

A Critique of the National Affordable Housing and Homelessness Agreement with South Australia

[The National Affordable Housing and Homelessness Agreement with South Australia](#) was signed this year. The overview in the Agreement provides background data on housing and homelessness in South Australia. It is stated in the Agreement that housing in South Australia is more affordable relative to other Australian States and Territories, but this is not the case for people living on low incomes. The 2018 National Rental Affordability Index, set at the income of a single aged pensioner, is evidence of a lack of anything affordable in the private rental market in South Australia.¹ Adelaide is the third least affordable capital city in Australia for people living on low incomes.²

The Agreement contains information that describes how South Australia is currently supporting affordable housing, such as its 15 per cent affordable housing policy (inclusionary zoning). However, inclusionary zoning is not mandatory, and should be increased to between 30 and 50 per cent with social housing targets if we are serious about creating more social housing. Incentives for developers and investors to achieve inclusionary zoning are also needed.

HomeStart finance products are designed to assist people living on low incomes to enter into home ownership and meet the needs of some prospective home owners. HomeStart could do more to assist people living on low incomes, because currently the deposit and repayments, even for a modest sum, are unattainable for the lowest household income quintile. With an annual income of \$23,712, households in that quintile could borrow \$190,920 from HomeStart, but would need a deposit of \$23,885. For someone living on a low income, saving to achieve such a large deposit is impossible. Even if people had a deposit, fortnightly repayments would be \$384, which at 42% of household income, would be deemed highly unaffordable.

Under the heading of key commitments in the Agreement, it is stated that, “planning application and approval processes are efficient”. We would like to see a commitment to planning processes routinely including social housing in new developments. Another statement in the Agreement is that South Australia is committed to utilising “urban renewal to increase appropriateness of social housing”. With only 207 houses being constructed in 2018-19 and 130 houses in 2019-20, this is a good start, but in no way can make up for the loss of 20,000 social housing units over the last two decades.³

The Agreement also contains a statement that South Australia has a higher proportion of social housing per capita than the National average, and that the Government has been undertaking a number of programs to renew its stock. These statements do not take into account the large number of people on the waiting list for public housing or rising numbers of people experiencing homelessness. There is simply not enough social and affordable housing to meet demand.

The key commitments outlined in the National Affordable Housing and Homelessness Agreement with South Australia are described as “on track” to be met, with the development of a new housing strategy by 2019, a responsive homelessness service system and the increase in prevention and early intervention work. With a new South Australian Government for the first time in sixteen years, we are optimistic that there is an opportunity for South Australia to lead the way in developing innovative housing solutions and service delivery for every citizen who needs an affordable, safe place to call home and to truly be on track to deliver.

¹ <https://www.sgsep.com.au/maps/2018/australia-rental-affordability-index-may18-embargoed/>

² http://www.sheltersa.asn.au/wp-content/uploads/CSB_Media-Release_May-RAI-Adelaide_FINAL.pdf

³ <https://www.facebook.com/ShelterSA/videos/10154929807221022/>