



# NATIONAL BULLETIN

An eBulletin from CHFA - your national community housing peak organisation

## Edition 43 – November 2, 2007

### Myths and mortar: housing issues explained

ABC Radio National's program, *The National Interest*, ran an excellent feature on housing affordability as part of its program on 21 October 2007. The program's guests were Saul Eslake, chief economist for ANZ, AHURI researcher Kath Hulse, and the illustrious Steve Bevington, Executive Director of Community Housing Limited, and CHFA Board member.

The three commentators provided incisive and non-partisan commentary about how they perceive Australia's housing affordability problems have come about, and possible solutions to easing affordability woes. Although lengthy by NB standards, we've included Saul's opening remarks:

"Essentially, [Australia's housing affordability problem is] a by-product of how well the Australian economy has been doing over the last 15 years. We've had 15 years of more or less uninterrupted economic growth, during which average

earnings have risen by close to 90 per cent, while over the course of that period the standard variable mortgage rate has roughly halved. That's meant that the amount which a typical, home-buying household can afford to borrow - under rules which aren't as strictly applied as they used to be - has more than doubled. Over the same period, rising immigration and falling average household size have meant that the number of households looking for accommodation has risen by about 1.5 million, that's around 200,000 more than the number of dwellings has increased by. So, you've had a substantial increase in the purchasing power of households, no net increase in the supply of housing and, hence, all of that additional purchasing power has gone into pushing up the price of housing.

"Then on top of that, some other changes... Such as the halving of the capital gains tax rate which, by enhancing the appeal of negative gearing, brought more landlords into the market competing directly with

first-home buyers. [That] has also pushed up the price of housing, with the result that, as [was noted in the introduction to the program], housing affordability today is as dire as it was in the late 1980s and early 1990s, when interest rates peaked at 17.5 per cent. But in contrast to that occasion, when the solution to housing affordability is a problem with lower interest rates, there is no easy solution to a problem which is essentially the result of high house prices.”

All of the commentators agreed that there is much more scope for improving the situation for the nation’s renters. Saul Eslake was most supportive of the role that community housing can play in alleviating Australia’s housing affordability problem.

Audio from the program can be downloaded for up to four weeks after the broadcast, and a transcript of the program is also available online. Please see [www.abc.net.au/rn/nationalinterest/stories/2007/2064693.htm#transcript](http://www.abc.net.au/rn/nationalinterest/stories/2007/2064693.htm#transcript).

### **Women’s housing futures**

A new AHURI report, authored by Selina Tully, Andrew Beer, and Debbie Faulkner was launched by South Australian Housing Minister, Jay Weatherill on 22 October 2007 in Adelaide. The report considers the future of housing for women in Australia, and looks at both current patterns and emerging trends in order to paint a picture of Australian women in 2025, and the housing they will occupy, with respect to the types of dwellings in which they will live, how much they may pay for

their housing, their tenure arrangements, and their household structure.

A copy of the report can be downloaded at [www.sapo.org.au/binary/binary6621/TOO.pdf](http://www.sapo.org.au/binary/binary6621/TOO.pdf).

### **Workshop on house prices, affordability, and risk**

As part of the launch of the International Centre for Housing and Urban Economics in Australia, AHURI are organising a workshop which brings together three international leaders in housing policy and economics to present models and ideas to challenge Australian paradigms. One important focus of the workshop will be land use planning.

The three keynote speakers will be Professor Geoffrey Meen from the University of Reading, UK; Professor Susan J Smith, from Durham University in the UK; and Professor Duncan Maclennan, from the University of Ottawa, Canada. This half day, free workshop will be held in Melbourne from 9am to 1pm on 21 November 2007 at the State Library of Victoria. For more details please email [ichue@rmit.edu.au](mailto:ichue@rmit.edu.au).

### **Mission Australia looking for housing guru**

Mission Australia is seeking a national specialist in homelessness and housing. This senior position will involve driving Mission Australia’s strategy in homelessness and housing policy and service delivery, and working closely with

their Research and Social Policy unit. Mission Australia will consider appointing the position in any Australian capital city. For more information, please see <http://www.missionaustralia.com.au/cm/p.aspx?n=GZGDP-MJSOV-JINMD-UUQCH-CCOGF> and click on the link towards the bottom of the page.

## **Australia Fair part 2**

Australia Fair has released a new report, *Australia Fair, Update on those missing out*, which uses new data to show that more than one in ten Australians are living at or below the poverty line. Whilst the report uses a variety of statistical information to support this position, it also draws on stories of individuals to add depth to the data. A copy of the report can be accessed at [http://www.australiafair.org.au/upload/site/pdf/publications/3517\\_Australia%20fair%20numbers%20and%20stories.pdf](http://www.australiafair.org.au/upload/site/pdf/publications/3517_Australia%20fair%20numbers%20and%20stories.pdf).

## **Welfare counterpoint: Peter Saunders**

Peter Saunders, from the Centre for Independent Studies, takes issue with the claims in the Australia Fair report. His article, *They're not really that poor*, is published in Online Opinion. In it, he notes that 'working people in this country are paying tax to support more than 700,000 disability support pensioners, about 600,000 welfare parents, nearly half a million unemployed and two million aged pensioners, not to mention more than three million families claiming Family Tax Benefit...While unemployment figures are at 30-year lows, total welfare dependency is at record highs.'

He notes that the definition of poverty in the report is entirely arbitrary. Peter Saunders' critique of the Australia Fair report can be found at <http://www.onlineopinion.com.au/view.asp?article=6576>.

## **CHFA AGM and NMM**

CHFA's AGM and National Members' Meeting (NMM) will be held in Canberra on the 8-9 of November. This year, the NMM will feature discussions and workshops about the future of smaller community housing organisations. We will provide information about the outcome of the meetings in coming editions of NB.

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## **Contributions**

If you have news or resources that you think would be interesting or helpful to others in your State/Territory or colleagues interstate, contact CHFA and we can plug your news into NB. Email your news to: [chfa@chfa.com.au](mailto:chfa@chfa.com.au)