

**Submission
No 11**

**INQUIRY INTO SOCIAL, PUBLIC AND AFFORDABLE
HOUSING**

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HOUSING SUBMISSION

Social, public and affordable housing (Inquiry)

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SUMMARY

This submission is about enticing more and more redundant workers into deeper self reliance at an ever reducing cost to government – it is about a new approach to increasing supply of government housing where the capital gains go entirely to government and where participating tenants become more skilful, productive, self reliant and valued in the community, whether they end up getting paid employment or not.

THE USUAL SUSPECTS

Everybody calls for “more housing” as the obvious solution to our housing problems. Mostly, people also call for “less taxation”. So governments have used various tools to incentivise private investment rather than increase tax for subsidies.

Historically, it’s been politically easier to win the votes of the working majority by subsidising the dream of home ownership than to argue for an increase in housing support for the unemployed/poor, where people are so often characterized as bludgers & housos.

Whether through trickle down by subsidising the employed into ownership, or by trickle up by subsidising the unemployed into social housing, increasing the supply of housing has roughly the same effect on the overall housing market.

However by encouraging home ownership among the employed you also lock a taxpayer into a 20 year mortgage & commitment to market employment, by which time they are

locked into a lifestyle. But there are a few problems emerging with this emphasis on home ownership and paid employment. Even if perpetual economic growth was achievable, it's getting relatively more expensive to subsidise the private market, especially as capital gain from such government investment goes to private owners, not to government. Yet the increase in land value is created by the community as a whole, not by the individual. Subsidising the private property investor also deepens the wealth gap between owners and renters, between rich and poor, destabilising society which threatens growth.

Growth, as currently measured, is increasingly burdened with environmental costs which result from that growth – many now see it as unsustainable.

MUST IT BE WINNERS & LOSERS?

Competition, on which growth currently depends, creates both winners and losers, and competition increases with globalisation, specialisation, technological job replacement, and an increasing population. Competition is creating more people who are likely to become more entrenched in unemployment. They remain unable to pay for housing of any type without subsidies, which must increase to match the increasing cost of housing.

The main response to redundancy is retraining, and while that is a solution for some, it ramps up the competition, re-creating winners and losers ... and it is the ones who don't get paid work I want to focus on here in terms of housing supply and the potential for increased "efficiency".

The overall challenge is to find efficient more sustainable ways to house our population. No doubt there are efficiencies to be had in building methods, materials, designs etc, but the opportunity for real gains in efficiency could be in the way redundant workers get housing.

Is there any way redundant workers could become more self-reliant and even productive over time, even if they never got paid employment? Might they even one day participate in the building and maintenance of their subsidised housing?

INVESTING BETTER, NOT BIGGER

To date, public housing has been an enormous investment by government, yet it has been passive - it has not been used to support participation directly. Likewise, welfare costs are huge, and while the dole as a stop gap is seen as a valid government investment in the future of the majority of unemployed people who do return to work quickly, it is quite unproductive for the significant and growing minority who do not. Many of them are also dependant on government for their housing. It would be a huge step in improving the efficiency of government investment in housing and welfare to formally value willing participation of redundant workers in their own community, and even in their own housing and basic needs.

Participation through voluntary community work is a substantial and productive sector in the economy. Of course, if redundant workers were coerced to participate in community

work their resentment might create unsustainable management inefficiencies, and that would be a waste. But could they be enticed to participate of their own volition if one of the objectives was housing security?

AVOIDING LEGISLATIVE HURDLES & STARTING SMALL

Under federal government arrangements already in place, if an unemployed person over 55 years of age is getting nowhere in their search for paid employment they can choose to do voluntary community work to satisfy their Centrelink Activity Test, an experience that may or may not lead to paid employment. These existing federal regulations for participation wouldn't need to change to start a trial with applicants drawn from the state public housing waiting list.

To make up a core group, ten eligible applicants for public housing could be selected for their demonstrated practical interest in this vision. In this prototype they would be able to rent adjacent to each other to maximise their opportunities for cooperation. (This opportunity could ultimately be extended to suitable people under 55 if the value in doing so was proven by the trial.)

Community participation could provide a valid role and build new skills in public housing. However it is important to keep in mind that free and willing participation can be supported and encouraged, but not mandated.

This type of participation opportunity is likely to become very important as market employment becomes more competitive.

A positive reception has been evident in the participation of the over 55's in voluntary community work. Because people have a choice, resentment, which has led to high management costs in other 'programs' for the unemployed, does not occur.

PARTICIPATION IS KEY

Neighbourhood participation has been shown to dramatically improve the safety, vibrancy and general well-being of all sorts of communities. If such important outcomes could be achieved with little to no extra cost, and within existing government requirements, investment in secure, affordable and participatory rental housing could become much more attractive for government and private developers.

In time, participation by redundant workers could result in a significant increase in supply of public housing to the benefit of the housing market as a whole, to the health and vitality of neighbourhoods, and for the social inclusion of these participants who are not likely to get paid employment any time soon – and it would give them confidence upon which they might develop.

CONCLUSION

This submission is about enticing more and more redundant workers into deeper self reliance at an ever reducing cost to government – it is about a new approach to increase supply of government housing where the capital gains go entirely to government and where participating tenants become more skilful, productive, self reliant and valued in the community, whether they end up getting paid employment or not.

While housing self-reliance would be the goal, the pathway needs to be clearly visible. Building the skills for participation and cooperation needs to proceed in small steps which are recognised and rewarded with support, as is the case for redundant workers over 55 who currently choose the Centrelink option of voluntary work for approved community organisations.

Most community organisations, like local neighbourhood centres, are already Centrelink approved to engage such volunteers. With a 'hands off' but supportive approach and in collaboration with Dept of Housing, participants could achieve secure housing and become that critical mass for a neighbourhood that works.

A socially and environmentally sustainable neighbourhood that works is not only needed by marginalised people looking for security and social participation, it is also a critically important neighbourhood culture that Australia is largely missing.

With rental security and some simple grass roots supports, even small groups of people could make all the difference in any neighbourhood. Even if other people in the

neighbourhood have no time to participate in neighbourhood activity, they would still benefit from the more engaged and vibrant neighbourhood that this could bring.

Engaging redundant workers in neighbourhood activity would have very important social, environmental and economic benefits for all Australians.