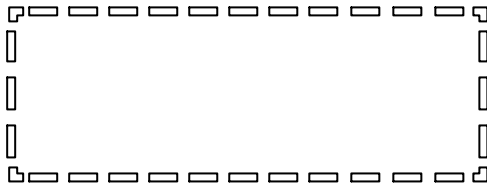
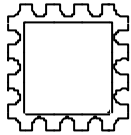
Over past 10 years RA cost rose 7% to \$1.92 billion while the base CSHA (funding for social housing) decreased by 54% to \$1.28 billion.

Nearly 1 million Australians are on CRA and almost two thirds (64%) are women.

RA not available to students over 25.

High number of RA recipients are in areas of high unemployment.

Contact Shelter for a copy of the report.



Housing: A key to well-being

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## sheltashortz

### The Tasmanian Affordable Housing Strategy (AHS) Update

The last newsletter gave details about the launch of the consultation phase of the AHS. On the 15th of September the inaugural meeting of the Affordable Housing Strategy Reference Group (AHRG) was held, Shelter is a member.

The purpose of the AHRG is an advisory body responsible for providing input in to the development of the **Affordable Housing Strategy for Tasmania** and to ensure a wide range of views are considered, on issues and future directions for affordable housing provision. The AHRG is not a decision making body and is there to provide advice and ideas to the Steering Committee which will oversee the development of the Strategy. The Steering Committee is jointly convened by the Treasurer, David Crean and the Minister for Health and Human Services, David Llewellyn.

From the Reference group, 5 working groups are to be established to explore.

1. Private Rental
2. Home Ownership
3. Community and Public Housing
4. Special Need – Aboriginal, Aged, Disability, Youth and Refugee
5. New Models: Private Sector financing, leveraging CRA, Housing Assoc & Companies, Support and New Mechanism: Governance, Regulation, Protection Directors Interest, Shared Equity, Planning Schemes, Incentive Packages.

**Time is limited** as Housing Tasmanian is looking at presenting the first submission to Cabinet by the end of October and the completion of a draft strategy by the end of November 2003.

With this in mind, Shelter is seeking input and participation from members with advice and ideas for the strategy and to ensure an effective consultation mechanism is part of the strategy as well.

### Advance Notice AGM

Please note for your diaries The Shelter Tas AGM Thursday 20th of November 2003 at 2.30 pm including Opening of the New Office & Web Page Launch.

### National Inquiry into First Home Ownership

In August 2003 the Federal Treasurer announced a Productivity Commission inquiry to evaluate the affordability and availability of housing for first homebuyers (see terms of reference and issue paper [www.pc.gov.au](http://www.pc.gov.au) .) The enquiry indicates the Federal Government is worried housing issues will feature at the next election.

For low income people there is not a 'housing boom' but a growing 'housing crisis'. It is important that political parties both at a State or Federal level do not just compete for votes from 'first home buyers' and investors' while the most pressing issues are being ignored. Home ownership is being concentrated into fewer and fewer hands and the reality for increasing number of Australian households is an insecure, expensive private rental market.

Despite the Commonwealth/State political overtones it is important that the community sector assess the risks, opportunities and challenges the enquiry presents. Even though the enquiry is on first home owners it provides an opportunity to look at broader issues. (i.e. F) *The operation of the total housing market*. No matter where in the housing or homelessness service system your interest and expertise lie, you may have information relevant to this enquiry. Please contact Shelter, as we will be putting in a brief submission. **Time is limited** with the submission **due 17th October 2003** .

