

## Social housing boost could power Australia's recovery from coronavirus recession

By business reporter [Daniel Ziffer](#)

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Despina says the shift to community housing from private saved her life. (ABC News: Curtis Rodda)

A coalition of anti-poverty groups, unions, construction industry bodies and the multi-billion-dollar heft of the industry super sector have come together to try to fix Australia's biggest housing problem: social housing.

Owned and run by governments or not-for-profit agencies, social housing puts a roof over the heads of people on low incomes, who have experienced homelessness, are fleeing family violence or have special needs.

"It actually means the difference between food being on the table and food not being on the table. That's the kind of difference that it makes," said Rebecca Oelkers, chief executive officer of Brisbane Housing Company.

The organisation manages 1,700 properties, capping rents at less than 75 per cent of the prevailing market

### Key points:

- The National Affordable Housing Alliance wants 10-times more social housing built annually in Australia
- There are currently 4,500 social housing dwellings built in the country per annum by the Federal Government
- The Federal Budget added \$1 billion to the National Housing Finance and Investment Corporation, which provides low-cost

rate.

finance to organisations wanting to build social housing

In the United Kingdom and countries like Austria and Finland, about one in six people live in social housing.

In Australia, it's fewer than one-in-20, with decades-long waiting lists and pressing demand.

And it's getting worse: the total number of households in Australia expanded by 30 per cent in the past two decade, but the amount of social housing grew by just 4 per cent.

"So there's a huge demand for that kind of affordable housing and yet as a strategy we tend to just 'leave it to the market'," Ms Oelkers said.

"And the notion of affordable housing is often looked at as ... an affordable price point in a new housing estate. That's not what we need.

"We need rental housing that is well-located for people and they have that ability to rent at a rate that is affordable."

The problem is real. Despina now lives in one of the company's units in Springwood in the outer-suburbs of Brisbane.

"Very hard, very hard," the 65-year-old said, describing her last experience in the private rental market.

"I never had money for meals. I was always paying rent, water, paying my bills. (With) this it's safe, I save a lot of money and I love it. It's just a beautiful, beautiful unit."

Anyone paying more than 30 per cent of their income to keep a roof over their head is in what's called 'housing stress'. That phrase captures more than 400,000 Australians, and probably many more with the ballooning size of mortgages and stagnant wage growth in recent years.

## **Heavyweights enter**



Fewer than one in 20 Australians live in social housing due to a lack of supply. (ABC News: John Donegan)

The topic has brought together groups who wouldn't normally sit around the same table, like the Property Council of Australia and Homelessness Australia, and Master Builders Australia and the Australian Council of Trade Unions.

Together with anti-poverty body Australian Council of Social Services, Housing Industry Association, National Shelter, the Community Housing Industry Association and the multi-billion-dollar heft of Industry Super Australia, they've formed the National Affordable Housing Alliance.

Leading the charge is Rod Fehring, a man who used to run one of the nation's biggest residential and commercial building companies, Australand (now called Frasers Property Australia).

He wants to see the amount of social housing built annually in Australia multiplied by 10.

"Well we're not going to waste our time," he said.

"The important thing is the opportunities are presenting themselves now there's an opportunity to harness capital and apply it to a social good for an enduring long-term benefit."

The time was now, he added, because the combination of record low interest rates and the amount of capital looking for a return is "unique in anyone's lifetime."

"We need to set ourselves targets to at least start to contribute more than the paltry 4,500 (social housing) dwellings per annum that are being produced from the public purse, we need to multiply that by a factor of 10."

## **Budget ignores issue**

The [Federal Budget did not give money specifically to build social housing](#) but added \$1 billion to the National Housing Finance and Investment Corporation (NHFIC) that provides low-cost finance to organisations wanting to build it for them.

Established in 2018, the NHFIC has issued \$1.2 billion in bonds, building 2,200 new homes and supporting 6,300 existing ones.

However, to put it in perspective, our smallest major bank NAB has committed \$2 billion over three years to the same task and already spent 10 per cent of that.

Committee for Economic Development of Australia chief economist Jarrod Ball sees existing construction stimulus packages like HomeBuilder and the First Home Loan Deposit Scheme as an economic "sugar-hit" favouring people who would have bought houses anyway.

"It's brought forward existing activity. But what does the back end of 2021 look like?" he asked.



Experts say allocating \$7 billion to building social housing could create 60,000 jobs. (ABC News: James Carmody)

"Social housing is the logical place to go when you think about the longer-term impact of getting more people into housing... and get the stimulus into the economy that we're probably going to need in 2021."

The biggest issue seems to be that it requires collaboration and co-ordination between state and federal governments.

Without access to the tax revenue Canberra draws in, most states cannot make up for years of under investment in social housing stock.

But history provides a solution.

After the global financial crisis in 2008, a partnership between the different levels of government built 19,700 new homes and created 9,000 new jobs.

The community housing sector said spending \$7 billion now could build 30,000 properties and renovate 100,000 more, creating 60,000 jobs over four years.

"Clearly it works," said Mr Ball.

"If you want to get economic activity moving quickly, this is a winner."

## **More than a roof**

Social housing has what is called "multiplier effects" in the economy; not only does it employ workers in construction, but people who move out of housing stress can focus on their lives and play a greater role in society.

It's something Brisbane Housing Company's Rebecca Oelkers sees daily.

"Having a roof over your head is an absolutely life changing thing," she said.

"It allows you to just get your life together: to get a job and to get education, to be settled down with your kids and to actually participate in the economy. To me that is the kind of Australia that we absolutely want and the kind of Australia that we absolutely need."

Construction mogul Rod Fehring said it was common interest that had brought such disparate groups together, to boost social housing.

"It's a recognition that housing is a sort of a pillar," he said. "It gives you the competence and the confidence to be able to engage more broadly with the community and develop the skills that you'll need to enhance your opportunities in life."

For Despina it means she can save money or spend it on her nine grandchildren and the things many people take for granted.

"Then I always struggle, yes. Now, I've got everything I can go out, I can go for dinner," she said. "It's changed my life so much. I can do things now. I'm alive."