

EXECUTIVE SUMMARY

FINAL REPORT NO. 410

Poverty and Australian housing: findings from an Investigative Panel



Authored by

Edgar Liu, UNSW

kylie valentine, UNSW

Deborah Batterham, Swinburne University of Technology

Wendy Stone, Swinburne University of Technology

Chris Martin, UNSW

Sharon Parkinson, Swinburne University of Technology

Danielle Hynes, UNSW

Publication Date October 2023

DOI 10.18408/ahuri7130501

Title

Poverty and Australian housing: findings from an Investigative Panel

Authors

Edgar Liu, UNSW
kylie valentine, UNSW
Deborah Batterham, Swinburne University of Technology
Wendy Stone, Swinburne University of Technology
Chris Martin, UNSW
Sharon Parkinson, Swinburne University of Technology
Danielle Hynes, UNSW

ISBN

978-1-922498-77-9

Key words

Poverty, housing stress, deprivation, capabilities, affordable housing, social housing, private rental, homelessness, housing assistance, social security, Commonwealth Rent Assistance, eviction, housing conditions, specialist homelessness services

Series

AHURI Final Report

Number

410

ISSN

1834-7223

Publisher

Australian Housing and Urban Research Institute Limited
Melbourne, Australia

DOI

10.18408/ahuri7130501

Format

PDF, online only

URL

<https://www.ahuri.edu.au/research/final-reports/410>

Recommended citation

Liu, E., valentine, k., Batterham, D., Stone, W., Martin, C., Parkinson, S. and Hynes, D. (2023) *Poverty and Australian housing: findings from an AHURI Investigative Panel*, AHURI Final Report No. 410, Australian Housing and Urban Research Institute Limited, Melbourne, <http://www.ahuri.edu.au/research/final-reports/410>, doi: 10.18408/ahuri7130501.

AHURI

AHURI is a national independent research network with an expert not-for-profit research management company, AHURI Limited, at its centre.

AHURI's mission is to deliver high quality research that influences policy development and practice change to improve the housing and urban environments of all Australians.

Using high quality, independent evidence and through active, managed engagement, AHURI works to inform the policies and practices of governments and the housing and urban development industries, and stimulate debate in the broader Australian community.

AHURI undertakes evidence-based policy development on a range of priority policy topics that are of interest to our audience groups, including housing and labour markets, urban growth and renewal, planning and infrastructure development, housing supply and affordability, homelessness, economic productivity, and social cohesion and wellbeing.

Acknowledgements

This material was produced with funding from the Australian Government and state and territory governments. AHURI Limited gratefully acknowledges the financial and other support it has received from these governments, without which this work would not have been possible.

AHURI Limited also gratefully acknowledges the contributions, both financial and in-kind, of its university research partners who have helped make the completion of this material possible.

The research team acknowledges with thanks the insights of the Investigative Panel members who contributed to the findings of this report.

Disclaimer

The opinions in this report reflect the views of the authors and do not necessarily reflect those of AHURI Limited, its Board, its funding organisations or Inquiry Panel members. No responsibility is accepted by AHURI Limited, its Board or funders for the accuracy or omission of any statement, opinion, advice or information in this publication.

AHURI journal

AHURI Final Report journal series is a refereed series presenting the results of original research to a diverse readership of policy makers, researchers and practitioners.

Peer review statement

An objective assessment of reports published in the AHURI journal series by carefully selected experts in the field ensures that material published is of the highest quality. The AHURI journal series employs a double-blind peer review of the full report, where anonymity is strictly observed between authors and referees.

Copyright

© Australian Housing and Urban Research Institute Limited
2023

This work is licensed under a Creative Commons Attribution-NonCommercial 4.0 International License, see <https://creativecommons.org/licenses/by-nc/4.0/>.



Executive summary

Key Points

- Housing plays a substantive role in experiences of poverty. Housing costs can increase the effects of poverty, and make it more difficult to address its causes.
- The effects of housing-related poverty are not experienced equally. Groups most at risk of poverty are also most likely to experience homelessness and seek support from organisations funded as Specialist Homelessness Services (SHS).
- A concentration of policies promoting and subsidising home ownership is one of the factors driving the role housing plays in Australian experiences of poverty.
- Social housing provides tenants with affordable, secure accommodation and other non-shelter benefits in a way that private rental does not. However, Australia's social housing system is constrained on multiple fronts, and a growing number of households experiencing poverty rent privately.
- Light regulation of Australia's private rental sector exposes tenants to high direct and indirect costs, perpetuating poverty.
- The location of housing available to people on low incomes is often only in areas that are distant from transport corridors and essential services. These areas may also have fewer public transport options and less frequent services, resulting in increased travel times and a greater reliance on cars. These factors can significantly increase costs for households that are already experiencing poverty.

- **A range of programs and interventions are effective in addressing the housing needs of people experiencing poverty. However, their effectiveness is often limited due to tightly restricted eligibility criteria or time limits.**
- **Setting minimum standards on the built quality of private rental properties would greatly improve the quality of life of renters and reduce their operating expenditure.**
- **A policy agenda that specifically pursues societal wellbeing could include housing and homelessness targets. A number of countries with wellbeing agendas already do this.**
- **Investments in evidence should continue to be made across housing tenures, age cohorts and socio-cultural groups, including evidence informed by values-based policy and human rights.**
- **Universal housing approaches facilitate assistance to individuals and households who may otherwise be ineligible.**

Key findings

Housing plays a substantive role in experiences of poverty. As housing commonly comprises people's largest share of living costs, it impacts how much money is available for other essentials such as food, transport and education. This places people with low incomes at risk of poverty. The high cost of buying, renting and/or maintaining housing can exacerbate the effects of poverty and make it more difficult for its causes to be addressed. This includes opportunities for social and economic participation that may help households leave poverty.

The experience of poverty is characterised by a constant sense of stress and worry about whether basic needs, including shelter, will be met. Large and rapid increases in costs of housing over the last few years, in Australia and elsewhere, has compounded housing's role in the experience and effects of poverty.

There are a range of approaches to measuring poverty that are used in policy, research and advocacy. The most commonly used single measure of poverty is an income-based or poverty line approach. Multidimensional approaches take into account deprivation or exclusion in a range of resources and activities.

The effects of housing-related poverty are not experienced equally across tenures, age cohorts and socio-cultural groups. This is partly caused by a concentration of policies promoting and subsidising home ownership at the expense of attention on private and social housing rental tenures and other forms of housing policy and assistance.

The comparatively low cost and high tenure security of social housing offers affordable housing and other benefits that other forms of tenure do not. Australia's social housing system, however, is constrained on multiple fronts. This is the outcome of divestment over an extended period and a shift to conceptualising social housing as a transitional tenure, whereby access is strictly conditioned and time-limited. Much of the social housing stock currently available is also not accessible or safe for a significant proportion of people experiencing poverty. There is also a lack of quality housing that can cater to specific cultural needs, especially for Aboriginal and Torres Strait Islander people across all parts of Australia.

More low-income households in Australia live in the private rental sector than in social housing. Residential tenancy laws in Australia do not regulate rents for affordability and allow landlords to readily terminate tenancies. The deepening shortfall of dwellings that are affordable and available to low-income households, and the insecurity of the private rental sector, impose costs that perpetuate housing's role in causing and worsening poverty.

A range of current programs and interventions are proven or promising in addressing the housing needs of people experiencing poverty. These range from direct subsidy schemes to increase supply, early intervention and tenancy sustainment services, unconditional support programs, and shared equity schemes. Some schemes, however, especially those concerning social housing tenants and support payment recipients, include mutual obligation requirements which can compound people's experiences of poverty by adding stress to already difficult times.

Program and intervention effectiveness is reduced if access is tightly restricted through eligibility criteria or time limits. The increase in several welfare support payments in response to the COVID-19 pandemic had demonstrated impacts on reducing poverty (Davidson 2022). The (re)introduction and/or extension of these and similar interventions should be considered, including:

- increasing funding in SHS, including to address current unmet demands
- expanding eligibility criteria for Commonwealth Rent Assistance (CRA) and other income support payments
- targeted responses that can better address intersecting exclusionary forces, such as exclusion due to both unmet disability support needs and poverty.

The role of advocacy is important in changing the poverty landscape although largely unreported in existing research. Its benefits in communicating lived experience, and in promoting innovations in practice, were highlighted by the panel discussions as critically important. Advocacy organisations are, however, currently underfunded, which limits their overall effectiveness, and greater support for these organisations is needed.

To effectively address poverty in Australia, the role of housing must be critically rethought. This may involve explicitly shifting the current focus on scarcity-based policy modes to values-based policy making, such as universal and rights-based approaches. Housing must be recognised as both a contributor and mediator of poverty. Concurrently, direct and indirect interventions can be geared toward poverty alleviation.

Housing policy and practice expertise in Australia must be re-orientated, including by integrating lived experiences of poverty, in order to drive policy innovations that address the root causes of poverty. We must also overcome the longstanding siloed approach to programs and interventions, by recognising intersectional factors associated with poverty, to innovate whole-of-government policy responses. A contemporary, targeted approach to reducing poverty across the Australian housing system and population is overdue.

Policy development options

Options for reshaping policy to address poverty in Australia—and the role housing plays in poverty—include increasing the availability of stable, long-term housing that is affordable for people who are excluded from home ownership and private rental; and changes in policy settings for social security and housing subsidy payments, housing quality, and security of tenure. The investment of resources in building evidence and workforce capacity will support the improvement of service delivery and support.

- Social housing is currently the only source of long-term affordable and safe rental housing for people on very low incomes. Substantially increased supply of social housing, with improved regulation of evictions and enforced standards for quality and rent increases, would benefit more people living in poverty by enabling the broadening of eligibility criteria and easier access to social housing.
- Measures of poverty are important to practice and advocacy, and different measures are useful in different contexts. They could form the basis for a shared language across service delivery and performance monitoring.
- Poverty is associated with stigma and fears of surveillance and intervention. Effective responses to poverty should recognise and address its lived experiences, including stigma.
- Housing and poverty are interrelated in complex ways. Effective interventions need to address the compounding effects of poverty and poor housing outcomes, including homelessness caused by poverty and poverty exacerbated by precarious and poor-quality housing.
- Changes to the private rental and social housing sectors are needed to support the provision of housing as a basic need. Housing is an important means of investment and building wealth for many Australians, but the concentration of policy settings to support this increases the risk of poverty for many.
- Australian building regulations focus on improving the safety and quality of new housing construction. Advocates push for similar minimum standards being applied to existing dwellings, particularly in the private rental sector. These standards would be similar to successful models elsewhere, such as the United Kingdom's certification for improving energy efficiency in privately rented properties (Department for Business Energy & Industrial Strategy 2020). But there has been limited interest from governing bodies. Setting minimum standards on the built quality of private rental properties would improve renters' quality of life and minimise their operating expenditure (e.g. on utilities).
- Emerging technologies may also facilitate the re-balancing of power between landlords and renters—by keeping landlords more accountable for their responsibilities and minimising disruptions to renters, such as regular relocations due to short-term leases, no grounds evictions and/or unfavourable living conditions.
- A policy agenda that specifically pursues societal wellbeing could include housing and homelessness targets that explicitly focus on poverty reduction. A number of countries with wellbeing agendas already do this, which provides lessons on which Australia can draw.
- Investments in evidence should continue to be made, including evidence informed by values-based policy and human rights, as well as by those with lived experiences of housing-related poverty and other associated harms.
- There is an established evidence base for the potential effectiveness of increases to CRA: both lifting the caps and expanding its availability to people who do not receive a qualifying social security payment. Analysis of the efficacy of regionally-specific CRA rates is warranted.
- Advocacy is a vital contribution to housing and homelessness policy and can only be effective if adequately resourced.
- Universal housing approaches facilitate assistance to individuals and households who may otherwise be ineligible for tightly restricted support.

The study

This Investigative Panel was guided by three principal research questions:

1. What housing, planning, taxation and social security policies significantly affect housing-related poverty?
 - a. What are the risks and potential benefits of changing policy settings?
 - b. What lessons can be learnt from international policy and practice?
2. How do Australian housing markets and institutions (e.g. tenure regulations, costs, location, built form, capacity of affordable housing sector) intersect with individual capabilities (e.g. income support, labour market status, household type, race, gender) to produce and reproduce particular experiences of poverty?
3. What programs and policies are already operating which address the intersections of housing and poverty? What are the opportunities to extend and add to these?

The primary empirical component of this research comprised a series of meetings (four online workshops, one facilitated in-person workshop and two online individual interviews) with 33 housing and homelessness experts from a range of policy and practice backgrounds. There were conducted in September–October 2022.

The meetings were guided by a pre-circulated Discussion Paper that drew from a desktop review of literature on the interrelationships between housing and poverty, their causes and effects, current interventions and potential ways forward. Each workshop's facilitated discussion was organised into five parts, each addressing a research topic highlighted in the Discussion Paper:

- measuring poverty
- understanding poverty and housing
- analysing policy
- building on success
- moving forward.

The workshops were complemented by consultations with three Australian housing researchers with expertise in financial modelling, homelessness, housing for Aboriginal and Torres Strait Islander peoples, social security and taxation; to address gaps in the expertise of the research team. These consultations were audio-recorded, with auto-transcription used as the basis of note-making by another researcher. Interview findings informed refinements to the Discussion Paper and analysis of findings from the stakeholder group meetings.

Analysis was derived from the three sources of data: the research-based Discussion Paper which informed the Investigative Panel meeting discussions, responses to the Discussion Paper from the panellists, and expert consultations. The conceptual approaches for the data analysis drew on thematic analysis and intersectionality theory as a means of understanding housing-related poverty.

It is important to emphasise that the focus of this Final Report, and the project more broadly, is deliberately partial. We are focused on poverty rather than inequality, even though Australia is an increasingly unequal society, with gaps in housing wealth a primary driver. There are two reasons for this:

- The first relates to clarity about the scope and limitations of this project. Discussions about inequality are often limited to people living in poverty, and do not extend to privileged people or structures of inequality. Our focus is also on people living in poverty, with the important caveat that an analysis of inequality (including privilege) is beyond the scope of this project. Such analysis, however, will be necessary to provide a complete picture of the effects of housing and inequality.

- Second, this project and Final Report concentrate on policies and settings that are specifically targeted at those living in poverty or at high risk of poverty, not policies that could improve the wealth and wellbeing of all Australians, nor policies to reduce inequality.

As many have argued, equality rather than poverty reduction is a more socially just, efficient, and equitable policy aspiration. Many Australians, however, live in poverty and this project is focused on reducing the housing-related factors that drive them into poverty or keep them there, and on the impacts of poverty on housing quality, stability, and health and wellbeing.



Australian Housing and Urban Research Institute

Level 12, 460 Bourke Street

Melbourne VIC 3000

Australia


+61 3 9660 2300

information@ahuri.edu.au

ahuri.edu.au

 twitter.com/AHURI_Research

 facebook.com/AHURI.AUS

 Australian Housing and Urban Research Institute