



Position Statement

National Rental Housing Advocacy Day Housing for a Fairer Australia 24 September 2008

Australia Fair is coordinating a national advocacy day with the support of National Shelter, the Australian Council of Social Service (ACOSS), the Community Housing Federation of Australia (CHFA) and Homelessness Australia. The national advocacy day provides an opportunity to lobby Federal Members of Parliament (MPs) and Senators on the need to substantially increase investment in public and non-profit housing.

Housing provides a foundation for social and economic participation. It promotes stable and healthy households and sustainable communities. The lack of stable and secure housing causes poor health, education and employment outcomes and increases poverty and social exclusion.

Australia is experiencing a crisis in housing affordability with many low-moderate income Australians in housing stress, paying more than 30% of their incomes on housing costs. The worst affected by the current crisis are private renters. Housing un-affordability increases homelessness, with people unable to meet rental payments in the private market and, once homeless, unable to acquire housing due to inadequate supply. Despite the level of need, the stock of public and non-profit housing has declined over the last decade due to funding cuts. It is time to reverse this trend.

The Commonwealth and State and Territory Governments are about to negotiate a new National Affordable Housing Agreement (NAHA) which will include funding arrangements for public and non-profit housing and is to commence in January 2009. The NAHA negotiations provide Governments with an opportunity to substantially increase the stock of public and non-profit housing as part of a broader strategy to address the acute shortage of affordable housing.

The Facts

- There are at least 600,000 families and singles in the private rental market in housing stress. This represents 65% of low income private renters.
- Approximately 180,000 households are on public rental housing waiting lists. Eligibility is extremely limited, with access restricted to the most severely disadvantaged.
- The supply of public housing has declined by approximately 30,000 dwellings between 1996 and 2006 from 372,000 to 341,000 dwellings.
- Commonwealth funding for public and non-profit housing has fallen by around 30% in real terms since 1996.
- More than 32% of households receiving Commonwealth Rent Assistance still pay more than 30% of income on rent.
- There is a national shortage in the annual supply of new housing per year of more than 30,000 dwellings; and
- More than 105,000 people experience homelessness on any given night.

The Commonwealth Government has introduced a number of housing affordability measures, including the National Rental Affordability Scheme (NRAS) to increase the availability of affordable rental housing. These initiatives are positive but major additional investment is now needed in public and non-profit housing along with greater assistance for private renters to substantially improve housing affordability.

The Solutions

We have six key recommendations:

1. A Growth Target should be established involving an increase in the stock of public and non-profit housing by **30,000** additional dwellings by **2012**.
2. An Affordable Housing Growth Fund should be established with funding of **\$7.5 billion over 4 years** strictly ear-marked for expanding the stock of public and non-profit housing, contributed on a proportional matching basis by the Commonwealth and the States/Territories.
3. An Operating Subsidy Program should be established, with funding of **\$3.5 billion over four years provided by the Commonwealth**.
4. These funding arrangements will require approximately **\$5 billion** above funding currently provided by the Commonwealth and State/Territory Governments through the Commonwealth State Housing Agreement (CSHA).
5. New stock should meet standards relating to dwelling quality, disability accessibility and energy efficiency.
6. Commonwealth Rent Assistance (CRA) should be reviewed to ensure that it best meets the needs of all low income renters. As a first step, the maximum rate of CRA should be increased by **30%** (approximately \$15 per week) for low income households currently receiving the highest rate of CRA at a cost of **\$500 million per annum**.