

Shelter SA Media Release

Shelter SA's Executive Director Dr. Alice Clark today heavily criticised Michael Matusik's article about housing affordability quoting the Australian Housing and Research Institute's project into housing affordability. Matusik calls the AHURI work 'seriously good research'. Alice said "the danger here is that the research is taken out of context by people who have not read it or who don't understand it and this can potentially undermine efforts to increase the supply of affordable housing". Matusik's comments relate mostly to home-ownership rather than the low income housing consumers who are actually living in housing stress, defined as paying more than 30% of income on rent or mortgage. Matusik fails to mention other related research which states that:

- There are SIGNIFICANT numbers of lower income households living in housing stress in Australia (almost one million in 2002-3)
- If the increased costs of living including food, utilities, transport, health care and insurance were added to the costs of rent or mortgage for low income households, it is estimated that the numbers would be much higher
- Housing stress is particularly acute for private renters, single-person households AND low income home purchasers
- Households and dependent children are at greatest risk of spending prolonged periods of time in housing stress – a significant minority churns in and out of housing stress
- Housing affordability problems can push people into more marginal forms of housing

The AHURI report discusses the residual income method as being a more useful measure for <http://www.ahuri.edu.au/search.asp?sitekeywords=residual+income&CurrentPage=1> informed decision-making about affordable housing. This method takes into account how much is left over for housing rents or mortgage AFTER relevant expenditure items for different household types have been taken into account.

The latest Australian Institute of Health and Welfare figures [National report \(HOU 250\)](#) on the use of specialist homelessness services in South Australia show an increase in the number of people seeking help because of accommodation-related issues including eviction and previous accommodation ending and an increase in assistance to maintain short and medium term accommodation. While interpersonal relationship issues and domestic violence are the top two reasons why people need assistance, problems with accommodation are rated third, alluding to these affordability problems.

One recommendation contained in [Shelter SA's submission to the SA Housing Strategy Green Paper](#) calls for the South Australian State Government to review the definition of affordable housing to more accurately provide a picture of the numbers of households experiencing housing stress and the current lack of affordable housing.

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