

GIVE ME

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Give Me Shelter

The long-term costs of underproviding public, social and affordable housing

Housing All Australians' Synopsis

June 2022

\$25 BILLION PER YEAR

Failure to act on shelter needs will cost the community \$25 billion per year by 2051.*

* In present value terms

About Give Me Shelter

Housing All Australians is pleased to have partnered with SGS Economics and Planning to deliver Give Me Shelter. As an Australian first, this economic study outlines the long term economic costs to Australia if we do not house all our people, rich or poor.

With the findings from this study, we aim to bring Australian business together for a national conversation on the importance of Housing all Australians. As a society, we need to understand the long term economic and social implications that this chronic shortage of "non market" driven housing is going to have on Australian society and the economy and to demonstrate the strong underlying business case that exists behind mitigating that outcome.

Housing All Australians is a business-led initiative dedicated to the pursuit of practical solutions to help address Australia's chronic shortage of low-income affordable housing.

Through our national presence and activities such as Pop Up Shelters (repurposing existing empty buildings as a private sector-driven short-term solution), Housing All Australians is the conduit for values-aligned businesses that want to volunteer their skills and services to help vulnerable Australians.

"This report underlines the importance of investment in social and affordable housing as a fundamental economic issue, with generational implications. The data shows the urgency with which we should be acting on this challenge and demonstrates there is an economic and community benefit from investing in social and affordable housing."

Jane Hodder, Deputy Chair, Committee for Melbourne Board

[Download the full report here:](#)



Why is housing all Australians important?

Having stable shelter is a fundamental human need and its provision is the basis of a successful society. How can a parent or carer bring up a family if they are always having to move? How can people manage the emotional or physiological events of life if their need for stable shelter is not met?

Housing All Australians believes that housing is essential (economic) infrastructure that ensures this fundamental human need is met. Australia has a large and growing population whose income is not keeping pace with house price growth and increasingly higher rents. In increasing numbers, these Australians are making choices between paying the rent or providing food on the table.

Give Me Shelter shows that if this housing shortfall is left unaddressed, the additional cost to Australian taxpayers will reach an additional \$25 billion annually by 2051 (in 2021 dollars). If the government cannot afford to fund these costs and we stop supporting the vulnerable in our society, our Australian values will be diminished. We must start the journey towards housing all Australians before it becomes too big for our country to solve.

Underinvestment in housing

Australia has experienced decades of underinvestment in social and affordable housing by successive governments. Our population grew by more than 25 per cent between the 2001 and 2016 Census years, yet our stock of occupied social housing shrank by 2.5 per cent. Social housing now makes up less than four per cent of all dwellings, compared with almost six per cent in 1996.

Give Me Shelter finds that more than two million lower income renter households will be in serious housing stress by 2051. They will be paying rents more than the international benchmark of 30 per cent of income, alongside rising utility and other household costs. This will have unintended consequences that will significantly impact both Australian society and its economy. We need a paradigm shift in our thinking if we are to create new solutions.

Investment in social and affordable housing is essential economic infrastructure that delivers solid long-term economic returns to our country.

Give Me Shelter found that the national average benefit-cost ratio (BCR) for Australia in providing adequate social and affordable housing infrastructure is 2:1. In other words, for every \$1 invested to induce delivery of public, social and affordable housing, the Australian community saves \$2 in future costs.

This rate of return is comparable to, or better than, those achieved in many other major investments in infrastructure including Brisbane Metro (1.9:1), Melbourne Metro (1.5:1), Morley–Ellenbrook line Perth (1.1:1), M12 Motorway Sydney (1.8:1), Gawler Rail Line Electrification SA (1.1:1), Tasmanian Irrigation Tranche Two (1.6:1) and National Inland Rail (2.7:1).

And if we don't act? The annual cost to taxpayers of not providing the additional housing our country needs will escalate. The report shows that the health, education, productivity and crime costs borne by the community as a result of this unmet housing need is estimated to reach an additional \$25 billion per year (in today's figures) by 2052.

Key Findings

Every \$1 the Australian community invests in social and affordable housing will deliver \$2 in benefits.

This rate of return is comparable to, or better than, those achieved in many other major Australian infrastructure investments.

Failure to act on shelter needs will be costing the community an additional \$25 billion* per year by 2051.

The benefits of providing adequate housing are estimated at almost \$110 billion*.

* In present value terms

\$110 BILLION IN BENEFITS

If we invest in social and affordable housing today we'll gain \$110 billion in benefits.*

* In present value terms

This is now an issue for business

We have seen a rise in people experiencing homelessness in our streets over the last decade. The increase in homelessness points to a much bigger issue with our housing continuum that will not be resolved until we solve the upstream supply of non-market housing.

Homelessness is an issue for all Australians and it's becoming an issue for business, too. We are already hearing of businesses struggling to keep their doors open because the rising rental prices for housing are pushing their staff beyond a reasonable commuting range. Australian businesses are also having to invest in affordable housing to provide cheap accommodation to attract staff, particularly in regional and coastal areas that have experienced significant population shifts.

"The business sector has a long history of engaging with governments to address policy sticking points, most recently during the pandemic. The lack of affordable housing is an issue of equal if not greater significance to the business sector given this is a problem that is only going to get worse without a nationally-coordinated response at the highest levels of government and industry."

Advocacy for change can't just be left to housing charities. Staff are a business's most valuable asset, so it is incumbent upon the business community to communicate to governments the need for better housing outcomes to secure workforces and lift productivity."

*Monash University Business School
Professor and former ACCC chairman
Graeme Samuel AC*

Why does the business sector need to lead this discussion?

In the 2021 review of the federal government's National Housing Finance and Investment Corporation, Chris Leptos AM estimated the "non-market" housing investment required to rectify the shortfall to be around \$290 billion. This is too big for government to solve. It must engage with private sector capital markets (which includes our superfunds) and encourage their involvement in creating a new residential asset class. Our super funds want to invest in Australia's housing, but they need to achieve a reasonable return for the risk involved. This should stem the current outflow of Australian's super money, which has already invested several billion dollars in housing Americans and people in other countries. Capital is fluid and will follow to where the risk/reward ratios are favourable.



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When business understands the quantum of investment required and the potential business opportunity, recognises the strong underlying business case and the implications to a future Australia of not housing all our people, business will help drive the delivery of this currently "non-market" led housing.

"Most of us know that inadequate supply of housing is a big issue for Australia and goes a long way to explain the astronomical house prices and rents we are experiencing. What we don't always appreciate is that this lack of affordable housing is most severe for those who can afford it least. And the flow-on effects are terrible for the families involved and ultimately create enormous costs and foregone opportunities for our society. There's a compelling social and economic case for business and governments to act in partnership to solve this."

Alison Watkins, company director and Chancellor, University of Tasmania

How can business be involved?

"We need more overseas labour, but where will these workers live? Businesses will find it difficult to attract staff if they can't find a place to live, and if they can't afford the rent where there is available stock."

The pandemic has shown us we can succeed in finding solutions when we work together to tackle a crisis. Overcoming a systemic problem such as housing affordability requires a collaborative approach from industry and all levels of government. It's in everyone's interest to find a way forward."

Economist and Macroplan Executive Chairman Brian Haratsis

We encourage all Australian businesses to lend their voice to a national conversation: *Housing all Australians - an economic platform for a prosperous country*. Business can be involved in ensuring that Australia is not only creating well-located affordable housing for its workers, but equally importantly, restoring hope and confidence in the home-ownership aspirations of our younger generations. The time for waiting is over.

You can get involved by sharing and discussing *Give Me Shelter* with your industry organisations.

We have arranged for the authors of the report to share their findings and answer questions at a national webinar to be hosted by the Committee of Melbourne. Please register on the *Give Me Shelter website*.

You can also follow Housing All Australians on our social media channels to keep up to date with the progress of this important discussion or email us to get involved with our other initiatives at :

✉ info@housingallaustralians.org.au

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Download the full report here:





This synopsis was written by Housing All Australians. For more information about the Give Me Shelter report or for media enquiries , please contact:

www.housingallaustralians.org.au/givemeshelter and
givemeshelter@housingallaustralians.org.au