

NATIONAL HOUSING ALLIANCE

comprising:

AUSTRALIAN COUNCIL OF SOCIAL SERVICE (ACOSS); CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION (CFMEU); COMMUNITY HOUSING FEDERATION OF AUSTRALIA (CHFA); HOUSING INDUSTRY ASSOCIATION (HIA); NATIONAL SHELTER (NS); AND THE URBAN DEVELOPMENT INSTITUTE OF AUSTRALIA (UDIA).

National Housing Alliance Four-point plan

Point 1

The National Housing Alliance calls for the Australian Government to commit to the goal of affordable housing for all Australians and develop a National Housing Policy led by a Minister for Housing at Cabinet level.

While the responsibility for housing outcomes resides with all levels of Government, the Australian Government has a natural leadership role. A Cabinet Minister would provide a focal point for that leadership and recognise that addressing housing problems requires a housing systems response, not simply a welfare response.

The formation of a 'roundtable' of governments, industry and community stakeholders would be a welcome step towards the development of a National Housing Policy.

Point 2

The Australian Government should adopt fiscal and supply side initiatives to increase the availability of affordable housing for the home ownership, private rental and social housing segments.

An inadequate supply, particularly of affordable housing, has exacerbated the problems facing many Australians. Supply side solutions must work in tandem with demand side initiatives. All governments have an important role to play in ensuring barriers to the supply of affordable housing are reduced.

The overall decline in funding under the Commonwealth State Housing Agreement (CSHA) over the last decade has been inconsistent with the increase

in housing related poverty. The Australian Government should increase its direct and tax expenditures to encourage the provision of affordable housing supply.

The private sector has a critical role to play in community housing requirements, but the magnitude of housing affordability problems indicates housing policy failures.

Point 3

Governments across Australia should establish a mechanism for reforming, modernising and standardising planning systems to improve efficiency, transparency and accountability.

Planning systems are extremely important in ensuring good land use and efficient housing development. However, a wide range of inconsistencies make it difficult to plan new housing supply, and the range and amount of fees and charges work against affordability.

Nationally consistent standards can add to certainty, improve transparency and contain the politicisation of planning processes.

Point 4

The Australian Government should recognise and address the negative economic, industrial and personal impacts of the 'boom / bust cycles' in the residential development and home building industry, through policy initiatives to provide greater stability to industry, employees and consumers.

The Draft Report from the Productivity Commission emphasised the 'inevitability' of market corrections but failed to take proper account of the consequences of the impact of significant fluctuations on those priced out of rising markets and those who lose out in any market downturn.

The National Housing Alliance does not support the view that the provision of essential goods, like housing, should be a hostage to boom or bust. We contend that governments must be concerned about the social and economic consequences of such events and seek to eliminate, or at least modify, the boom/bust cycle with targeted government spending.

Government policy settings through regulation, taxation and spending can impact substantially on housing markets. However, it is not always apparent that these settings sufficiently take into account their effect on the availability and cost of housing services. The absence of a dedicated housing policy focus can lead to housing outcomes that are counterproductive.

Background - National Housing Alliance

The National Housing Alliance is comprised of:

- € Australian Council of Social Service (ACOSS);
- € Construction, Forestry, Mining and Energy Union (CFMEU);
- € Community Housing Federation of Australia (CHFA);
- € Housing Industry Association (HIA);
- € National Shelter (NS); and
- € The Urban Development Institute of Australia (UDIA).

“Developers and builders have taken pride in helping to achieve the high rate of home ownership Australia has enjoyed, and the once widespread affordability of housing. But today that pride is overwhelmed by the number of aspiring young families who the industry can’t help because there is too great a gap between what they can afford and the cost and availability of housing. We hope to regain past levels of affordability through this initiative and its aim for a shared commitment between governments, private and social housing providers, and workers.” **Patricia Gilchrist, UDIA.**

“The Union believes that Australia is in the grip of a housing crisis. This public debate around housing policy comes at a time when a select few grow more wealthy off the back of a speculative boom in house and land prices, driven by a raft of public subsidy measures, while many ordinary Australians are locked out of home ownership, and affordable rental housing.” **John Sutton, CFMEU.**

“The Budget tax cuts would mean Australia can’t afford to make needed improvements to public and community housing, services for the homeless and rent assistance. The tax reform we do need is one that encourages investment in low cost housing, not speculation in high cost housing.” **Andrew McCallum, ACOSS.**

“Housing policy is a national issue and requires federal leadership. We have been watering down the role of the Commonwealth for too long. They need to come to the table and help those who have lost out due to unaffordable ownership and rentals.” **Adrian Pisarski, National Shelter.**

“Affordable access to appropriate, secure and safe housing is one of the best indicators of how well the economy is delivering for all Australians. Rather than every level of Government pointing the finger of blame at other levels of Government; the Alliance calls for a new cooperative approach to treat the causes of spiralling housing costs. The formation of this Alliance, amongst such unlikely partners, exemplifies the spirit of cooperation that will be required.”

Andrew Barger, HIA.

“Community providers give us another supply option and our members are developing new delivery partnerships with the private sector. We need a national focus to help sort out how best to use housing subsidies to ensure we build homes for those in need and help provide balance and stability in our housing futures.” **Carol Croce CHFA.**

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Background on affordable housing

Affordable housing is an issue that affects all types of Australian families and all tenure types.

On any given night in Australia, over 105,000 people are homeless (1999, ABS Cat 2041.0). In 2001-2002 supported accommodation services reported a total of 50,800 children accompanying homeless adults (AIHW, SAAP National Data Collection, 2001-02)

Australians on the lowest twenty per cent of incomes spend on average sixty four per cent of that income on housing costs (Winter & Donald 2001).

There are approximately 250,000 people living in capital cities in housing stress and if the trends continue this figure will rise to 1 million by 2020 (Berry & Hall 2001). Housing stress is experienced when a household's accommodation costs do not leave sufficient income to afford the other necessities of life.

Public Housing has declined from 6.2 per cent of total housing stock in 1994 to 4.7 per cent in 2001 (ABS 1996 & 2001).

It has been estimated that to address the existing shortfall in private rental accommodation would require an additional 150,000 homes (Yates & Wulff 2000). To put this in perspective, that is around the total number of new homes built in Australia in a typical year (HIA).

First home buyers are fast becoming an endangered species. Despite direct grants and stamp duty concessions, the first home owners' share of the housing market has plummeted. In March 2004, to buy a median first home in Australia required a minimum household income of \$77,400 (HIA-Commonwealth Bank Affordability Index).