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Let's not return to normal

The disruption caused by the Covid-19 pandemic has touched all corners of the economy and society. Unemployment rates are at their highest level for decades and expert commentators suggest that both high rates of unemployment and underemployment will persist for many years. The impact on the housing market is equally pronounced with some predicting that prices will fall by one third over the next two years, equity levels will decline by 10 per cent and rates of homeownership will continue to decline. While rents are falling in some inner-city areas, the proportion of people in housing stress continues to rise with an ANU study indicating that the rate of housing stress doubled from seven per cent to 15 per cent between February and March this year. Across the community anxiety is increasing and young people, women and sole parents, as well as socio-economically disadvantaged households, will disproportionately bear the economic toll of the Covid-19 pandemic

However, Australia has been cushioned from the full economic effects of Covid-19 by some sensible policy decisions. For those experiencing homelessness, State governments have acted promptly by providing additional funding for agencies to provide ongoing financial assistance so that homeless households can stay in hotels and avoid exposure to Covid-19. Similarly, the eviction moratorium, the Jobseeker Covid Supplement and the JobKeeper programs have been successful in shielding the community from the full economic shock of Covid-19 and a rapid increase in the number of people falling into the homeless population.

However, these initiatives are scheduled to end and state and federal governments are now confronted with two housing challenges. What to do for those

currently homeless, and how to best prepare for a possible avalanche of evictions and mortgage foreclosures.

Australia's response to Covid-19 has been instructive. We relied on an evidence-based approach and it seemed to have worked. Despite the current spike in Victoria, Australia and other countries that adopted an evidence-based approach to Covid-19 are faring much better than countries where ideological considerations dominated. In those countries, such as Brazil, the United States and the United Kingdom, rates of infection and mortality have been high and the social and economic consequences more devastating.

Clearly, evidence matters, and it would be pleasing if we could translate what we have learnt from our response to Covid-19 directly into the area of housing and homelessness.





Artwork by Roy Wilkins

We should waste no more time on ideological questions and arguments. We cannot and should not return to a normal state of affairs where social housing is marginalised and welfare payments are insufficient. We need to think beyond policies like the HomeBuilder renovation stimulus package that will do little to boost economic activity, will help wealthier households, and will do nothing for low-income people, or for the millions of Australians that rent.

The Federal Government must immediately implement two broad policy initiatives to prevent an explosion in the number of people experiencing severe housing instability and homelessness, and to create the social infrastructure that will ensure all Australians can enjoy a life free from housing instability and poverty.

First, the Federal Government must permanently increase the rate of the Jobseeker allowance. Implementation of the Covid-19 supplement was a clear signal that even conservatives accept that Jobseeker payments have been insufficient and there is already good

evidence pointing to the benefits of the additional Covid-19 payments with low-income households eating better and more regularly, as well as managing rental costs. The Federal Government recently indicated that it will increase Jobseeker payments to \$815 fortnight, but this is not a permanent increase nor is it sufficient to reduce housing related stress

Second, there is clear evidence that for low-income households social housing is the most effective element to prevent homelessness and chronic housing instability. Indeed, across the political spectrum a wider range of actors than ever before — including conservative economists, the OECD, large private sector corporations, and peak bodies such as the Victorian Affordable Housing Industry Advisory Group, CHIAVic, and VCOSS — are endorsing the need for increased investment in social housing. While motivations may vary, all recognise the social and economic benefits increasing investment in social housing will provide to Australia and to Australians.

It is crucial that we don't return to normal and let social housing continue

to wither. Now more than ever if we let housing and homelessness policy follow its pre Covid-19 trajectory, we could find ourselves going from pandemic to unprecedented levels of homelessness and housing insecurity. Now is the time for Governments to examine their responses to homelessness more carefully and critically — if we keep adding additional layers to the already complicated service system, and if we keep spending more on temporary solutions all we are doing is tinkering around the edges. It's time to address the root causes of homelessness not its symptoms and invest in good quality social housing.

Recently, the conservative Chancellor of Austria Sebastian Kurz said that *'...the goal of politics is to solve problems not pursue an ideology that is stronger than the reality you are dealing with'*. If ever there was a time to heed this advice, that time is now. If there was ever a time for government to break with the housing and homelessness status quo, that time is now. A failure to do so will be a failure unnecessarily experienced by hundreds of thousands of Australians.