

SHELTER SA

# **ELECTION PLATFORM**

South Australian Election 2022





# Shelter SA Election Platform

## Introduction

This paper contains the Shelter SA election asks ahead of the South Australian election in March 2022. In the lead up to the last South Australian election we wrote to all political parties and independents to seek a response to the recommendations contained in our [“Transitions” report](#) based on a community workshop looking at times of transition for Aboriginal people, when they are moving out of institutions back to families and communities. Aboriginal people are vulnerable during these changes to their lives, especially when they are without suitable housing or employment. We published [the responses](#) we received from the parties and [shared them through mainstream media](#) and on our social media platforms.

The promises made by Steven Marshall have either been achieved or partially achieved in relation to retaining the Aboriginal Affairs portfolio, the Aboriginal Affairs Action Plan, the establishment of an Aboriginal-controlled community housing company and the development of an Aboriginal Housing Strategy. We have participated in the consultations for the Strategy and have reviewed it with our members and our Aboriginal Cultural Advisory Panel.

This year we are following the same successful method to seek political promises and policy information from parties and independents, and we launched the draft platform via Zoom on 9 June 2021 – [you can view the recording here](#). The platform is outlined below and is based on research, our housing policy work and community consultation.

During the launch, our Executive Director, Alice Clark, introduced the platform and convened and curated an expert panel including colleagues who participated in the national Constellation Project's mandatory inclusionary zoning work. The forum provided an understanding of inclusionary zoning, why it is needed, the role of community housing and a practical, real life success story from New South Wales. The panel members included Adrian Pisarski, Executive Officer, National Shelter, Leonie King, CEO, City West Housing, Marcus Spiller, Director, SGS Economics and Planning, Wendy Hayhurst, CEO, Community Housing Industry Association.

**The objective of the Shelter SA election platform is to address housing affordability for people living on low incomes and experiencing homelessness. Please supply your party or independent response to our seven proposals prior to 24 September 2021.**

## **1. Social Housing**

Our biggest ask is for a **significant South Australian Government investment to increase the net supply of social housing (publicly owned and community owned/managed)**, like the Victorian Government's 'Big Housing Spend'. The target, net increase should be at least 20,000 properties over five years. We are seeking your commitment to creating housing outcomes for people living with the greatest housing need and to reduce homelessness.

## **2. A New Home Ownership Product**

The current focus of '[Our Housing Future](#)', South Australia's housing strategy, is to construct affordable housing for sale at a price point that is unaffordable for people living on low incomes to purchase. The construction of house and land packages at a unique price point of \$200k or less should be undertaken to enable households in the lowest household income quintile to achieve sufficient borrowings to purchase the homes with affordable repayments. If these homes were built on publicly owned land or on smaller land lots, with a modular design, the price point could be achieved. Will you or your party commit to supporting a new home ownership product?

## **3. Homelessness and Accompanying Children**

Children (under twelve years of age) who accompany clients of specialist homelessness services are extremely vulnerable and have often experienced and/or witnessed domestic and family violence. Children can easily become invisible within the system - when families are accommodated in motels - and there are no housing outcomes available for months, they remain in inappropriate accommodation. Children suffer in this environment and their experiences can lead to a cycle of homelessness and a lifetime of trauma. What will you or your party do to ensure that children are properly housed and do not become invisible within the homelessness system?

## **4. Mandatory Inclusionary Zoning**

The Shelter SA election platform defines inclusionary zoning as a land use planning intervention by government similar to the Australian Housing and Urban Research Institute definition of inclusionary zoning which is as follows:

Inclusionary zoning is a land use planning intervention [conducted] by governments.

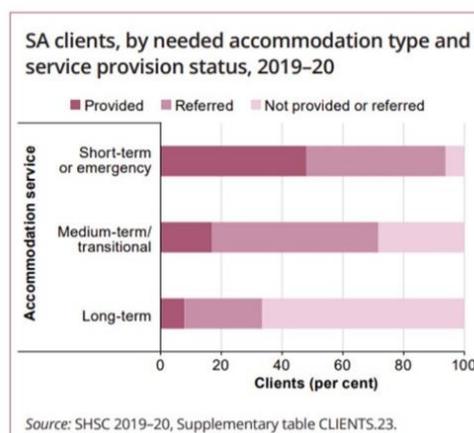
Mandatory inclusionary zoning requires that a number of affordable homes are included in

developments as a condition of planning approval. The number of potential affordable homes developers are obliged to build is determined by either negotiated agreements made between a developer and the planning authority during the planning assessment process, or fixed requirements are specified as a proportion of housing or development value<sup>1</sup>.

Shelter SA participated in the [National Shelter Inclusionary Zoning Project](#) and the [Constellation Project with a focus on mandatory inclusionary zoning](#). As the South Australian Inclusionary Zoning Policy (the Policy) currently stands it does not contribute to social housing outcomes, long term rentals or sales that people living on low incomes can afford. The price point of the affordable housing for sale currently built under the Policy is out of the financial reach of the people who need housing the most. Therefore, the Policy does not assist people living on low incomes or experiencing homelessness. The need for governments to address the shortage of social housing and the housing affordability crisis is growing. Others have called for [greater national leadership and investment](#) from the Commonwealth Government to address the supply of social housing, however State Governments also have a responsibility to increase supply. The Parliamentary Inquiry into Homelessness in Australia recommended the following (4.254<sup>2</sup>):

The Committee recommends that the Australian Government, in consultation with state, territory and local governments, seek to increase affordable housing supply when land is rezoned for residential development, through the introduction and harmonisation of inclusionary planning approaches across Australia.

South Australia's ability to meet the housing needs of people experiencing homelessness must be improved as demonstrated by the below figure from the Australian Institute of Health and Welfare that shows the unmet need for accommodation.



<sup>1</sup> <https://www.ahuri.edu.au/research/ahuri-briefs/Understanding-inclusionary-zoning>

<sup>2</sup> [Homelessness Inquiry Findings 2021](#)

The definition of affordable housing within the Policy is housing that will be sold at a price point of up to \$420,000 and this price is out of reach of individuals and families living on low incomes. Additionally, the sale of homes and the public land they are built upon, to the market, means that the land is lost to the social housing portfolio. The majority of public land could and should be retained to achieve social and economic outcomes, including social housing, not profit.

The State's housing strategy is largely based on the provision of new affordable housing for sale rather than a net increase in the supply of social housing or rental housing that is affordable for people living on low incomes. The Policy must change to become a critical element of providing the housing that South Australians need and can afford, particularly people in the lowest household income quintile. In the Riverlea development at Buckland Park, for example, which will see the construction of 12,000 new homes, 15% affordable housing will be achieved. However, again, the price point of the homes will be out of the financial reach of people who need housing the most and there are no plans to include social housing, despite large amounts of land dedicated to open air car parks and community spaces.

Strong structural reform is required to transition the current Policy away from affordable home sales to social housing and affordable, permanently rented homes, owned and managed by registered community housing providers, to eligible tenants who are living on low incomes. Without structural reform, the social housing waiting list, housing stress and the number of people experiencing homelessness in South Australia will continue to grow.

Social housing is a public good and should be treated as essential infrastructure (like roads and schools) for the sustainable development of cities, towns and neighbourhoods, that must be included in the development of all land, regardless of who owns it. There are many benefits associated with considering social housing as essential infrastructure. Creating better places to live entails a mixture of housing types and a diverse resident population, a local pool of different skill levels to meet the employment needs of retail, personal services, transport and health care and also to mitigate poverty and social exclusion.

The above benefits of treating social housing as essential infrastructure are of equal weight – the academic literature provides no evidence to separate them in terms of their value to the community. Creating better places is the role of the planning system and development proponents so they should meet one third of the cost of supplying social housing infrastructure.

The State Government has primary responsibility for spatial labour markets. So, the second benefit – maintaining local skills supply – rests with the State, implying that it should meet one third of the cost of providing adequate social housing infrastructure.

As the Commonwealth Government is responsible for social security, the third benefit mitigating poverty, implies that the Commonwealth should fund the remaining third of the cost of providing social housing infrastructure for healthy, sustainable communities.

In other words, it is reasonable that the development process generates the resources to deliver 4% of all newly constructed housing as social housing. The 4% represents one third of the required stock of this infrastructure which is 12% of all housing.

The planning system in South Australia and in other jurisdictions already features inclusionary provisions such as open spaces, water cycle management, parking, native vegetation and heritage protection. Planning for the provision of social housing should follow the same principles as those that are applied to these other types of infrastructure including parklands, roads and schools. Housing that meets the needs of the future profile of communities should be attained to constitute between 10 and 15% of the total housing stock rather than only meeting the needs of the current generation of residents.

Typically, if inclusionary requirements cannot be met, a payment is accepted for the delivery of the amenity elsewhere. Shelter SA is proposing that South Australia will work towards a mandatory inclusionary zoning policy that sets the proportion of social housing to be achieved at 4% in all new developments with the costs associated with inclusionary zoning to be met by the landowner. If landowners choose to forgo including social housing or the sites are not appropriate for social housing they must pay the equivalent value into a newly created fund with legislated responsibility for the South Australian Housing Authority to use the funds to increase the net supply of social housing. In principle the cost of delivering 4% of all housing as social housing in a precinct or district should be carried by all developments in that area, regardless of land use and project size.

Given the average proportion of non-residential uses in urban development, all development should include around three square metres of social housing for every 100 square metres of residential, commercial, industrial or institutional floorspace that is produced for sale or lease. On this basis, a residential tower of 150 units would include, or provide a payment for, five social units which are transferred to registered community housing provider at zero consideration. A dual occupancy project by a ‘mum and dad’ developer would pay around \$18,000 cash in lieu of social housing

infrastructure provision and the builder of 30,000 square metre shopping centre in a greenfield suburb would provide or pay for twelve social housing units.

Inclusionary requirements are not a tax on development. They are an expected standard of development. Therefore, inclusionary zoning should be applied at rate not exceeding 3% of floorspace and on a universal, no exceptions basis.

Were this approach to be applied in the Riverlea development at Buckland Park for example, inclusionary zoning would generate around 420 permanent social housing units. A further 850 social housing units would be required if Riverlea were to have adequate social housing infrastructure. This would be paid for by the State and Commonwealth Governments and from other sources.

The inclusionary zoning policy for non-government and private land should be retained in the Planning, Development and Infrastructure Act 2016 (SA) either in the Code, the Act or the Regulations, the South Australian Housing Trust Regulations and the South Australian Government Gazette to ensure that the South Australian Housing Authority can continue to provide direction and advice on affordability and eligibility for affordable sales, while these exist. Below the stages are outlined for the introduction of mandated inclusionary zoning for all developments.

#### **Stage 1 – 2022 to 2024**

- Government land sales should transition to the mandatory inclusion of social AND affordable housing as a first step with 5% social housing, 5% affordable permanent rental housing and 5% affordable home sales (with a reduced price point) for all new developments by 2022.
- Affordable housing is currently priced to cost people no more than 30% of their gross income in repayments if they are on a low or moderate income. However, the way that affordable housing is priced should be changed to focus on the purchase price point AND the repayments for people living on low incomes. The price point of affordable home sales should be lowered to ensure affordability for the lowest two household income quintiles (\$30k and \$50k annual household income). Low and moderate incomes must be defined more accurately to reflect household income quintiles, not arbitrary income limits. **If this change cannot be achieved, the affordable homes program must cease advertising affordable housing as being within the financial reach of people living on low incomes.**
- When affordable homes for sale are the only housing outcome, the modest affordability created can be lost, as purchased dwellings can be sold in the future without any limit on price or eligibility criteria. Until Stage 2 is reached, this situation should be changed through a mechanism that ensures affordability is not lost to the market over time.

- If landowners choose not to include social housing, they may select the payment of a levy, which is used to fund an increase in the net supply of social housing through an offset scheme with strong regulations around quarantining the funds to increase the net supply of social housing.

## **Stage 2 - 2024**

The Policy to transition to remove affordable homes for sale and only include social housing for permanent rental, owned and managed by registered community housing providers to eliminate affordable home sales for all types of land ownership – government, non-government and private, by 2024.

### **5. Home Seeker SA (Affordable Homes Program)**

Until the transition to an inclusionary zoning policy that only includes social housing occurs:

- The price point of affordable homes must be reduced to enable the lowest two household income quintiles to achieve borrowings AND repayments OR the homes must not be advertised as suitable for low income individuals and households.
- Affordable homes should stay on the Home Seeker SA website for a longer period to ensure they reach their intended market.
- Home Seeker SA should develop and implement strategies to advertise and raise awareness of the program and to educate people about how to access home ownership opportunities.
- Educational workshops should be provided by Home Seeker SA for people living on low incomes and suitable social housing tenants to increase their opportunities to understand and access home ownership.

### **6. South Australian Housing Authority**

- When publicly owned land is being redeveloped, ensure that at least 75% of the land is retained for social housing and is not sold to the open market through the affordable housing program or market housing sales UNLESS through a land sale, a net increase of 50% social housing will be achieved.
- All surplus monies from urban renewal projects must be invested into increasing the net supply of social housing.
- Cease the repayment of Commonwealth debt (which has been forgiven) by the South Australian Housing Authority to the South Australian Finance Authority and dedicate repayments to increase the net supply of social housing.

- Cancel direct payments to the Housing Authority from community housing providers (\$13.5 million per annum) and the responsibility to pay this amount to Treasury OR redirect the funds to a community housing growth fund.

## **7. Across Government**

State Government departments including corrections, health, mental health and youth justice have policies in place that aim to prohibit discharge/release into homelessness. The Parliamentary Inquiry into Homelessness in Australia (3.302) recommended that, “the Australian Government work with state and territory governments to implement strategies to address the risk of exiting into homelessness from state institutions” and that “developing a nationally consistent approach to discharge planning and a national definition of no exit into homelessness”.

We are asking State Government to collect and publish data from it’s departments about people who are discharged or released from state institutions into homelessness to uncover the size of this practice and seek improved discharge planning, reduce the number of people held in institutions due to homelessness and provide increased, appropriate accommodation options. We are also seeking the collection of data about how many citizens are incarcerated beyond their release due to the lack of suitable housing to accommodate home detention, particularly those people who identify as Aboriginal or Torres Strait Islander. The Australian Bureau of Statistics definition of homelessness to apply to the data.

## **Responses & Online Event**

Please return your responses to Shelter SA [via email](#) by **24 September 2021**. All responses will be published on the Shelter SA website and we will undertake mainstream and social media to share the positions returned to us, prior to the election in 2022. You or your party will be invited to present your responses to an online meeting that will be open to our members and the public to be held on **Friday 22 October 2021 at 10.30 a.m.** Please RSVP to our Executive Director, [Alice via email](#) with the name and contact details of your representative and [reserve your place online](#).

Tickets are free but you must register to attend. You are invited to add a tax deductible donation to support our work or if not, please select General Admission. [BOOK ONLINE HERE](#)