



Churches & Housing

Text of the speech given by
Rev. Harry Herbert at the
Churches Community Housing Conference
on 29 March 2000

I am very pleased to be here today and I hope that my presence indicates the strong commitment which the Churches have given over many years to policy issues in regard to housing. This is especially true for UnitingCare NSW.ACT, of which I am the Executive Director within the Uniting Church Synod of NSW.

Housing, of course, as an issue, has many component parts. A lot of attention in recent times has been given to the issue of homelessness and while this is most appropriate, it is only one part of the total picture. The adequacy of public housing, the provision of community housing, issues related to boarding houses, both licensed and not licensed, protection for private renters, adequacy of rent assistance, affordable housing measures, and many more issues go to make up the total picture in regard to housing policy.

Like many social issues, housing is a complex issue and dealing with housing policy needs a range of responses. Whenever I speak to journalists I am always urging them to beware of people who approach complex social issues with one big solution. That is true whether you are talking about drug policy, unemployment, welfare payments, and certainly in this case in regard to housing. Getting the public housing waiting list in NSW down from its current high level, approaching 100,000 households, could in theory be solved by the Department of Housing engaging in a massive building campaign, but more likely it will be addressed more effectively by a range of responses.

I notice that in most discussions of this issue, the community sector's response to the high levels of housing distress is to argue the need for more resources, while at the same time government officers will argue the need for more co-ordination and better planning and more efficient use of existing resources. I think that both approaches are valid and both need to be applied at the same time. While I have said that many policy responses are required, nevertheless I am the first to say that a major factor in our finding ourselves in the current situation is that the Commonwealth State Housing Agreement has been allowed to wither on the vine for all too long. That occurred during the Hawke-Keating years and has continued under the Howard Government. Although I acknowledge that rent assistance has been a counterbalancing policy to some extent, it remains the case that during a period of high unemployment and high social need, the resources put into the CSHA have dwindled. At the same time the client base of public housing has become predominantly social security recipients and the plain facts of the matter are that 25% of social security is not sufficient rental income to maintain properties, and it isn't even sufficient if rent assistance were to be included. Thus the limited number of new units being built, where the Commonwealth often points the finger at the States and implies administrative inefficiency, is simply because the public housing system is not self sustaining in regard to recurrent costs. No where is this more true than in the Sydney market. No one could build stock today in the Sydney region and expect to maintain that stock with an income of 25% of social security payments. And, that is not taking any profit or surplus into account.

Among those who work in the community service sector, it is a well established fact that unless people have access to affordable and secure housing, very few other issues in their lives are likely to be addressed. Unaffordable and insecure housing puts individuals and families under so much stress that they are unlikely to overcome other deficits in their lives. For instance, injecting drug users who are homeless are unlikely to address their drug use while they remain homeless. Unemployed people forced to live in inaccessible areas with little access of transport are not well equipped to find employment.

The affordability of housing is therefore a key component of housing policy and a key measure for addressing housing need. We are unlikely to be able to deal with public housing waiting lists, even if there were a massive injection of funds, if affordability continues to be harder and harder to achieve and more people are forced onto those lists.

Not surprisingly large numbers of people in the rental market are paying more than 30% of their income on housing costs. The figure of 30% comes from the National Housing Strategy which was an initiative of the Commonwealth Government conducted from 1990 to 1992. That has now become a well accepted figure. Using it, we find that low income households, which are households earning below \$36400 p.a. in the private rental market in Sydney, amount to approximately 90,000 households. For the rest of NSW, the number is 142,000 making a total of 232,000 low income households in NSW who are renting in the private rental market and who are paying more than 30% of their income in rent. In addition there are some 90,000 or more low income households who are home purchasers and who are paying more than 30% of their income on housing. More than half of low income households in the private rental market fall into their category. And I am using the 1996 Census figures and I am sure that the situation has not improved but has worsened.

Finding strategies to make more affordable housing available is clearly an important part of the whole picture. I know that the Churches Community Housing Project is a part of that. To the extent that those projects make more affordable housing available, it is an important step. Making church land or buildings available for housing projects can reduce the overall cost and so make housing more affordable. UnitingCare, my own organisation, invested \$700,000 a few years ago in a joint venture with the Department of Housing in Pyrmont and because we are not looking for any recurrent return on that investment, it has added to the affordable housing stock.

However, of course, many other avenues need to be pursued. I don't know how many of you look at the public notices, but a couple of weeks ago an interesting public notice appeared in the Sydney Morning Herald. It was headed "South Sydney Local Environment Plan 1998 Amendment no. 2 - Green Square". And the sub heading was "Green Square Affordable Housing Development Control Plan". I won't read any more of the notice, but to summarise it tells us that the South Sydney Council had established a Local Environmental Plan for the Green Square area [which is the area south along South Dowling Street between Redfern and Rosebery], and had required the developer to provide a limited number of affordable housing units within the development, much along the lines of what had been done through the City West Housing Corporation in Ultimo-Pyrmont. However, the developer, Meriton, had taken the issue to the Land and Environment Court and had successfully had the LEP overthrown, including its affordable housing provision. Now, admittedly, the developer still has a problem because the land has now reverted to its previous use for factories and some compromise will need to be reached. However, this episode, which incidentally also imperils the legal authority of

the City West Housing Corporation to pursue its activities in Ultimo Pyrmont, tells us how even modest attempts to gain affordable housing can be over-turned.

Although I am informed that legislative changes will make such appeals to the Court unlikely to succeed in the future, it raises the issue about how much commitment there is from the NSW State Government to pursue this issue as a component of affordable housing policy. The plain fact is that developers gain massive profits in the wake of Government decisions and Government spending. We hear, for instance, that the increase in rents in suburbs around the Olympic site at Homebush Bay is not the result of increases in rents in existing properties but because many new upmarket developments have occurred in those areas. This is what the Department of Fair Trading is telling us in regard to movements in rents.

But the issue that is rarely raised is that the people who have built those new developments and who have made handsome profits from them have been able to do so because of massive Government spending on the Homebush Bay site. Again, when the Government constructs the Chatswood to Parramatta rail link it will have a large impact on development potential along the route. Why should not some of this resource be directed towards affordable housing? In the report of the Affordable Housing Taskforce to the NSW Government, it states: "Another key aspect of State Government responsibility is through its planning and approval powers. These systems will need to be used more effectively to provide stronger leadership, incentives and pressures which will encourage local councils and other parties to contribute to the necessary improvement in the supply of affordable housing."

People will say that the Green Square proposal was modest anyway, and in the total scheme of things won't make much difference. But, if this were to be repeated in many other areas it would become a viable and worthwhile strategy.

Again, while the Government has been keen to encourage church and community groups to put in land and resources for affordable housing projects, how much has the Government itself done in this regard? Why has the situation developed whereby the Government can say in regard to surplus Government land that it must always be sold at market rates? The closure of many health institutions in recent years has provided opportunities for Government, but they have not been taken. Sites which Governments never paid for in the first place are sold at market rates, while we are told that there are no resources for affordable housing projects.

Why did the NSW Government not accept the recommendation of its Affordable Housing Task Force to establish targets for affordable housing in each region of the State? Its response, to establish a small directorate and to give them the token amount of \$10 million for demonstration projects, was very inadequate.

Unless some of these issues are addressed, we face the prospect of more and more households coming under housing stress, and therefore greater social needs emerging. The impacts of the Olympics and the introduction of the GST at the same time this year are two potential factors for the increase in rents, and this will possibly push more households into housing stress. The decline of many traditional sources of low cost housing is also another factor.

So, for the churches there are two priorities. First, we must continue to lobby the Commonwealth Government to not only preserve but to improve the CSHA. We must continue to lobby the State Government to actively show leadership in regard to housing affordability and to address some of the basic causes of homelessness. Finally, the churches themselves must be prepared to do whatever they can to

channel resources into this area. Spare land, spare buildings, management abilities, etc, are all part of that picture.

As early as 1996 the Social Impacts Advisory Committee for the Olympics was advocating to Government that improvements needed to be made with regard to SEPP 10, which covers the changed use of boarding houses. In November 1997 I was told that it was as good as done, but it took until this year for it to be gazetted. Slow progress! In the course of lobbying on this issue I was often told that it wouldn't have much impact anyway. Well, I agree that it is not an earth-changing measure. But it is a modest step in a useful direction. At the same time, when some really significant measure is advocated, I am told that they are too ambitious. My challenge with Governments is to find the proposal that is not so small as not to be bothered with and not too large to be refused. Such is the role of those like myself in the community services sector! However, with housing so basic an issue, we must continue our work, despite the difficulties.

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