Submission To Senate Inquiry On Intergenerational Housing Inequity

Anti-Poverty Network SA[1] welcomes the opportunity to make a submission to the Senate Inquiry on Intergenerational Housing Inequity. For the past 13 years, Anti-Poverty Network SA has been a grassroots, volunteer-run voice for those on the lowest incomes: job-seekers, age and disability pensioners, students, carers, those reliant on welfare payments, and others experiencing financial hardship. These are people for whom the housing market has been extremely unaffordable and insecure long before soaring housing and renting costs became a dominant issue among the wider community.

Virtually all of our members and supporters are or have been stuck in a tight, expensive rental market where they must spend more than 30% of their income on rent (meaning they are experiencing 'housing stress'), and many are spending over 50% of their income on rent, **a very common experience for people relying on income support payments**. Many of our members have experienced homelessness, and some are currently homeless. Others have spent years on public housing waiting lists. A small number have been able to access public or community housing after a long period of struggle, knowing that they are fighting for a place against thousands of others in equally painful situations. Our submission focuses on these aspects of the housing system.

Causes Of Intergenerational Housing Inequity

Over the last few decades, the housing system has been profoundly shaped by:

[1] For further information on our submission, contact **info@apnsa.org**.

- Enormous tax subsidies for investors and landlords that have encouraged substantial speculation in property, particularly among older cohorts. This has led to skyrocketing house prices and left many, especially younger people, locked out of home-ownership and having to rent for longer. This in turn reduces the availability of rentals for those on the lowest incomes, placing them at greater risk of financial hardship and homelessness.
- Consistent neglect and destruction of public housing, with public housing being sold, demolished, or underfunded across the country. This has led to massive waiting lists and unmet need, increased rates of homelessness, and further increasing competition for rental properties[2]

These trends have created significant barriers for renters by forcing more people to compete for fewer and more expensive rental homes, especially in markets where rent rises are unlimited and rent rises are consistently higher than wages and incomes.[3] They have also had the cumulative effect of transferring housing wealth across generations, concentrating property ownership among older cohorts while excluding younger Australians from equivalent opportunities.

Who Is Being Affected, And How?

We note that the housing system is generating *not only growing inequities between generations, but within generations*. Younger Australians are far more likely to be locked into long-term renting or housing insecurity compared to previous generations at the same stage in life, with many facing the prospect of lifelong housing insecurity. However, we also note the divide in access to affordable, stable housing among older people (see further comments below). Housing insecurity and homelessness have long-term impacts on mental and physical health, education, and economic participation, with consequences that can extend across the life-course and entrench disadvantage between generations.

Increasingly, a strong predictor of home ownership for younger generations is **whether their parents own property**. This is compounding wealth inequality over generations as those with the money to purchase property themselves are also better-positioned to help their children enter the housing market (via the 'bank of mum-and-dad' which has **grown to a significant minority** of total home lending across Australia).

Most of the low-income people we advocate for are trapped in the private rental market, or at-risk of falling

[2] **In SA, 20,000 public homes were sold between 2000-2020**, and despite modest numbers of new public homes being constructed by the Malinauskas State Government, we have barely reversed the historic trend, or made a dent into levels of community need. There are almost 14,000 people on SA's public housing waiting list, according to the **latest Productivity Commission data**.
[3] **In SA, rents have risen 52% since April 2020.** According to **analysis by Everybody's Home,** capital city average weekly rents surged 57% from $473 in 2015 to $742 in 2025.

out of that market and into homelessness. Despite some recent progress on rental reform across parts of the country, renting is still an incredibly stressful experience. **Renters face unaffordable rents, and huge rent rises**, with minimal (if any) constraints on how much landlords can increase prices[4]. Renters are very anxious about the stability of their leases, live in energy-inefficient homes, and often struggle to have repair and maintenance requests actioned. Our relatively short leases create uncertainty and make it harder for renters to build the connections in their local community that are critical to the social cohesion governments so often appeal to their constituents for. Who can seriously and confidently invest time and effort in their local area knowing they have no control over whether they may still be there in 12 months?

Aside from low-income people, especially people relying on welfare payments (for instance, **less than 1% of rentals are affordable for people on JobSeeker**), younger people are more likely to be renters, which means *being more likely to experience all of the difficulties noted above*. We also note the increasing proportion of older people who will hit retirement age **(700,000 older people were in private rentals, according to the last Census)**, while still renting.

With such intense competition for rentals (**we have a vacancy rate of around 1% – even less in SA**), those unable to find a rental are at-risk of homelessness, whether rough-sleeping, couch-surfing, or other unstable or unsafe forms of accommodation. For these people, their ability to access social housing is greatly limited due to decades of underinvestment, or housing stock being demolished or sold.. While older women are the fastest growing group of homeless people, there **remain very high rates of homelessness are among younger women (particularly, as victims of domestic violence), younger men, and children**. People with a **disability** and **First Nations people**[5] are particularly at-risk of homelessness and housing insecurity, and we call for increased specialist supports and housing options for these groups.

What Has Worked Elsewhere (And Could Work Here) At Reducing Intergenerational Housing Inequity?

Substantial investment in public housing stock (and similar housing) has been a critical part of housing systems in other wealthy nations, contributing to greater housing affordability. For instance, according to **OECD data**[6]:

- 23.6% of all housing stock in Austria is public housing

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[4] Generally, rent rises are limited to once per year, but in Australia, the size of rent rises is largely unregulated.
[5] First Nations people are estimated to be homelessness at between 6-8 times the national average, and there is a desperate need for investment in Aboriginal housing, and culturally appropriate, safe, homelessness and other support services.
[6] Note that some of the OECD data includes not only public housing, but some other kinds of non-private, non-market housing options.

- 21.6% of all housing stock in Denmark is public housing
- 14% of all housing stock in France is public housing
- 10.9% of all housing stock in Finland is public housing

Across the OECD public housing represents on average 7% of all housing stock, but in Australia, public housing has shrunk to around 4% of total housing stock (South Australia fares only slightly better at around 5%), **down from around 7%, in the early 1990s**.

Other nations show that the renting landscape need not be dominated by expensive rents, insecure, short-term leases, and power imbalances that characterise the Australian rental experience. While rent-controls currently are rare (only the ACT has a version of rent-control), **there is a diversity of rent-control schemes** (for instance, the Irish model, and the less strong Scottish, Oregon, and St. Paul, Minnesota models). Well-designed rent-control schemes can make renting more affordable and fair without significantly reducing rental supply or new housing construction, contrary to claims often made by developer and real estate lobby groups.[7]

While long-term leases in Australia are not the norm, the German experience tells us that it is possible to have a sustainable arrangement of long-term leases even in a setting where a much larger proportion of the community resides in private rentals. Germans can enjoy **much longer (2-30 years) leases, and indefinite leases**, facilitated by very different regulatory and tax incentives to those operating in Australia.[8]

What Factors Block Significant Housing Reform?

There are several elements that have made it harder for governments to take the drastic action that is urgently needed to improve housing equity. Some of those factors are:

1. The gross imbalance of power between people experiencing housing crisis compared to real estate, developer, and landlord groups

Housing industry and investment lobbyists have extraordinary political and media influence that let them frame the narrative around the causes of and the solutions to the housing crisis. People suffering the impacts of the housing crisis are not offered any seat at the table where decisions are made about how to fix it, and

[7] Further analysis on the variety of, and successful instances of, rent-capping schemes, overseas, can be found in **'Regulating Rents: International Examples And Experience'** by Sisson and Bowyer-Pont.
[8] For instance, the absence of the massive tax discounts on capital gains that cause property-owners to focus on this, over long-term income from renting.

indeed, often do not have the capacity and the resources to be able to advocate for the policies they need, because of huge financial, personal, and other stresses in their lives (many of which are caused or made worse by their housing situation).

That power-imbalance has hampered action even when there is consistently very strong community support for action to increase housing equity, such as building more public housing, ending taxpayer handouts for property investors, and strengthening protections for renters.[9]

2. Governments being unwilling to use tax levers to generate extra revenue for public housing construction

Despite claims to the contrary, **Australia is a relatively low-taxing country**. While many policy areas, including housing, suffer from significant unmet need that could be addressed by direct state funding,, **governments have generally been unwilling to seriously tax corporate profits and super-wealth** in order to do so.[10] This has made it harder for governments to resource the upfront and ongoing investment required to reverse decades of public housing being dismantled and neglected, and to rebuild the public housing estate in a manner that supports those who need it most.

3. Governments treating 'supply' (through the private sector) as the silver-bullet for fixing the housing crisis

There is a reluctance by governments at multiple levels to seriously consider any policy which might be seen to negatively affect private investment in housing construction. Yet without restrictions on how many homes someone can purchase, there is nothing to prevent new builds from being purchased by investors (who often will have greater purchasing power via equity in their existing properties), rather than the aspiring owner-occupiers whose housing needs governments purport to be meeting via supply policies.

The focus on private supply of homes neglects the questions of access, distribution, and power – how are houses being distributed, who is dominating the purchase of homes, who is getting ahead.[11] **Australia Institute analysis** notes that over the last two decades *the rate of new builds has consistently exceeded the rate of population growth*. This indicates that there is more to solving the housing crisis than increasing supply – governments must address *who* is able to access that supply to take effective action on reducing the pervasive

[9] **Public support for building more public housing**; **public support for ending taxpayer handouts for property investors**; **public support for rent-caps**.
[10] We note the critical advocacy of **ThinkForward**, among others, in this area.
[11] It also neglects the question of vacant private homes (see Recommendations, below).

inequality in Australia's housing market, and get more people into homes rather than simply expanding what is available for investors.

4. Cultural attitudes about renting

Renting is still not seen as as a legitimate form of housing tenure[12] and being a landlord is seen as a safe and easy method for generating passive income. These attitudes both reflect decades of policy settings, but now also act to hamper urgently needed reform in this space. Provision of housing is treated as a money-making operation rather than the provision of a fundamental human need, and the landlord's rights regarding the property (as its owner) are in conflict with the rights of the tenant who relies on the property as a safe, secure, affordable shelter required for survival.

[12] To quote Michael Fotheringham of AHURI: *"Australia has always viewed renting as transitional…we are still stuck in this 1950s view of the world, where renting is a short-term rite of passage after you leave your family home and you share a house in your twenties for a little while before you buy your own. It's still not being viewed as a long-term solution."*

Recommendations:

Addressing intergenerational housing inequity will require coordinated action across taxation, public housing supply, renting regulation, and other policy areas. We recommend that the Committee advocate for:

- Phasing out the Capital Gains Tax discount and Negative Gearing tax concessions
- Substantial, ongoing investment in public housing stock of at least 940,000 new public homes over the next 20 years[13]
- Federal Government to coordinate, with State Governments, nationwide rent-controls
- Federal Government to coordinate, with State Governments, strict measures to reduce the number of vacant private homes, including vacancy-taxes, and targeted compulsory acquisition at market value, where appropriate, of persistently vacant dwellings[14]
- Federal Government to coordinate, with State Governments, restrictions on how many investment properties a person can own
- Federal Government to coordinate, with State and Local Governments, restrictions relating to the ability to convert entire properties into short-stay rentals
- New housing to be better planned and located with public and active transport, and other essential services close-by, to improve accessibility, inclusion, and equity, across generations
- A substantial increase to income support payments, to above the Henderson Poverty-Line, so that job-seekers, students, carers, pensioners, and others, are less likely to experience severe financial hardship and housing crisis as a result of their housing costs[15]

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[13] **Everybody's Home** calls for an extra 940,000 public or community homes over the next 20 years, based on **UNSW research into total unmet need for social housing** – this is precisely the level of ambition we need, from all governments.

[14] While ABS Census figures (that suggested 1 million empty homes nationally, or around 80,000 empty homes in SA) likely overstate the number of genuinely vacant dwellings at any given time across the country, even conservative estimates point to a substantial pool of underutilised housing stock. **Real estate industry based estimates suggest there may be around 20,000 empty homes in Adelaide alone, representing a meaningful component of housing supply.**

[15] **There continues to be overwhelming community support for raising income support payments.**

Personal Testimonies From Members

Member Quote: *"I volunteer at a Scout unit, and regularly chat to the kids (aged 11-14) about all sorts of things in their lives, including what's happening in their lives now, and what they want to do in the future. Children have told me that they are worried about how much money they will need to get a house of their own. They know that it is almost impossible as a young person to buy a house now, and worry about how much more expensive it will be by the time they become adults. The fact that 12-year-olds are stressing about these things is an indictment on the future that our policy-makers and politicians have condemned them to, and are still condemning them to every time that they state that housing prices should not decrease."* – Maddi

Member Quote: *"I am a 23 year old from Adelaide's outer northern suburbs studying Social Work and I currently live in public housing. Public housing has ensured that my Mum and I can feel secure in our home, knowing we won't be forced to move on a whim, and our rent is 25% of income, meaning it is much more affordable than the private market. If I were to move out of home I could not afford to rent affordably, and I doubt I would get into public housing considering how little public housing stock there is. I also believe that even when I will have been working for several years I would still struggle to own a home, as house prices are increasing astronomically. Whether I rent or own, I should be able to afford safe, secure housing in a country as wealthy as this one. We need a massive build of public housing and a phase out of the Capital Gains Tax and Negative Gearing at a minimum."* – David

Member Quote: *"I have been renting privately since I divorced 22 years ago, and also been on the public housing list for that length of time. I just recently found out that category 1 (i.e. the highest priority housing category to secure public housing) is for the homeless, and they still have to wait. I never imagined that the private rental market would become unaffordable by the time I was on the age-pension, even with the increase in rent assistance. The last time I could realistically afford a unit was four years ago. Since then the rent increases have consumed more and more of my income, and with the next increase being $75 a week, the rent will be more than half the pension I receive. This fact is constantly on my mind, and overshadows my life. The private rental system is now driving people on government pensions into homelessness.*

I have been a mother for most of my working life, but I have also been in the workforce on and off for 10 years as a teacher, fulltime (briefly), part time, relief and contract, but then given up after my fifth child was born, as there are many duties women have to perform as carers. This caring role is a disadvantage in the income stakes as carers do not receive the same wages as workers in the work force." – Elise

<u>Member Quote:</u> *"The system is working as intended but not as it should. Adelaide, Australia, statewide and federal, has shown its hand in orchestrating the brazen unaffordability we face in living with no end in sight. So-called Australian values, we tout and sloganise are too separate from the reality we live. Not only do I face the reality of working disabled, I face it all with no support. My diagnosis is legitimised, on record, and I am restricted in many ways (legally, socially, physically) because of it yet I don't 'qualify' for the concessions that I help fund. I may never own a house, and everything I do will contribute to a regime that is starving me and making me unwell so that critical community organisations are defunded and deconstructed. I may never own a home, I am 26 and I can't even imagine starting a family in a home that is so unstable. I restart my life every single time a lease ends. Different neighbours, new (old) furniture, strange surroundings and no real connections made in the meantime, but how can I? My desperation is self-perpetuating, I have to take that job against my better judgment, I have to skip health visits, I have to watch myself deteriorate, I don't get to decide."* – Alessia

"My rent has just increased. This year it was $60 per fortnight!!! Just to add I would not be comfortable negotiating any form of future increases for fear of not having my lease renewed. My human right to secure, affordable housing is not being upheld. I have been on a Housing SA [public housing] waiting list since 1996. Yes, 1996 . There is actually nothing available. I have all but given up waiting!! I live in a state of constant anxiety, in particular when my rent renewal approaches. It has definitely affected my health even to the point of panic attacks. I have done everything humanly possible to adjust to these rapid rises. When I say this I mean looking at what I eat, how often I shop, budgeting for my medications, bills, contingencies. It is not cheap living with disabilities. What I cannot control are the outside forces that have become so volatile it is ludicrous and inhumane." – Ange