

Brotherhood Talks — Affordable housing in Australia: what can we do about it?

Sharon Lee: Welcome to Brotherhood Talks.

Kate Colvin: Housing is the biggest cost of living issue in Australia. It's the largest proportion, single item that's a proportion of people's budgets, and I think that politicians who are not hearing the pain in the community on this issue are missing the temperature of the community.

Kate Raynor: We have an asset-based welfare system that's predicated on pensions, being supported by home ownership in older age, and the canary in the coal mine around that is the fact that women over 55 is the fastest group of people experiencing homelessness in Australia. We're creating a legacy of vulnerability at the moment.

Sharon Lee: How big is Australia's affordable housing challenge, and what can we do about it? Doctor Kate Raynor and Kate Colvin share their insights with us in this Brotherhood talk. Kate Raynor is from the Affordable Housing Initiative at the University of Melbourne. She's set the context by looking at how affordable housing is now, in contrast with past decades.

Kate Raynor: To speak about the scale of the problem and just how big it is, I would say in a word, very. It is very big, and also qualitatively different to what we've experienced previously in Australia. I think it's being felt across the spectrum, across home ownership, across private rental, and across social rental housing as well. If we just begin by speaking about home ownership, and we know that it's a substantially different experience, as Shelley mentioned, entering into home ownership now, than it has been previously.

And I know, sometimes I think about my family when I think about this issue, and I know when my father bought his first home in the 60s, my mum bought her first home in the 80s, the median house price was about three times the median income. If we were to buy a home now, using that same ratio, we'd be looking at homes in Melbourne, about \$250,000. How many of them have you seen recently? I looked it up in Domain before I came, and there's about 250 dwellings in all of greater Melbourne that conforms with that price range. A lot of them are in Geelong. A lot of them are studios, and a few of them are boat sheds, so it's quite a different context now, than we've experienced before.

As Shelley mentioned, that is particularly felt by younger people, under 35 year-olds purchasing homes has dropped from about 50% in 1985 to 35% now. And we know that when they do take on loans, they're taking on bigger mortgages, higher proportions of their incomes, and then more and more reliant on intergenerational wealth transfer, so the bank of mum and dad, as it's sometimes referred to. The upshot of that is that greater and greater opportunity for social disadvantage and inequality is emerging from that, because we're looking at multiple generations of income disparity and wealth disparity.

That's particularly an issue when we think about the fact that we have an asset-based welfare system that's predicated on pensions being supported by home ownership in old age, and the canary in the coal mine around that is the fact that women over 55 is the fastest group of people experiencing homelessness in Australia. We're creating a legacy of vulnerability at the moment. If we talk about private rental housing, again, this is something, and it's an even more dramatic change that has occurred, we know that over a quarter of all renters are in housing stress, so they're spending more than 30% of their income on their housing costs, and that doesn't count their transport costs.

We need to be thinking about that, because we know we have concentrations of lower-income households on our city peripheries, who are committing to large commutes to experience and meet their needs in their lives. Again, we're creating an element of spatial disadvantage as well. We know that only 5% of all dwellings in metropolitan Melbourne are affordable to someone who's on a statutory income, so a Newstart, or a pension, or a disability pension, and that has halved in the last 10 years.

We know that we have a substantial lack of dwellings that are affordable to very low and low-income households. Finally, we know there's a massive issue in social housing, and this is, I think, one of the scariest elements, that in the 60s about 8% of our housing stock was social housing, and it's now about 3.5%. So we've seen consecutive governments under-investing in social housing, such that we have a far smaller proportion, and that proportion is aging, it's poorly maintained, and very often not fit for purpose, and we're going to be experiencing the returns from those decisions now.

A lot of those facts are things that the people in the room probably already know, so to talk very briefly about some of the things that we can do about it. And at this point I must acknowledge the fantastic work which is not my work, which is the work of AHURI and Julie Lawson, in talking about infrastructure investment pathways. And this fantastic report by Julie talks about the fact that the most cost efficient way to fund substantial social housing would be through direct government investment in social housing, and that has been gone from our discussions about housing for decades, and needs to come back.

The reason it is the most cost efficient way, is because of the cheap access to finance that a government can tap into. It's going to cost a lot of money. It would cost, according to these estimates, about nine billion dollars a year to put in the money for capital grants to support this housing, which is a lot of money. But we can talk about negative gearing, and capital gains taxes, and to put that in context that costs about \$11 billion a year in foregone revenue. It's a comparable figure that we're talking about, that would have large returns in providing affordable housing, but also stimulating jobs and things like that.

What that would mean, is building 8,000 units of social housing in Victoria every year for the next 20 years, which is about eight times what we do at the moment. It's a challenging thing to think about, but we do know that in the UK

they built about 35,000 units in 2017 through local government authorities and the not for profit sector. In Austria, they produce about 15,000 units of social housing every year, and have done since the global financial crisis. These are figures that are achievable in other places. After the global financial crisis in Australia, we produced about 16,000 units of social housing through the nation-building stimulus.

It's things that can occur, it just hasn't occurred, and I think that's something we need to be very much talking about. The second element, and this is what we're seeing in the most recent Labor affordable housing policy, is about tax incentives to incentivise affordable private rental housing, targeted at 80% of market rate rental costs. I think this is an important thing to be discussing for people who are a bit further along the income spectrum, and I think there are many valid elements to making a decision like that. Partially because it's a larger chunk of money than we've spoken about before, it's \$6.6 billion, and it's going to result in 250,000 new dwellings, which again is a big number of dwellings over that 15-year time period.

What it really is, is a return to the National Rental Affordability Scheme that we've previously seen in Australia. It also is a reflection, or it's based upon policies that we see in the U.S., from the Low-Income Housing Tax Credit. The really great thing about the Low-Income Housing Tax Credit in the U.S., is that it's resulted in over three million units since it was initiated in the 80s and brought in by the Reagan government. There's elements of value that are really, really embedded in it. What I'm concerned about is that it's less efficient than the previous option that we discussed, and also the benefit that is attracted by the investor is the same, no matter where that house is located.

It creates a perverse incentive to place your housing in less well located places, where the cost of that rent would be lower anyway. It's creating, again, a spatial element to where this housing is going to be located, and that's an issue. That's something that we need to be discussing. The other thing is that after 15 years, where is that housing going to go? It's only an incentive for 15 years, and then we have this whole problem all over again.

Inclusionary zoning is something that we've been having a discussion about in Australia for decades. In Victoria, we've just gotten half-way there, or maybe a quarter of the way there, with voluntary affordable housing agreements. I think the challenge with voluntary affordable housing agreements is that it's inconsistent, and it's going to create a lot of challenges, implementation. But inclusionary zoning in its pure form is a mechanism through which developers are incentivised or mandated to provide a proportion of affordable housing in return for receiving permission to develop.

In the UK, over a 10-year period, it resulted in about 80,000 affordable units being developed. It can be a really effective mechanism, if it's applied consistently, and if it's mandated. In South Australia they require a 15% affordable housing contribution in all major developments, and it's created

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about 2,000 units over a 10-year period. So it, again, it can be effective. In New South Wales it's been implemented for a while now, and it's created quite a small amount of units. One of the reasons about that, is that it's not consistently applied, and there's no guarantee that it will be applied.

The concern about that, is that it creates challenges in delivery. But if developers knew that there was going to be an affordable component built into their development, the argument goes, if they would factor that into the amount that they would pay for their land, and it would be an achievable policy decision. So inclusionary zoning, if it works well, can be very effective.

In summary, in my 60 seconds, the problem is very big and is different to what it's been before. If we're to talk about some solutions, I think the answer is money. Lots of money. Lots of consistent money, and lots of government leadership. Whether that takes the form of capital grants, whether that takes the form of incentives, tax incentives, or whether that takes the form of the leadership to implement a consistent inclusionary zoning policy, or all three, I argue for all three, that's the direction we should be heading in. Thank you.

Sharon Lee:

Dr Kate Raynor from the University of Melbourne Housing Initiative. She referred in her presentation to work done by AHURI, the Australian Housing and Urban Research Institute. Kate Colvin is the Council to Homeless Persons' deputy CEO, and a spokesperson for the Everybody's Home Campaign. Having worked in the sector for some time, Kate Colvin noted the significance of Father Tucker's Room, where the talk was taking place at the Brotherhood of St Laurence. Father Tucker founded the organisation in the 1930s, in what was then the slums of Fitzroy.

Kate Colvin:

It's like Back to the Future for me, being back here, because many years ago, maybe over 10 years ago, where Barry Pullen and Tony Nicholson, who was the CEO of Brotherhood of St Laurence at the time, and, I think, Paul Linossier started something called Housing Injustice Roundtable, and we often met in this room and had lots of really important conversations about inclusionary zoning and other ways to achieve outcomes around affordable housing.

This is a conversation today that has a long history of great conversations in this room. I think Kate concluded by talking about the vast amount of money that's needed to generate the outcomes that we need around affordable housing, and what I want to talk about is a bit more about the political context of how we can encourage that money to flow. Because I think for many years the research around the importance of affordable housing has been really clear. There's been numerous studies done that have that without decent affordable housing, families' health suffers, children's health suffers, people struggle to engage well in education and employment.

It really is the underpinning of a good life. And likewise we've had some consistency around the policy conversation for years too, so it's really very well accepted by political leaders, by public servants, by the academic community,

by us here, that you can't really achieve outcomes in affordable housing without a subsidy. The private market just doesn't deliver in the Australian context, housing that people on low incomes can afford, for institutional investors to get in and deliver that housing, you need to have that government subsidy to meet the gap between the cost of delivery and what households can afford to pay.

Where we've got more contest often is around the next level of detail around that policy, and yet again there is relatively broad agreement that, as Kate said, a mixture of inclusionary zoning, of financial subsidies, of land contribution by government, can achieve the outcomes that we need. The other thing, just even more recently, and Kate alluded to the AHURI work, is that where there is that contest over how policy should be delivered, we have got this great new work that shows that the cheapest way of delivery is by government contributing capital grants or land into housing development.

What I want to talk to you about is that cost isn't the only factor, and the decisions that happen around delivery of social housing happen in a political context. It's that political context that we need to try and affect. Governments, and in just particularly around that spending commitment, governments are judged by the size of their budget surfaces and the size of the debt that they enter into. How the subsidy that we need for social housing delivery appears in the budget is important.

Sometimes the easiest pathway for government isn't necessarily the cheapest pathway, and I think that's where the commitment that's been made by Labor to the Affordable Housing Initiative to deliver an NRAS-style commitment has some benefit in terms of the way it would be represented and funded over time. Likewise, policies like inclusionary zoning, while they're incredibly valuable, they come with political costs. We know that if a government was to make a commitment to mandatory inclusionary zoning, there would be a predictable and well-resourced campaign from the developer lobby, saying, "Henny Penny, the sky is falling," and housing costs will go through the roof.

It's not the truth of what they would say that's a problem, it's that they would encourage people to believe it, whether it's true or not, which by the way it isn't. And lastly, the kinds of dollars, the kind of nine billion dollars a year, that is about what we would need to deliver the amount of social housing that we need has an opportunity cost. It could be spent on hospitals, it could be spent on submarines, on sports' stadiums, in marginal electorates, on all of the other things that governments like to spend money on, and that the voters like government to spend money on.

In summary, and I'm going to talk a little bit more about this, but in summary of what I've said so far, over the past 15 years or so that I've worked in housing policy, we've had the research evidence. We've known that housing's important, we've had the policy knowledge, we've known how to deliver it, but we haven't had the right political context to overcome all of those challenges of what government will be criticised for if they do. And also we haven't had the political

context to have voters care enough about delivery of social housing, that they will accept the opportunity costs of nine billion dollars a year going to that end.

That brings us to this question about advocacy, and what we need to do to change that political context, so that we can get the decisions to go our way. When I think about advocacy, I sort of really think about it as an exercise in imagination. We have to think about what it is that we want, that day in which really what it is that we want is the prime minister and the premiers to all line up an event and say that they're going to commit as a Council of Australian Governments to a 20-year pipeline, to deliver 500,000 social and affordable rental homes, and to a plan to shape our cities so that that housing is near jobs.

Then they can all climb on their white stallions and ride off into the sunset. We'll be going, "Yay, we won." It'll be fantastic. We're not there though. That day is not tomorrow. We're here, where we are now, with the political context that we have now. We need to imagine what it would look like in the weeks and months immediately before that great announcement, because there's been other issues that have seemed as impossible as it sometimes seems to get to that great day in housing policy.

For example, we can look at what was happening in the time immediately preceding the NDIS being funded, WorkChoices being scrapped, or the Royal Commission into Institutional Childhood Sexual Abuse being announced. In each of those examples, there was a sort of predictable build up. There was a public upswell of opinion. Politicians became clear through the efforts in the preceding period before those decisions, that the voters desired and even demanded those changes.

At the same time, that there was the public upswell of opinion, it wasn't just about that. There was also, behind the scenes, perhaps less visible to the public, there were deeper policy arguments. There was research being presented to government. And so when the public was ready, government was ready to step out with the right responses in those examples. And so I would argue that this is what's been missing in housing policy. We've had the research, we've had the policy expertise, but we haven't had the public with us.

In fact, in many ways we've struggled, because social housing gets often the wrong kind of public attention. We've had the conservative media having an appetite for those kind of negative stories about public housing that we see on A Current Affair. That's where the Everybody's Home Campaign comes in, and it fits as a sort of strategic complement to the existing housing policy and research work. The campaign was formed in 2017, it aimed to capture the energy in a particular political moment. We had a very live public debate about housing affordability, but it was about home ownership affordability.

We had the prospect of a close election coming up, it perhaps looks less close now, and we had a community sector that was eager to do more. The alliance was formed, the campaign objectives are to step into that debate about home

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ownership affordability, and make it about rental affordability, and make sure that people understand that the solution to rental affordability is the delivery of social housing. It's explicitly about connecting those elements, and it's about getting a broad community upswell of opinion, so getting people in a practical way onboard and directly connecting with politicians, so that their perception is that, and also so that the reality is that there's a large number of people in the community who are calling for change. Thank you.

Sharon Lee: Kate Colvin, from the Council to Homeless Persons and the Everybody's Home Campaign. Next it was time from some Q&A led by Professor Shelley Mallett. She's the head of the Brotherhood's Research and Policy Centre.

Shelley Mallett: I'm going to start off with Kate Raynor actually, and Kate, what we're actually seeing, especially on the eastern seaboard, is that house prices are actually going down. You said employment as well, it's a similar issue. House prices are going down. Are we overstating the problem now, and overstating the risk? And by doing that, do we risk jeopardising the market and plunging that into some sort of free fall by overstating the problem?

Kate Raynor: Good question. I think there is a proportion of people that the falling of housing prices is actually going to make life easier for, and it's people like me, who is on a steady income, who was already quite close to being able to purchase a home, who's now going to step into the market, still qualify for a loan, and ride off into the sunset in a positive way. There are people that will benefit, but for the majority of people, what we've seen, is with the falling of housing prices, also a tightening in access to debt, and bank's rightly decreasing their willingness to loan to people. There'll be a proportion of people who might be able to afford a home now in a way they couldn't previously, who just can't get the loan that they require to get into the market, so it's not really making life easier for those people.

The other thing is that falling house prices hasn't led to falling rental prices, and the latest stats coming out of Melbourne and Sydney is that we haven't seen large decreases in rental prices. And that's where the greatest vulnerability lies. I don't think that's occurring. Are we overstating the issue? I don't know. I mean, there's a lot of media interest in not overstating the issue, because as soon as you fuel that fear, you drop house prices even more. I don't know that we have riled this up as a crises in the media that much.

Shelley Mallett: So some people will benefit, but those who are most disadvantaged are not going to benefit in this market is really what you're saying to us. Yeah.

Kate Raynor: One other thing is the concern around people with very high mortgages who are now seeing their house prices decrease, and that's going to have very serious implications.

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- Shelley Mallett: Kate Colvin, you've been running a campaign now for a year, mobilised quite a lot of people to join you on that campaign, and it's had quite a profile in the media. You've seemed to have quite a hearing with public policy makers, government. Can you tell us, are people, are current decision makers really listening, do you think? Is it effective?
- Kate Colvin: I should clarify, I'm the spokesperson for the campaign, but I don't run the campaign. It's run by an alliance of organisations from around the country. I think that probably, what I would say, is that we have struggled to connect with the Coalition. I think that that's probably best represented in the fact that a couple of weeks ago they met, I think it was the prime minister, the treasurer, and at least one, possibly two other ministers, met with the property industry to talk about their concerns about the impact of negative gearing reform.
- And yet in the upcoming budget, I think, is it correct to say, Adrian, but Shelter has not been invited to the budget. Homelessness Australia has not been invited to the budget, and certainly Everybody's Home hasn't been invited to the-
- Adrian Pisarski: [crosstalk].
- Kate Colvin: Adrian has made himself heard, so that's good to hear. The listening space has not been great. At the same time, I think Labor have been talking up an equity agenda, and have been very engaged on this issue, and talking to both the campaign, they've been talking to Shelter, they've been talking to peak bodies. Yeah, so there's been some good listening.
- Shelley Mallett: We've got a few people in the audience who we'd like to ask, because they've got particular expertise. One of them is Adrian Pisarski, who's sitting in the front row, who heads up National ... from National Shelter. Adrian, we might pass the microphone, Kate, to you. But I'm just wondering what your view about the prospects of Australia really substantially shifting the dial on affordable housing, what do you think the prospects are?
- Adrian Pisarski: I think the times actually suit us in that sense. I think housing is much more broadly recognised as a problem now, than it has been for quite a long time. That's a good thing from our perspective, but not a good thing from the fact that it is hurting people. Property prices are coming down at the top in Melbourne and Sydney, but that's about all. They're not really coming down at the entry level, so it's not helping at that level. I think the challenge before us is really to make it a long-term multi-party issue, that we have to get all sides of politics on board. If we're going to solve it, it's a 20-year horizon that needs to be addressed.
- That's beyond political cycles, so we have to have all sides of politics onboard to make that achievable. One of our advocacy issues is we're not getting the cut through with the conservative side of politics, and we really need to.

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Shelley Mallett: Why is that?

Adrian Pisarski: Partly because they don't think there are sufficient votes in it on their side, but I think that is also changing. I've had conservative politicians say to me, "We know you're right, but there's just not enough votes in it yet, and as soon as there is we'll change." Now, that's a bit cynical, but I think it's real as well.

Conny Lenneberg: I'm Conny Lenneberg, Executive Director of the national social justice group, the Brotherhood of St Laurence. I hope you're enjoying this episode of Brotherhood Talks. If you'd like to learn more about our work to find solutions to the complex challenges presented by poverty in our prosperous country, have a look at bsl.org.au.

Shelley Mallett: So, Peter Mares, who's just recently released a book and travelled the country, I've heard you on radio across the country, Peter, around you've written a book on affordability. What's your view about this, in terms of what would it take to get real cut through on both sides of politics?

Peter Mares: Thanks Shelley. The book's called No Place Like Home, in case you're interested. I think the problem is here, what John Stuart Mill would've called the tyranny of the majority, that is, since we still have 65% home ownership in Australia, the primary interest of voters who own their own home is in protecting the value of their own home. And so there's not a majority of renters or people in social housing. There is a growing concern, however, what about my children? Et cetera. But then there's the problem that Kate pointed to before, that if you have the parental bank to draw on then you're protected, so we're entrenching this inequality.

I think it is very hard to get the cut through, but we do see people like John Alexander on the Coalition side. I don't agree with his policy prescriptions, but he has a genuine concern, and recognises the inequality side of this. We have people like Rob Pradolin here in Melbourne from the development industry, who's leading. The development industry is saying, "Look, folks, we're going to lose our social licence. We have to take this seriously." You have interesting collaborations in WA, in the past anyway, and I'm going to Perth tonight to talk to the Property Council there about ... between the Greens, or Senator Ludlum anyway, and the Property Council about how do we do urban consolidation better?

There's a potential alliance between sections of business and the community housing sector and homelessness sector around changing the tax mix. I know there's a big pushback against negative gearing, but there's an alliance, potentially be built around a broad-base property tax, which would raise more revenue, which could be invested in community public housing.

Can I finish by throwing a question back to the two Kates? And that would be this one, and that is that there is an argument that the best way to help those

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people in rental stress and difficulty at the moment is to increase CRA, Commonwealth Rent Assistance. That this is an immediate thing that is actually more important even than increasing Newstart, because it goes straight to those people on benefits who are in the most trouble, who'll be people in the private rental market. What do you think of this? And what sort of level would be needed to achieve outcomes in the private market through CRA, as opposed to public housing or social housing?

Shelley Mallett: So Commonwealth Rent Assistance, yeah.

Peter Mares: Yeah.

Kate Raynor: I think that's a great solution, and it's one of the spectrum of ones that we should be talking about, and, as you say, it has the benefit of being immediate. It also becomes a funding mechanism that goes into the pipelines of community housing providers, by increasing the amount of money that they can receive from their tenants. I think that's useful. On a large scale, when we talk about demand side solutions rather than supply side solutions, there's challenges in creating inflationary effects and things like that, so it would depend on the degree and the scale to which it occurs.

But, yes, I think that would be ... And it would be politically useful, because it is fast.

Kate Colvin: And expensive, though.

Kate Raynor: Yes.

Kate Colvin: I mean, I think there's been a whole series of research done that's shown that there's just not enough supply of low-cost property. And the gap between what is affordable for someone on a very low income, and what the costs are in the private market, even at the cheaper end of the private market are so great, that we're not talking about a \$20 a week increase in CRA, we're talking about a \$100 a week increase in CRA. That's not realistic. And the thing is, is even if you were to do \$100 increase in CRA, if you don't have the adequate amount of supply in the rental market, then you'll just have an inflationary impact.

You just won't get the outcomes that you need. That said, when you combine significant growth in social and affordable housing, and particularly in this case with affordable housing with an increase in CRA, you start to have more stock that's at the cheaper end of the market, and people more able to afford it, then the matching of those two things can have a really positive impact. Yeah.

Shelley Mallett: We have Jane Edwards here from PwC. Hi, Jane. Thanks for being with us today. We were wondering, why do PwC care about affordable housing?

Jane Edwards: Good question.

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Shelley Mallett: And also, more broadly, what role can business play? I guess Peter has been alluding to the fact that we need likely and unlikely alliances around this whole issue.

Jane Edwards: Absolutely. And I think, in today's conversation, maybe part of the missing voice has been corporate Australia. I think probably most people in the room are aware that trust in our institutions is declining, but at the same time the expectations of employees of their employer are increasing in terms of the role the business has to play in society. That's certainly one of many starting points for us at PwC. We engaged with our 8,000 people around the issues that they care about most, and homelessness was number one. That was our starting point.

We're doing a lot of things internally and in terms of engaging with the sector on our journey, and I should preface any of my comments today by saying that I'm absolutely not a housing expert. That probably goes without saying. We have created a collective called The Constellation Project. The Constellation Project is made up of PwC, Mission Australia, the Australian Red Cross, and the Centre for Social Impact. That group of four founding partners is focused on a collective and shared vision, and it's very aspirational, to end homelessness in a generation.

They are very much focused on how they can amplify, inform, and connect the very good existing work that is there, but also adding in, I guess, the networks, and resources, and connections that come with corporate Australia and those other organisations that I mentioned, and very much building out the alliance partners that can be part of TCP, of The Constellation Project. We have a social lab commencing next week in Sydney, so we've got 70 people from across Australia, internal and external, with a broad variety of skills, including tax, including philanthropy, looking at the question of how we increase housing by a certain number by 2022.

That's a three to four month project, both virtual and face-to-face, bringing in experts and others as required. Really, it's a case of how we can be a collective brains trust to help shape and answer to that question.

Sharon Lee: Jane Edwards, Director of Social Impact at PwC. As we've heard, there were some key figures in housing policy in the audience, including Barry Pullen, who was housing minister in the Victorian Labor government in the late 80s and 90s. He emphasised that people come to think about housing from very different perspectives.

Barry Pullen: I think we ought to be, at least in terms of our own thinking, a bit braver, and recognise there's a very strong ideological divide here between people, quite rational people, who see housing as a commodity that can be traded, invested, is an alternative source of making profits, and particularly in a situation where they're struggling, business is struggling, housing looks attractive. And then there are other people, which I think quite a few would be in this room, who

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feel that the crisis is just making a difficult situation socially worse for a lot of people, and making it very difficult for those people who are active in trying to do something in more equity in the housing sector, to proceed. There's big differences there.

I don't have the answer, but I think it is quite important for welfare agencies and people that are active and concerned about the social side of housing, that they face up to that division and be more creative and more aggressive in terms of their influencing the debate. As the person over here said, I thought quite thoughtfully or observation, that when talking to someone in the Liberal Party who said, "I agree with you, but it's not the right time, because we don't have the numbers. We have to be very careful." That person is sort of recognising the reality of that level of politics. To change that, I think that people who want to be very active and try and do good has to change the way that things are analysed and be much more upfront with that debate.

The welfare agencies, and I would single out the Brotherhood, in a sense that the Brotherhood is a very strong agency in terms of its intellectual and research capacity, really have to step up to the plate a bit more and not be too concerned that it looks like they're getting a bit political or ideological. I believe that can be done without being party political, because I think there are people in different spectrums of the parties that will respond if the ideas are put in the right way.

I'll end with, the time that I ... I thank people for their nice comments, but when I look back, I don't think I achieved very much. I was one of the tryers. I think the people that I knew in the conservative parties, whether they were National or Liberal, had a much broader and a concern about affordable, what we would call affordable housing, and so you could speak to people, National Party people in the country who were concerned about public housing. You could find people in the Liberal Party who were concerned about ... They might not like high rise for different reasons, but they weren't negative towards initiatives of getting more social housing.

I think we've ideologically lost that bipartisan approach now. That's very important, to think about how to bring it back.

Shelley Mallett:

Thanks for your comments, Barry, and I think a couple of challenges there. One for the Brotherhood itself, and thinking about how we engage in this debate, but a broader one really about how we engage our politicians, frontbenchers, backbenchers, and probably educate, but not only educate, really engage them with a set of ideas around reform over the long term. We'll take that one on notice, Barry, in terms of what the Brotherhood needs to step up to in this space.

I've got a question for Kate Colvin actually, it says, you mentioned a nine billion dollar figure is needed to address affordable housing in Australia per year, can you expand a bit on that, and what would it be used for? What purpose? What would that nine billion dollars be directed towards?

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- Kate Colvin: I think I was referencing Kate's figure. I think that was from the AHURI research, wasn't it?
- Kate Raynor: Right.
- Kate Colvin: Yeah. That would be in capital grants for social and affordable housing delivery. It could be a mixture of capital grants and annual operating payments, but the research that was being referenced pointed out that the cheapest way for government to deliver the scale of housing provided is by capital grants. That's the sort of scale of grants that are needed. It is an expensive business, and I might pass to Kate, see if you want to say more on that.
- Kate Raynor: Yeah. The report is very interesting, and so if you are genuinely interested in where that money would go, then read it. It's an AHURI report, Julie Lawson, Infrastructure Investment Pathways, or something like that. The report looks at five different ways of funding that amount of housing, and they put a figure of 730,000 units delivered over 20 years. Five different ways you could do that. The most expensive way is through operating subsidies, so constant payments going through to support the difference between what it costs to run social housing and what you receive in rent. But that, nine billion is upfront funding through debt or equity from the government to support the building of homes, and that can be layered with land, or other contributions that the state government might put forward, or something like that. That's where that figure comes from.
- Kate Colvin: Just to add to that, that it was also ... the cheapest way of delivery was through community housing or state housing authorities, not through private developers.
- Shelley Mallett: We have another question from the floor, and really it's a campaigning question, which is, we've seen evidence of getting Liberal voters now. There seems to be, perhaps it's too early to call, a bit of a tipping point with some Liberal voters around the climate change issue, and we're just wondering, because it's affecting all of us, so the questioner asks actually, why can't we be successful in a campaign around homelessness, which is what Everybody's Home is about, in convincing that an impact on homeless people is an impact on all of us? It affects all of us.
- Kate Colvin: The homelessness debate has some particularities, and one of them is that in the public domain it's often a tussle between the idea that homelessness is created by structural causes that create a vulnerability across the community, and that would include the lack of available housing that people can afford, the level of social security benefits, and another sort of set of thinking is that homelessness is created by individual deficits, and that people make bad decisions and consequently become homeless.

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These competing ideas become very firmly embedded in people's heads, and so what we often find when we speak to conservative politicians, is that despite, and there's mountains of evidence that shows that homelessness increases when we have less access to affordable housing, and it's patently obvious that if you can't afford housing you're at risk of homelessness. The issue that we struggle with is that despite that evidence, people have it firmly embedded in their head that people are homeless because they've made mistakes.

That we do struggle with that, but just sort of in thinking about that question of engaging conservative politicians, is the last Victorian election showed that a party that had ignored an issue that was of great concern to the community around climate change, and then suffered a very significant defeat, then very publicly acknowledged and recognised that they had missed the temperature of the community. And housing is the biggest cost of living issue in Australia. It's the largest proportion, single item that's a proportion of people's budgets, and I think that politicians who are not hearing the pain in the community on this issue are missing the temperature of the community.

I think that that will be recognised and we'll certainly work to see that it's recognised if there was a similar outcome federally.

Shelley Mallett: The last question is about the social equity, is a social equity question. Can you speak to how social equity intersects with housing?

Kate Raynor: When I talk about this, I talk about a bunch of different frames. One of them is spatial equity, because I am an urban planner, and so I think social equity intersects with housing, because we're increasingly relegating people on a lower income to less well-serviced areas. There's less benefits, and opportunities, and advantages inherent in that. I think there's a temporal aspect and an intergenerational social equity question to be asking. As we mentioned before, if you have wealthy parents, you're more likely to succeed in life. That's been exacerbated by the lack of affordability in housing.

I think there's also a very human concern around health and safety, and domestic violence, and things like that at the very pointy end of equity and housing, in that if you have no other viable alternatives, and no other affordable housing, then it quite literally can be a matter of life and death. There's a social equity element in that. Housing has always been part of that discussion, but given that it's becoming more and more unaffordable, it's going to become even more embedded in those issues.

Kate Colvin: I'll just probably add to that, because I think Kate's sort of covered everything, but just mention the problem of overcrowding. The issue that we see that's actually one of the largest groups of people experiencing homelessness is large numbers of people sort of squashed into homes, needing more than four extra bedrooms per property to sort of properly manage the people who are in that home. It's so useful to just reflect on what that would mean for your capacity to

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do your homework, if you're trying to do it in a room where there's toddlers running around, where there's people sleeping.

It's those sort of practical challenges that people face, along with the fact that the other big challenge that people who are really struggling face, is paying so much rent that they can't afford other costs. And so that likewise has impacts on people's capacity to engage in education, because if there's only \$40 left after rent's been paid, to cover all the food costs and other essential bills of the household, then books and other school costs are going to have a lessor priority.

Shelley Mallett: I think that's just about all we've got time for today, and so we've canvassed a few ideas, inclusionary rezoning, a greater investment into social housing that's state funded, because it's more affordable and more efficient way of doing it. We've talked about issues around social equity, the spatial distribution of that, as well as the temporal intergenerational, which I think is a really important thing. Barry's given the Brotherhood a rev up about what we can do in the space, and we need to think about it.

We've talked about bringing likely and unlikely groups together in an alliance, and to build on existing alliances to drive reform. Would you just thank our two speakers.

Sharon Lee: Brotherhood Talks is a podcast by the Research and Policy Centre of the Brotherhood of St Laurence, working towards an Australia free of poverty. Find us online at bsl.org.au/brotherhoodtalks, and join the conversation on social at #BSLTalks. Production by Aysha Zackariya and me, Sharon Lee. Music by Lee Rosevere. Join us again for another episode of Brotherhood Talks, conversations that matter.