




Annual General Meeting
Sustainable Population Australia Inc WA
29 August 2010

Housing our Population Sustainably

- Overview of the current housing situation
- Key contributing elements to price inflation
-  number of stressed renters & 'have-nots'
- Challenges facing all levels of government to address the housing (un)affordability issue across all tenures, sensitive infill, careful density, better use of private dwellings, boarders & lodgers protection, support and transition points
- Some initiatives being implemented in WA and nationally and
- Those expected to be proposed in the anticipated WA State Affordable Housing Strategy.

Defining the Problem

- Australian tax system favours owner occupiers through CGT exemption, distorts housing investment with negative gearing - leading to price inflation
- Housing as tax free personal wealth accumulation – unproductive, stagnant, environmentally wasteful
- Shift from public funding of land development and urban infrastructure – of value to all future residents
- Private developers pass costs onto entry buyer
- Larger houses but fewer people living in them, owners direct savings into expanding houses rather than other investment /development/enterprise
- Targeting of social housing to very low income + other needs alongside real drop in funding and lack of supply compromised viability – deterioration & cannibalisation

Tenure

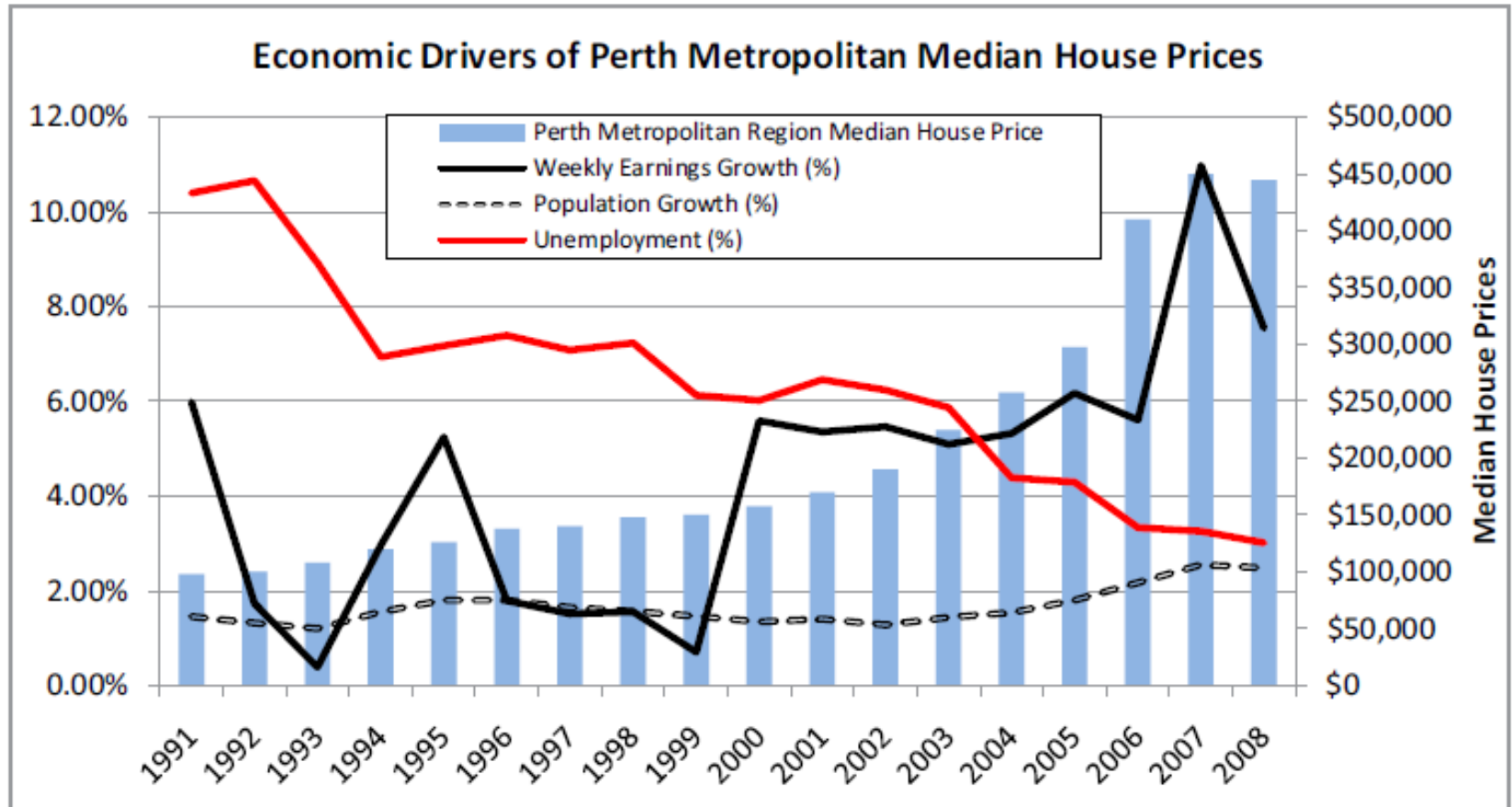
Table 3.1 Tenure by Region¹⁵, August 2006

	Fully Owned	Being Purchased (incl. under rent/buy scheme)	Public Housing	Community Housing	Rented Other	Other	Total
South West	35.6%	35.3%	3.5%	0.4%	22.0%	3.2%	100.0%
Southern	41.8%	28.5%	5.1%	1.0%	18.4%	5.2%	100.0%
Midlands	43.7%	30.6%	4.7%	0.6%	15.0%	5.4%	100.0%
South Eastern	23.7%	37.1%	6.3%	2.9%	25.0%	5.0%	100.0%
Central	38.8%	26.7%	7.1%	1.0%	21.3%	5.1%	100.0%
Pilbara	16.1%	21.9%	10.9%	2.2%	41.5%	7.4%	100.0%
Kimberley	32.3%	15.1%	12.7%	12.6%	20.6%	6.7%	100.0%
Perth	31.9%	40.6%	3.5%	0.4%	21.7%	1.9%	100.0%
Total	32.7%	38.1%	4.1%	0.7%	21.9%	2.5%	100.0%

Note: Excludes 'Tenure not stated'.

Source: ABS, 2006 Census Custom Table

House Prices Earnings Employment



Source: REIWA, ABS Cat 6302, 3101, 6202

Rowley, Stephen & Ong, Rachel. Report for WACOSS Market Demand and Supply and the Social Housing Stock, the importance of Support Services (2009) Figure 3, page 13

Household and dwelling characteristics, 2007–08

	One bedroom	Two bedrooms	Three bedrooms	Four or more bedrooms	Total households (a)	
	'000	'000	'000	'000	'000	% of total
One person	267.3	721.0	803.1	197.0	2,004.1	24.8
Two persons	58.3	619.7	1,432.7	625.2	2,735.9	33.9
Three persons	n.p.	174.0	681.1	456.7	1,314.9	16.3
Four persons	n.p.	76.3	592.3	587.9	1,258.3	15.6
Five or more persons	n.p.	18.2 (b)	230.4	514.2	764.1	9.5
Total households	331.3	1,609.2	3,739.6	2,381.0	8,077.3	100

(a) Includes bedsitters and dwellings with zero bedrooms.

(b) Estimate has a relative standard error of 25% to 50% and should be used with caution.

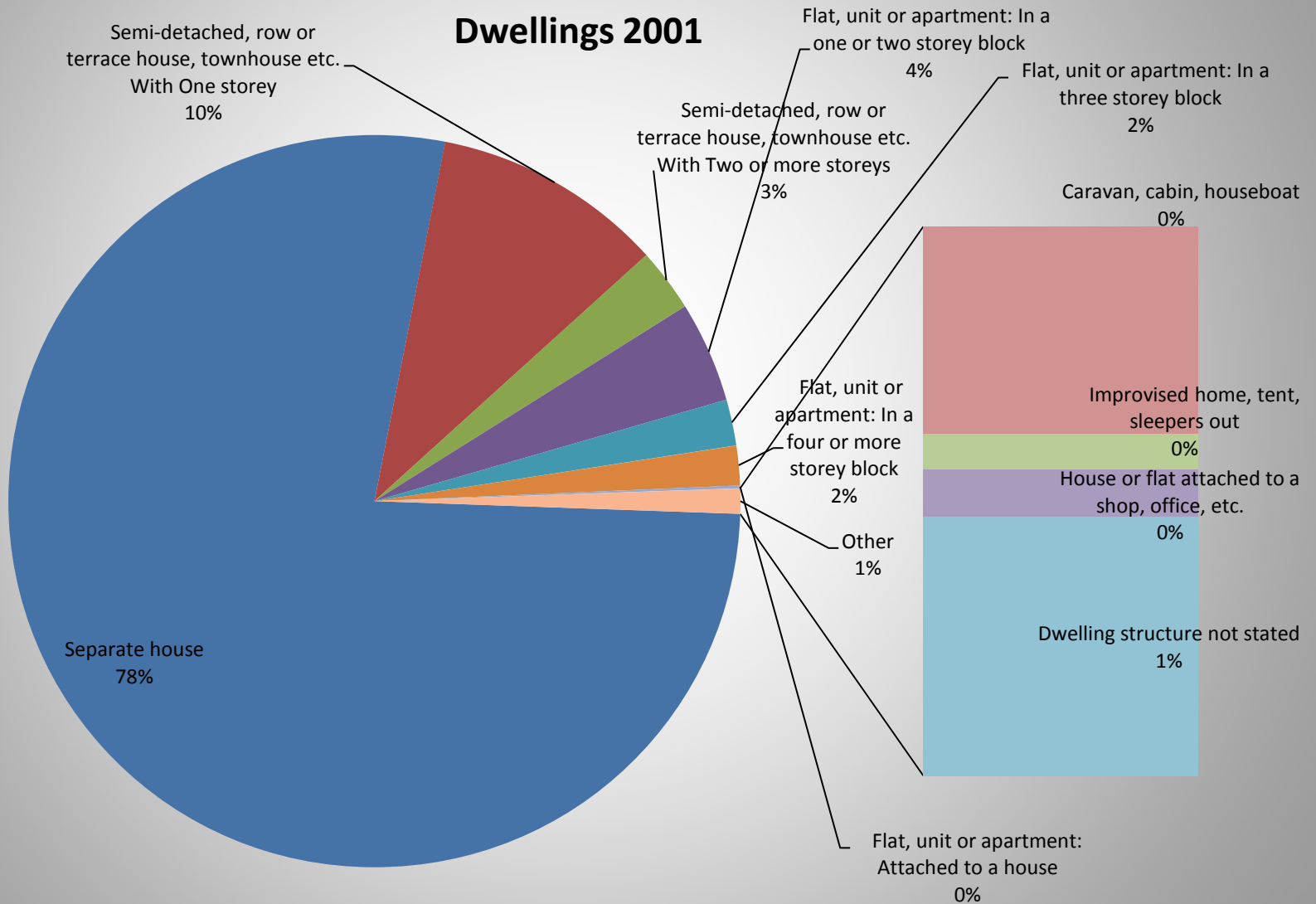
Note: n.p. = not published, due to estimates having a relative standard error of over 50%.

Source: ABS, data available on request (Survey of Income and Housing, 2007–08).

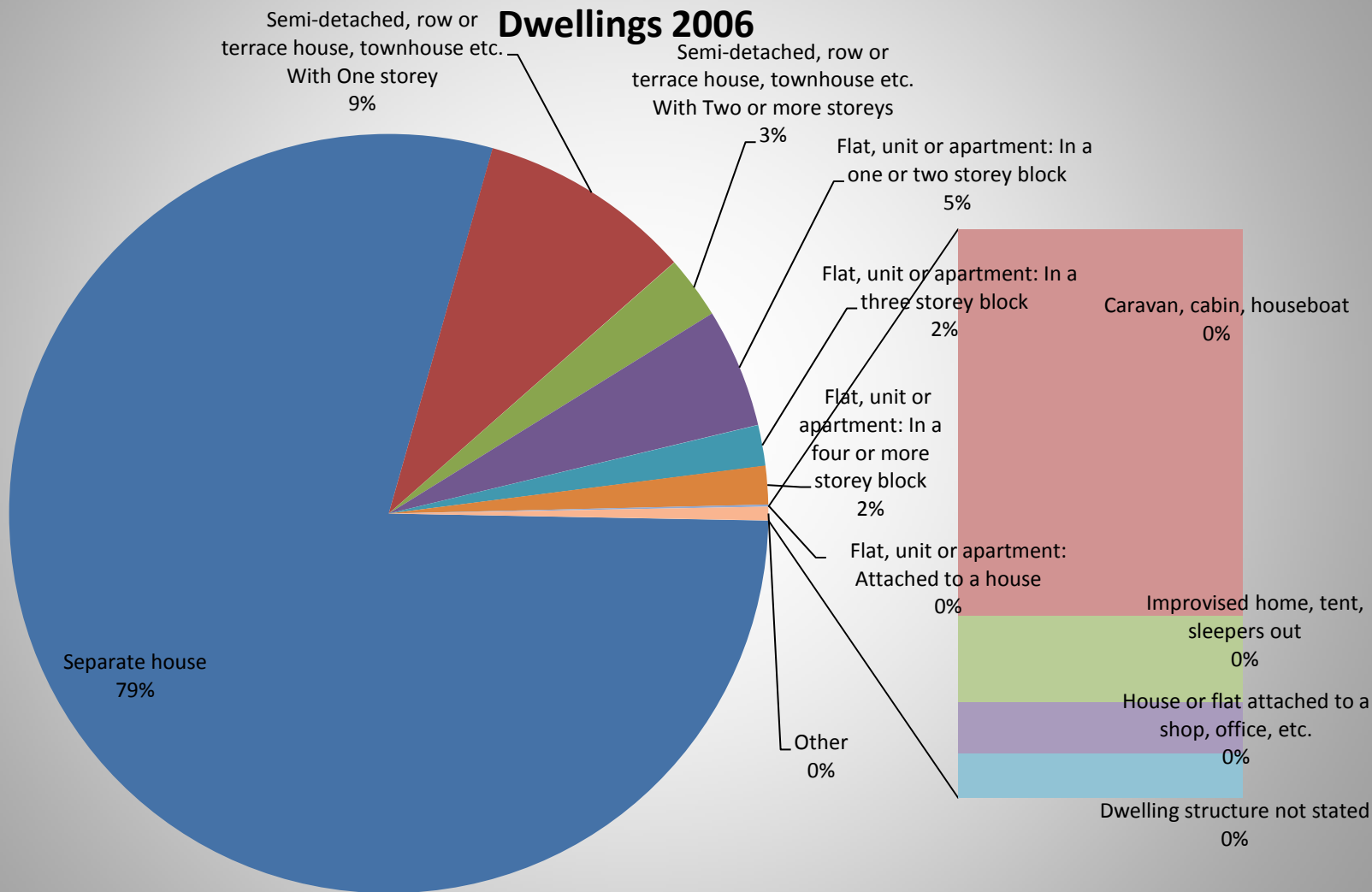
Oversized & Underoccupied

- Between 1975–76 and 2007–08, the average dwelling size increased from 2.8 to 3.1 bedrooms per dwelling. In 2007–08, 29% of Australia's total dwellings had four or more bedrooms. This percentage has increased substantially from 17% in 1976.
- WA has low ratio of 1-2 bed units / small dwellings (9.7%) and a low proportion of social housing (4.1%)
- Between 1986 and 2006, the proportion of the population living alone grew from 9% to 12%.
- More than four in five (86%) people who lived alone in 2007–08 lived in dwellings with two or more bedrooms. Three quarters (75%) of dwellings housing two people had three or more bedrooms.

Perth Dwelling Types 2001



Perth Dwelling types 2006



Unoccupied

The vacant stock identified in the 2006 Census was roughly equivalent to six times the number of new dwellings completed each year, and eight times the number of homeless people in 2006.

Table 3.5: Unoccupied private dwellings by capital city and balance of state for six states, 2006 (per cent)

	Capital city	Balance of state	State total
NSW	7.4	12.5	9.5
Vic.	8.1	15.7	10.3
Qld.	6.4	11.2	9.2
SA	6.9	18.5	10.3
WA	8.0	17.6	10.7
Tas.	8.1	15.9	12.8
Six states total	7.5	13.6	9.9

Source: Australian Bureau of Statistics, CData Online, Australia, 'Division by Dwelling Type' and 'State/Territory by Dwelling Type', ABS, Canberra, 2007.

Figure 4.1: Current Western Australian Social Housing System

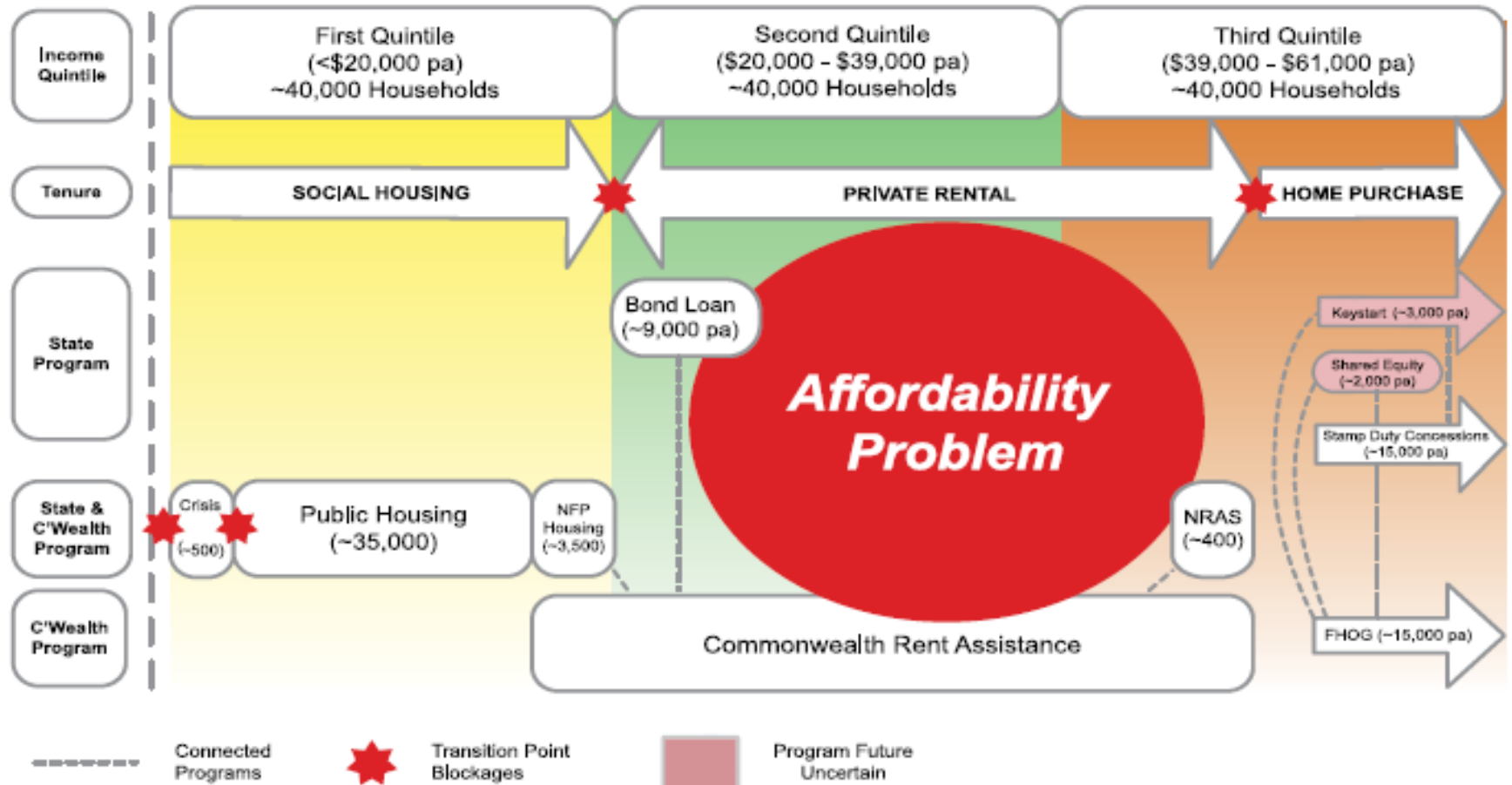
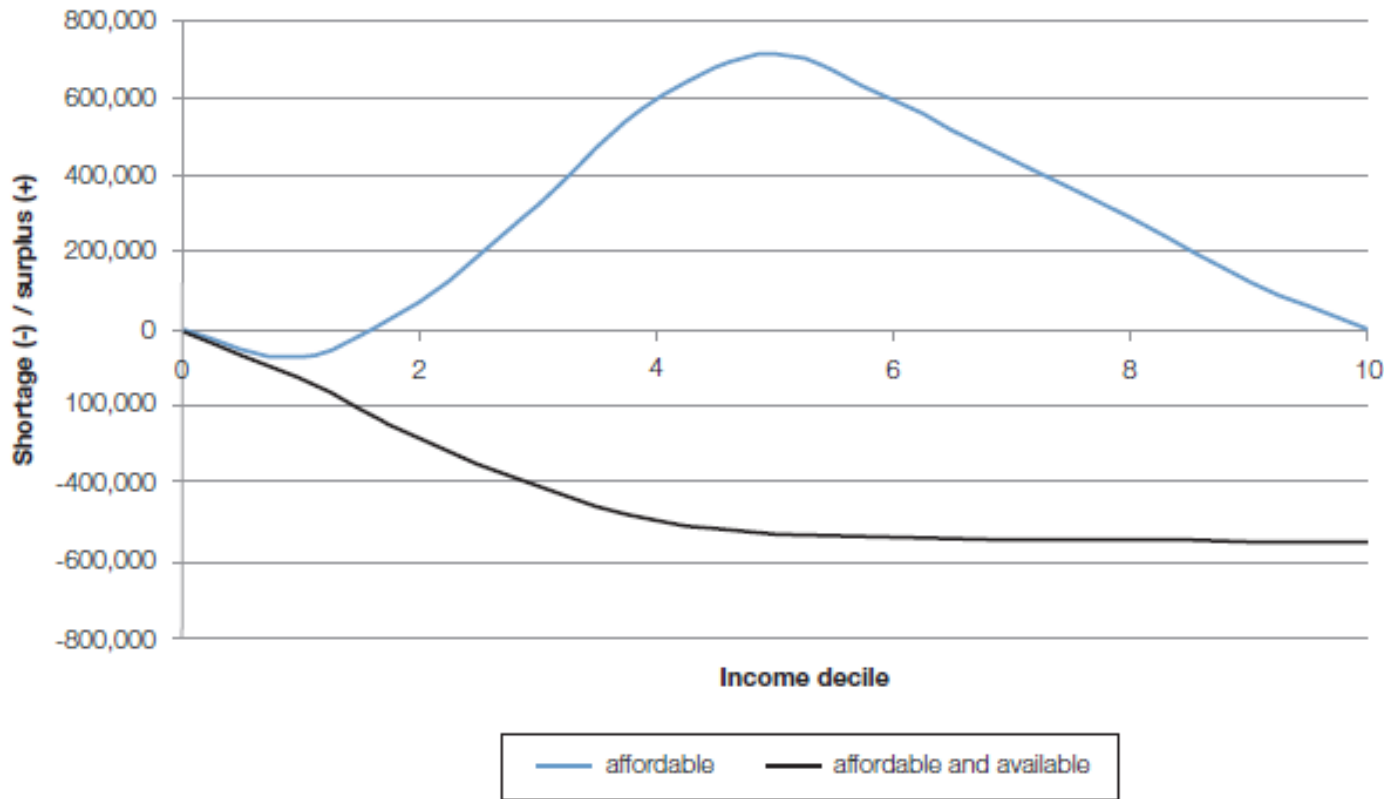


Figure 5.6: Affordable and available housing by income decile, 2007–08



Note: 'Affordable' means rent is less than 30 per cent of gross income; 'available' means the dwelling is not occupied by a higher income household.

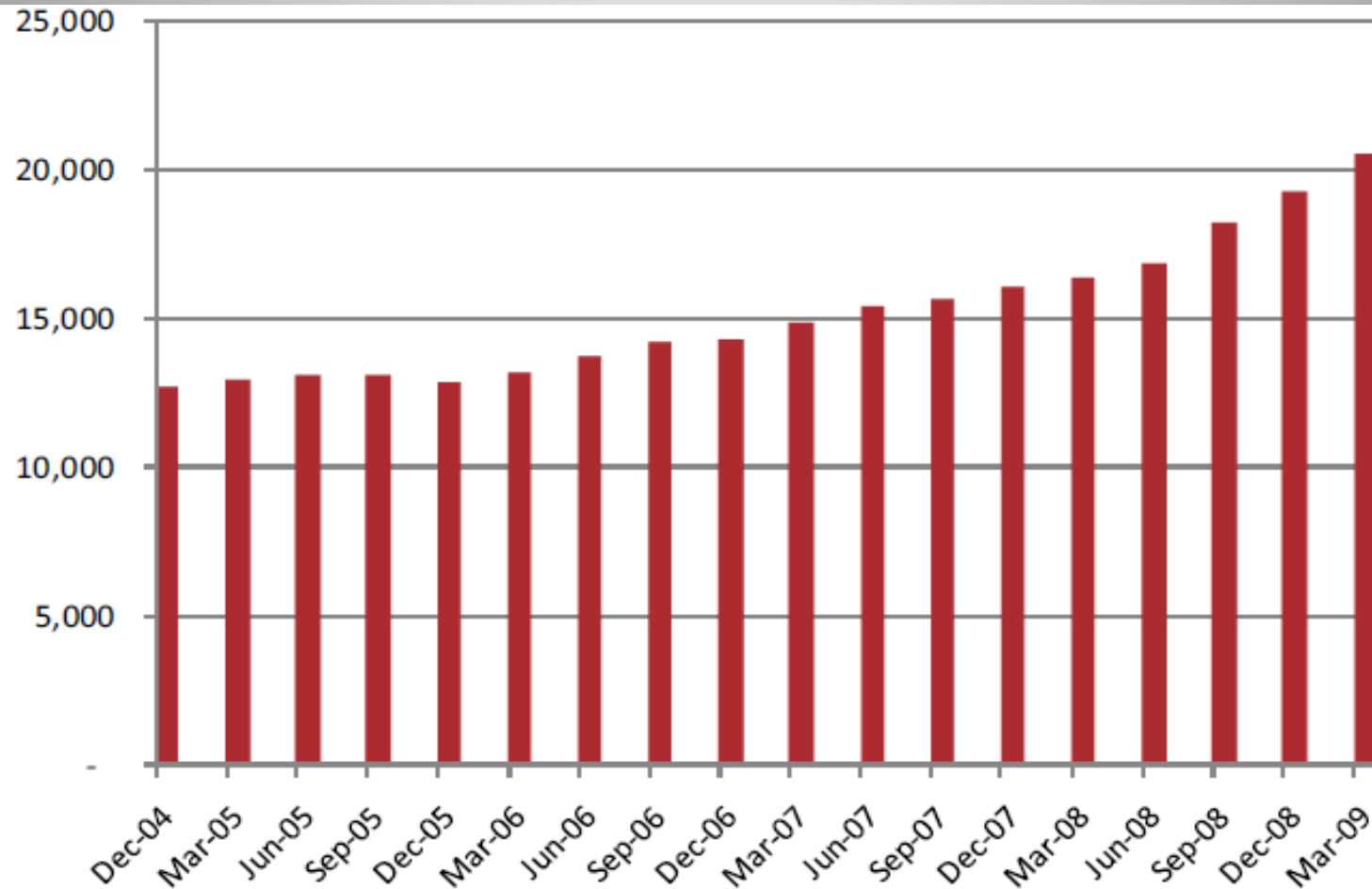
Source: Derived from Australian Bureau of Statistics, *Microdata: Income and Housing, Basic and Expanded CURF on CD-ROM/RADL, Australia, 2007-08*, cat. no. 6541.0.30.001, ABS, Canberra, 2009. Derived using methodology described in M. Wulff et al, *Australia's private rental market: changes (2001-2006) in the supply of, and demand for, low rent dwellings*, Positioning Paper No. 122, Australian Housing and Urban Research Institute, Melbourne, 2009.

Rental

The key findings relating to 2007–08 in Figure 5.6 are:

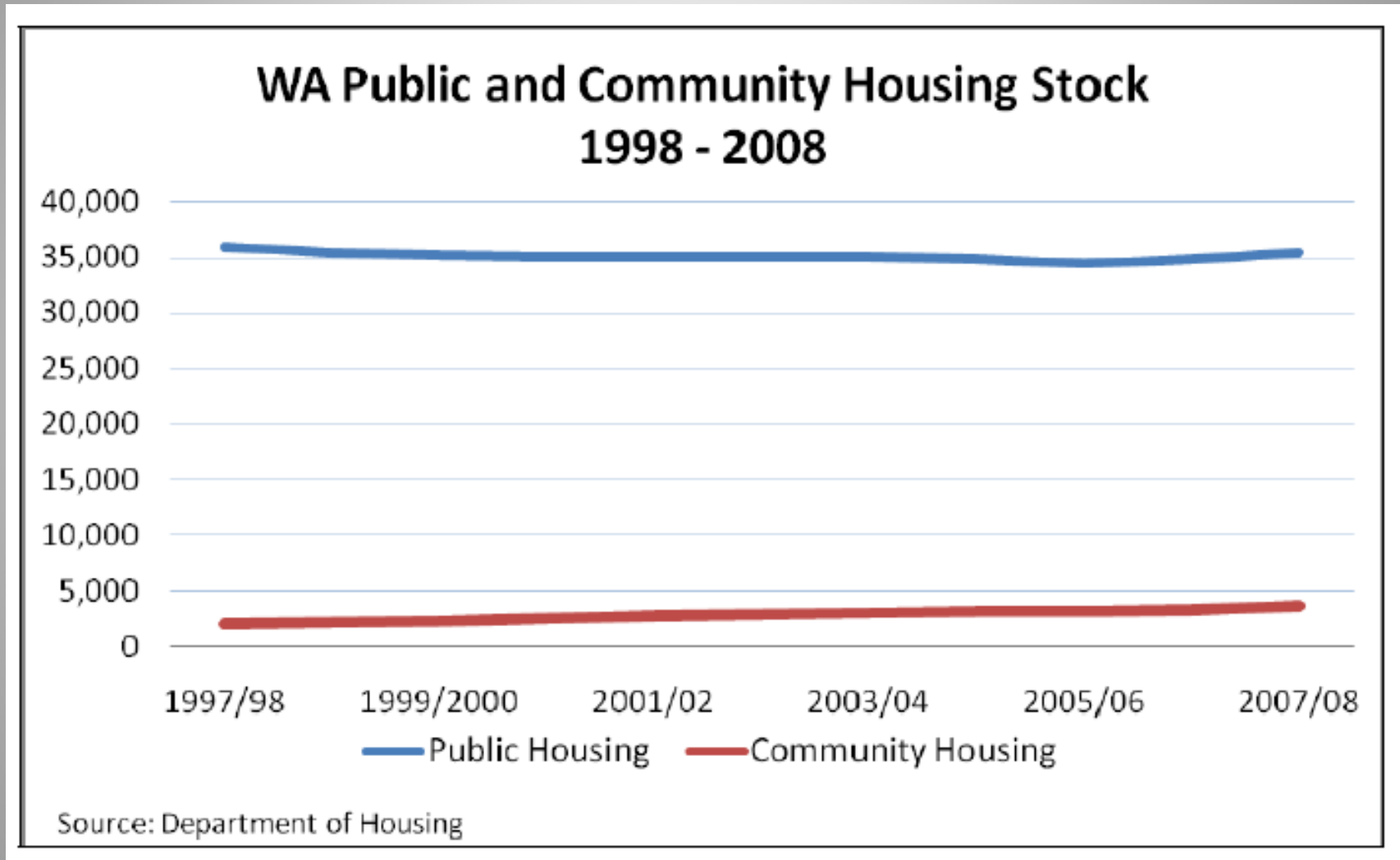
- A total of 1,410,000 private rental dwellings were affordable for the 814,000 private renter households in Australia with incomes below the 40th percentile.
- Of these, 1,089,000 dwellings were occupied by households in higher income percentiles. This results in a change from an 'apparent surplus' of 596,000 affordable dwellings to a shortfall of 493,000 affordable and available dwellings for those in the lowest two quintiles.
- For the 1,067,000 private renter households with incomes below the 50th percentile, there were 1,777,000 affordable private rental dwellings.
- Of the dwellings affordable for private renters with incomes below the 50th percentile, 1,237,000 were occupied by households in higher income percentiles. This changed an 'apparent surplus' of 710,000 affordable dwellings to a shortage of 527,000 affordable and available dwellings.
- Overall, 70 per cent of all private rental dwellings affordable to households with incomes below the 50th percentile are not available to them because they are occupied by households in higher income percentiles.

Public Housing Waiting List



Source: Department of Housing

Social Housing Shortage



Waiting for Public Housing

This information provides you with an indication of how long you are likely to wait until offered accommodation in a specific location.

The Application row indicates how many applicants are waiting for assistance. The Dwelling row indicates the number of public rental properties in a zone or town. The Occupations row indicates the number of occupations over a twelve month period.

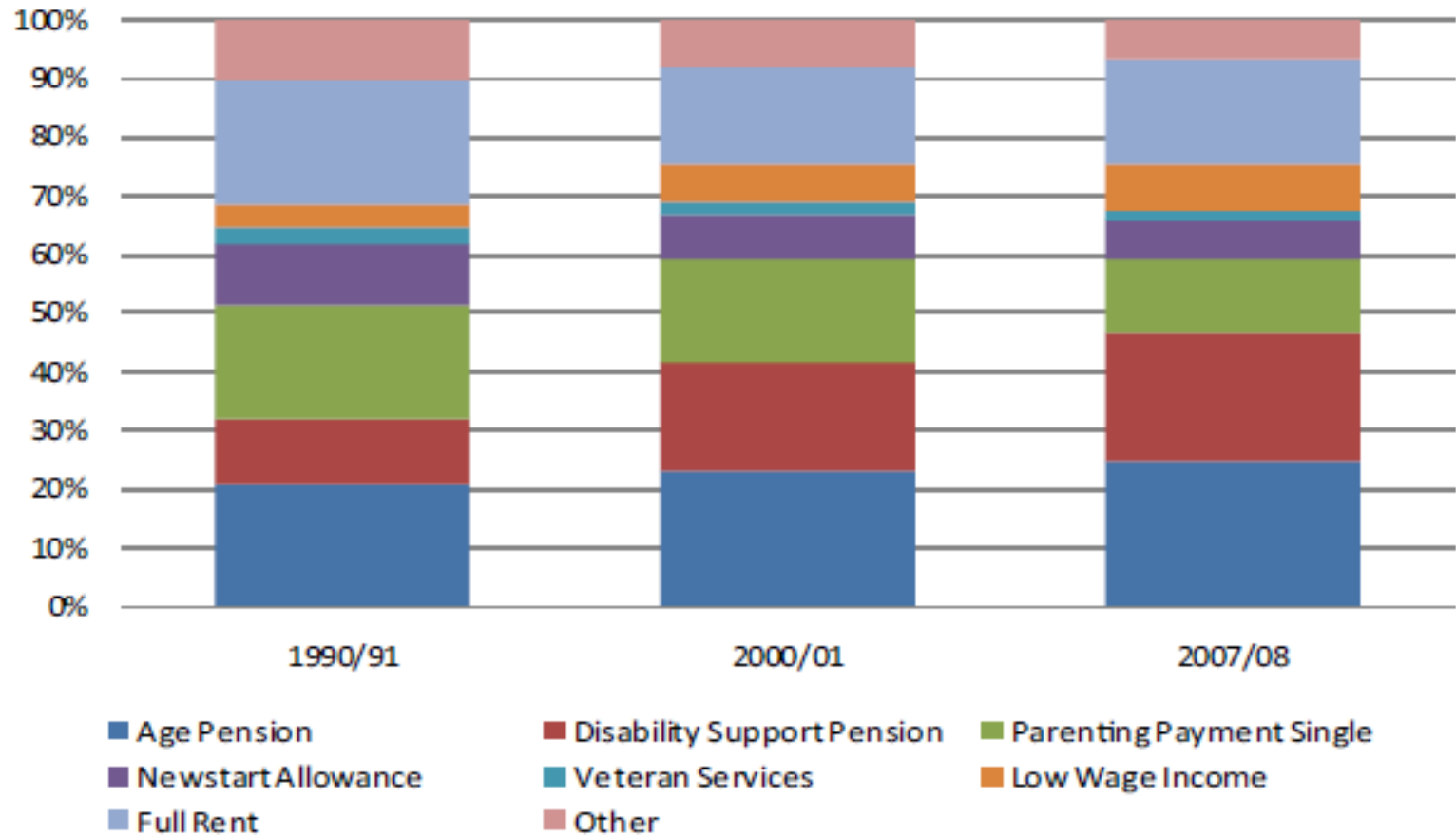
CMOA* (Current Month of Allocation) is the listing date of applicants who have reached wait turn and are next in line to be offered suitable accommodation.

as at June 30, 2010

			Family 2/3br	Family 4+br	Seniors 1br	Singles 1br	
METRO NORTH	NORTH CENTRAL	Application	2181	416	696	1929	
		Dwelling	1331	244	1348	214	
		Occs	55	8	66	19	
		CMOA*	Jul2002	Apr2001	Dec2004	Nov2003	
	6 Ilkeston Pl Mirrabooka 6061 9345 9655	NORTH CITY ZONE	Application	27	1	37	108
			Dwelling	597	21	987	327
			Occs	27	2	65	32
		CMOA*	Jun2004	Jun2004	May2007	May2004	
NORTH COASTAL		Application	702	153	269	385	
		Dwelling					
	Occs						
	CMOA*	Dec2002	Oct2003	Mar2005	Dec2004		
	NORTH EAST METRO	Application	743	122	235	372	
	Dwelling	1011	321	718	119		
	Occs	55	18	43	20		
	CMOA*	Sep2002	Apr2003	Feb2005	Sep2002		
	NORTH WEST METRO	Application	68	11	32	42	
	Dwelling	1461	145	1115	332		
	Occs	40	6	58	41		
	CMOA*	Nov2004	Apr2007	May2006	Nov2005		
	NORTHERN DISTRICTS	Application	229	48	78	135	
	Dwelling	598	257	250	35		
	Occs	41	18	15	3		
	CMOA*	May2003	Jul2004	Apr2004	Nov2003		

Public Rental Tenant Income Sources

Figure 1.14 Public Housing Income Sources



Population Occupation Density & Sprawl

- The preliminary estimated resident population of WA at 31 December 2009 was 2.27 million, an increase of 58,700 persons or 2.7% over the previous year.
- As the fastest growing capital city in Australia, state government estimates indicate that Perth would need 328,000 additional dwellings by 2031, if a projected population of more than 2.2 million is reached. In this scenario, almost half of these dwellings would be required as urban in-fill.
- A large proportion of this need is for housing an ageing population and single people, not for larger houses

ABS Media Release: Western Australian Statistical Indicators 1367.5 30 July 2010

<http://www.abs.gov.au/AUSSTATS/abs@.nsf/Latestproducts/1367.5Media%20Release12010?opendocument&tabname=Summary&prodno=1367.5&issue=2010&num=&view=> accessed 28/08/2010

Initiatives and Strategies

- CoAG Reforms, Stimulus Projects, National Partnership Agreements (mostly short term)
- Strengthen Community Housing Response
- NRAS – subsidy for investment in affordable housing – moderate income households discount to market rent (key worker)
- Planning reforms to match new housing type and location to regional demographic changes
- Infrastructure land development fund – reduce cost of serviced land for low-moderate income entry buyers
- Activate privately owned underutilised and vacant housing for rental occupation with incentives / taxes

References

- Social Housing Taskforce WA Final Report More than a Roof and Four Walls – June 2009
- Social Housing Taskforce Background Paper January 2009
- Rowley, Stephen & Ong, Rachel. Report for WACOSS Market Demand and Supply and Social Housing Stock, the Importance of Support Services 2009
- Australian Bureau of Statistics
 - Australian Economic Indicators
 - Western Australian Statistical Indicators
 - Household and Family Projections
 - Australia's Environment Issues and Trends
 - Census Data Time Series Profile Perth
- 2nd State of Supply Report April 2010 – National Housing Supply Council



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