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Is There a Gradient to Housing Assistance in Australia?¹

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Over the last decade housing has been at the forefront of public discourse and policy debate in Australia and this has been a significant shift from its neglected position over the last three decades. Evidence of this change in emphasis includes the commitment of the incoming Rudd Labor Government to a raft of housing affordability measures as part of its election campaign in 2007. More recently, Prime Minister Gillard commenced her election campaign in 2010 with a commitment of funds for housing in non metropolitan Australia (ABC 2010a; 2010b). Two inter-related factors have recast housing in the public and political consciousness: first, there has been an on-going housing affordability crisis that first emerged in the 1990s (Berry and Dalton 2005) and became more acute after the year 2000. Second, turmoil in world financial markets from 2007 highlighted the level of vulnerability within Australia's housing markets, with both home purchasers and landlords reliant upon access to affordable and secure credit. Instability within financial markets threatened to increase the cost of housing finance, raised the prospect of house price deflation and the subsequent risk of wide spread negative equity in housing markets and, at the same time, reduced the supply of housing finance for the most marginal borrowers. In combination these processes have recast public awareness of housing issues and forced governments to reconsider the ways in which they engage with housing market processes in Australia.

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This paper considers the recent evolution of Australia's housing system and its interactions with the changing global financial system before turning to consider the implications for future housing policy. The paper asks the question, is there a gradient to housing assistance in Australia? That is, do some forms of housing assistance targeted to persons of low or modest means provide a more substantial 'suite' of benefits to recipients when compared with the alternatives? Drawing upon data from the survey responses of just over 1700 low and modest income households the paper contends that not all forms of housing assistance are equal and that there clearly is a gradient to housing assistance in Australia. Critically, the government housing intervention that produced the greatest wellbeing gain also carried lesser risk at the level of the individual recipient and the institution providing the assistance. We therefore argue that the architects of government policy now and into the future should devise programs that focus on the long term wellbeing of recipients of housing assistance, as well as more immediate concerns to address risk.

Australian Housing in the 21st Century: Economic Growth, Affordability and Inequality

Australia's system of housing provision and consumption is distinguished by the relatively high standards of the physical housing stock, the concentration of population and housing in the five state capitals and the national capital (accommodating more than 60 per cent of all Australians), and the dominance of owner occupation. Owner occupation grew rapidly across Australia after 1945 and its expansion was a product of both economic prosperity and reform of the system of housing finance that transformed the tenure from one dominated by *home ownership* to one characterized by large scale *home purchase*. The proportion of Australian households buying their homes swung from 8 per cent in 1947, to 36 per cent by 1976 (see Beer and Faulkner *forthcoming*). By the beginning of the 21st century Australia's housing markets had both changed and remained constant in their structure and functioning. They were unchanged in that many of their headline features appeared set in concrete: approximately two thirds of households were in owner occupation, some 20 per cent of households were private tenants and social housing represented five per cent of the total. However, these broad scale features masked substantial adjustment, with the rate of outright home ownership rising as the percentage of home purchasers fell; the position of the private rental sector had shifted to no longer constitute a tenure of transition, but instead long term housing for many low income households (Wulff and Maher 1998); and—paralleling the UK experience—the public housing sector had been reshaped into a tenure of last resort for those on the margins of society.

The reform of financial regulation in the 1990s opened the way for the emergence of non-bank lenders within the mortgage market. However, unlike the US, a secondary mortgage market did not emerge in Australia and in consequence the lending practices associated with the 'sub prime' lenders in the US were neither attempted nor instituted. Beginning with a relatively small market share, the non-bank lenders expanded from 2000 and placed pressure on bank lenders who in turn reduced their prudential margins (Gottliebsen 2002). By 2006 non-bank lenders accounted for a rapidly growing share of all home loans with a suite of new housing finance arrangements—including low documentation loans—and institutions, such as mortgage brokers, flooding the market. As Berry et al (2009) noted in their work on mortgage defaults in Australia, the number of home loans in arrears increased rapidly from the year 2000, primarily because of high levels of debt relative to the capacity to service that debt. However, the total percentage of loans in arrears by more than 90 days never exceeded 0.6 per cent of the total. In addition, mortgage arrears were concentrated amongst 'non conforming' loans, and especially within 'wholesale originators' rather than the banks. In summing up this period, Berry et al (2009, p. 20) concluded that:

Over the last decade lenders had relaxed their lending standards in terms of the range of acceptable borrower profiles and the size of loans for home purchase, renovation and extension, and for non-housing-related purposes. The range of mortgage lenders and products had expanded substantially, with increasingly aggressive lending by poorly regulated non-bank entities, i.e. non-ADIs (non-Authorised Deposit-taking Institutions) that are not regulated by the Australian Prudential Regulation Authority (APRA).

Importantly, mortgage defaults have had a distinctive geography, being concentrated in the low income western suburbs of Sydney where house prices are high and incomes low or modest (Berry et al 2009).

With the beginning of the new century Australia's residential property markets boomed. The triggers for house price growth included the general inflationary impact of the introduction of a Goods and Services Tax (GST) in 2000; the commencement of a First Home Owners Grant (FHOG) at the same time; on-going economic growth; higher rates of immigration; and, changes to the taxation treatment of capital gains that reinforced the attractiveness of residential property as an investment vehicle. Growth in the demand for housing was not matched by supply, resulting in higher house prices (Beer, Kearins and Pieters 2007). The limitations to supply have been attributed to inadequate land holdings, planning regulation, skill shortages, infrastructure pricing regimes, and inappropriate standards. The National Housing Supply Council (2008) estimated that by 2010 Australia had 131,000 fewer dwellings than it needed and that the gap between the annual supply of new housing and demand was in excess of 23,000 properties. It also forecast that the cumulative gap would exceed 316,000 dwellings by 2018. The Demographia International Housing Affordability Survey reported that Australia had some of the least affordable housing in the developed world, with the ratio of house prices to average earnings in some cities exceeding nine to one (Demographia 2006). Yates and Milligan (2007) estimated that up to 1.1 million households across Australia were affected by the housing affordability crisis and while many home purchasers felt this impact, the most severe consequences were for low income tenants in the private rental market, many of whom were forced to pay up to 60 per cent of their gross household income for accommodation. By 2006, 26 per cent of low income tenants in Australia were in housing stress, as were seven per cent of low income home purchasers. Many households were effectively excluded from access to home purchase because of the high cost of homes and their inability to save a deposit because of high rents.

As noted above, the affordability of housing has emerged as an important political issue and the Australian Government under Prime Minister Howard was sufficiently concerned to instruct the Productivity Commission (2004) to investigate housing affordability, but decided—against the Commission's findings—that it was simply a matter of property market cycles and that current house price pressures would resolve themselves. The government's conclusions overlooked major structural deficiencies both in the system of housing supply and in the tax and other financial incentives affecting consumption. A recent Symposium sponsored by the Housing Studies Charitable Trust saw almost unanimous consensus on the desirability of introducing into Australia some form of annual land tax on all residential property. This new tax structure would replace the current system of regressive taxes on rental properties and reduce the incentive to 'over invest' in housing. It is interesting, therefore, that the Rudd Labor Government's major review of the taxation system – the Henry Review - concluded that some form of land tax should be introduced in the medium to longer term, although the government of the day declined to adopt this recommendation (Commonwealth of Australia 2010).

Housing Assistance in Australia

In Australia governments provide three main forms of direct housing assistance to low income households: public rental housing, subsidies for private rental housing and targeted assistance with entry into home ownership. The public rental housing sector has operated in Australia since 1945 (Hayward 1994) with capital funding by the Australian Government and management of the stock by state government entities. Access to public rental housing is limited to those on low incomes, with rents capped at approximately one quarter of household earnings. Demand for public rental housing greatly exceeds supply and there are substantial waiting lists in all jurisdictions, which in effect has meant that entry into this tenure is often limited to the most needy within society. Government outlays on public rental housing averaged \$AUS860m over recent decades but operating deficits resulted in a sector in decline, with more housing sold by public housing authorities than constructed. Recent investment by the Australian Government into a new National Affordable Housing Agreement and investment associated with the Nation-Building Economic Stimulus package will result in the addition of dwellings and a refocussing of the sector around a broader set of social housing providers.

Commonwealth Rent Assistance (CRA) is the second major form of targeted housing assistance in Australia and expanded rapidly from the early 1990s (Yates 1997) as a consequence of the National Housing Strategy (NHS 1991). CRA is a supplement paid to low income households who would be eligible for entry into public rental housing. Payments are relatively modest and government outlays on this program of more than \$AUS2.6 billion were paid to 113,575 families in 2008-9 (FaHCSIA, 2010). The capping of CRA payments has meant that many households in receipt of this benefit still experience housing stress² and remain exposed to the vagaries of a private rental housing market characterised by insecurity (Hulse and Saugeres 2008), limited control over rent increases and high levels of eviction (Slatter and Beer 2003).

Two state and one territory governments in Australia have mechanisms for assisting low and moderate income households into home purchase (Newman et al 2003). In both states dedicated entities provide mortgage finance to households who may not otherwise be eligible for a housing loan. Typically finance provided through these lenders has a repayment schedule that offers greater security to the borrower, albeit at a slightly greater cost than that available elsewhere. Such finance is attractive to those on low incomes or with insecure employment, or those who may have fallen out of home ownership earlier in their lives.

It is important to acknowledge that targeted housing assistance is not the sole policy lever used by governments to assist individuals and households with their housing. However, other policy measures are indirect, largely untargeted and may have regressive outcomes. Key policies include substantial government subsidies to private landlords through the quarantining of negative gearing. In the last published figures (ATO, 2010) more than \$AUS32billion was claimed as investment property related negative gearing. A First Home Owners Grant (FHOG) was also introduced in the year 2000 and then increased substantially under the Nation Building-Economic Stimulus Program (Wood et al 2003).

Housing and Its Impact on Wellbeing

Housing is a major determinant of the wellbeing of individuals and households (see Rohe et al. 2001), with a substantial body of international research showing that stability in housing has a positive effect on the learning outcomes of children at school (Bridge et al. 2003); as well as the generation of social capital (Palmer et al. 2004); and is strongly correlated with

² Where households are defined as experiencing housing stress if they are in the bottom 40 per cent of the income distribution and pay more than 30 per cent of their gross household income for their accommodation.

higher health levels (Hartig and Lawrence 2003; Hiscock et al. 2003). Importantly, while housing assistance programs are primarily designed to help people with their accommodation, there are also significant non-shelter benefits associated with these interventions (Bridge et al. 2003; Wood and Ong 2005). However, while the evidence on the impact of housing on some dimensions of wellbeing is unequivocal, in other areas the data are suggestive rather than conclusive. There is also a significant gap in our understanding of which types of housing intervention produce which types of benefit and at what aggregate impact.

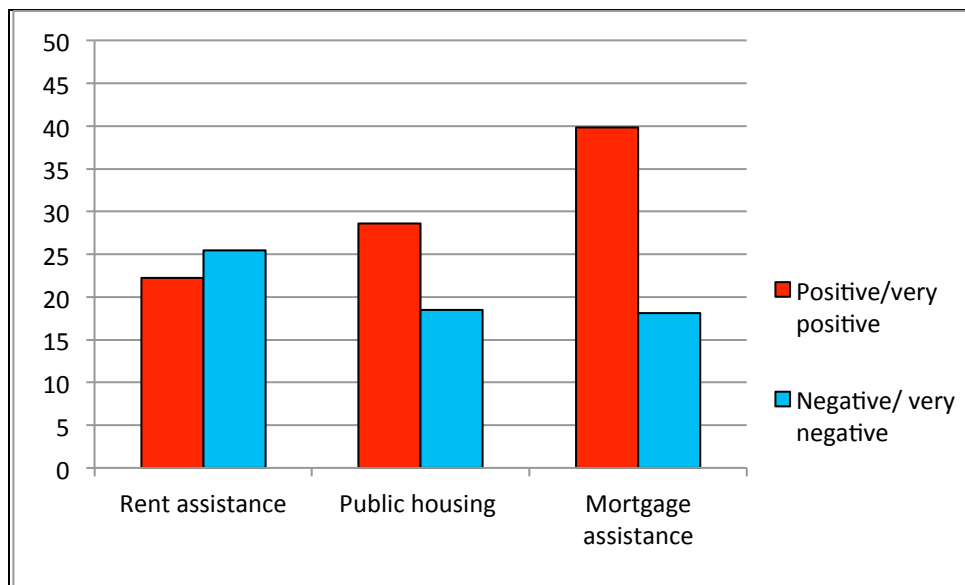
The research reported in this paper set out to answer two distinct but related questions: how do Australia's three major forms of housing assistance – public rental housing, home ownership assistance and private rental subsidies – contribute to the wellbeing of low-income and vulnerable households? And, secondly, which non-shelter outcomes are associated with each of the three policy interventions, and which form of assistance provides the greatest benefit to individuals and households over the life course? The analysis focuses upon an examination and comparison of three dimensions of quality of life: overall wellbeing; mental and physical health; and housing affordability.

In late 2008 a postal survey was administered to low and moderate income households who had received government assistance between 2003/4 and 2008/9 in one of the Australian jurisdictions. A number of strategies were adopted to minimise bias in the responding population – participants were assured of the independence of the researchers from the housing assistance bureaucracy, as well as the anonymity of their responses. The surveys were targeted to three groups: the first had entered home ownership via a state government mortgage provider, the second entered public rental housing while the third group were private tenants in receipt of the Australian Government's rental assistance payment – CRA. The postal survey was comprised of approximately 100 questions, including standardised measures of physical and mental health³; questions about social connectedness, perceptions of the impact of housing assistance, and demographic, economic and housing transitions information. A number of self-completion questions were included in the survey which allowed respondents to provide in-depth responses on their use of housing assistance. In total 1736 surveys were returned at a response rate of 40 per cent. A sample was achieved which was statistically representative for each group.

Those making use of the three forms of housing assistance differed in terms of age, marital status, income, health and disability status. Recipients of home purchase assistance tended to be younger than public housing tenants but older than rent assistance recipients; were most likely to be married (as were recipients of rent assistance, but this differed from tenants of public housing); and had higher incomes and better health than people accessing the other two forms of housing assistance. They were also the least likely of all assistance recipients to report that someone in their household had a disability or chronic health condition (with public housing tenants being the most likely). Only 39 survey respondents identified themselves as Aboriginal or Torres Strait Islanders. Over half this number (22 people) had received assistance from the home purchase assistance program, significantly more than the other two forms of housing assistance.

³ The SF-12 is one of the most widely used self-completion measures of health status.

Figure 1. Impact of Current Housing Circumstances on Social Relationships*



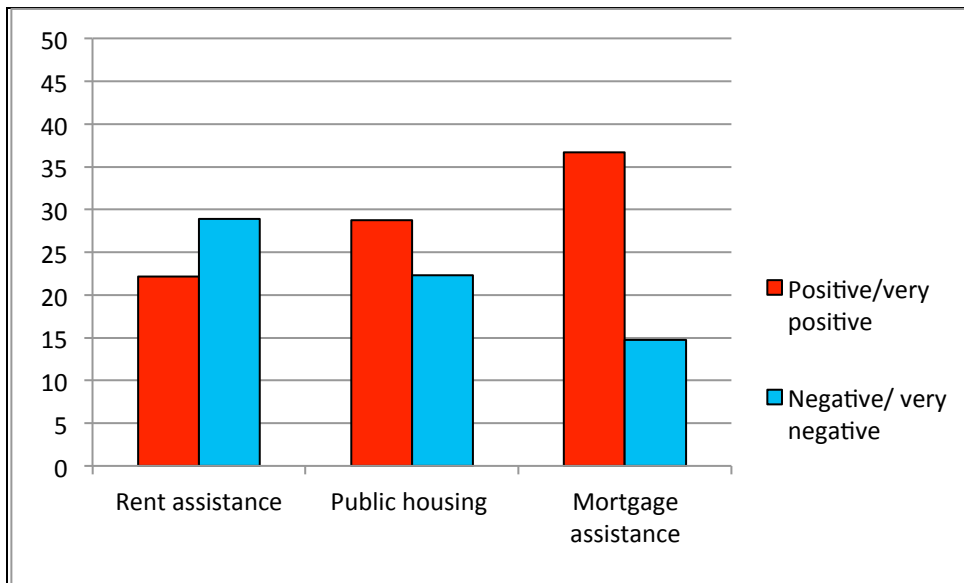
* “Overall, what effect do you believe your current housing circumstances have had on your social relationships in the past 12 months?”

Source: Housing and the Life Course Survey, 2008

Across the board survey respondents reported that the receipt of housing assistance made a positive contribution to their wellbeing. As Figure 1 shows, all tenures considered their current housing circumstances contributed to better social relationships, with 22 to 42 per cent of respondents reporting a positive or very positive effect. Critically, there was a significant gradient across the forms of housing assistance, with those assisted into home ownership much more likely to report benefits while those making use of rent assistance were less likely to report that their current housing had a positive or very positive impact on their social opportunities. Stark within the graph, the pattern of perceived negative impacts forms a reverse gradient. Here, more than 25 per cent of rent assistance recipients perceived a negative effect from their housing circumstances, followed by public housing recipients and then mortgage assistance recipients.

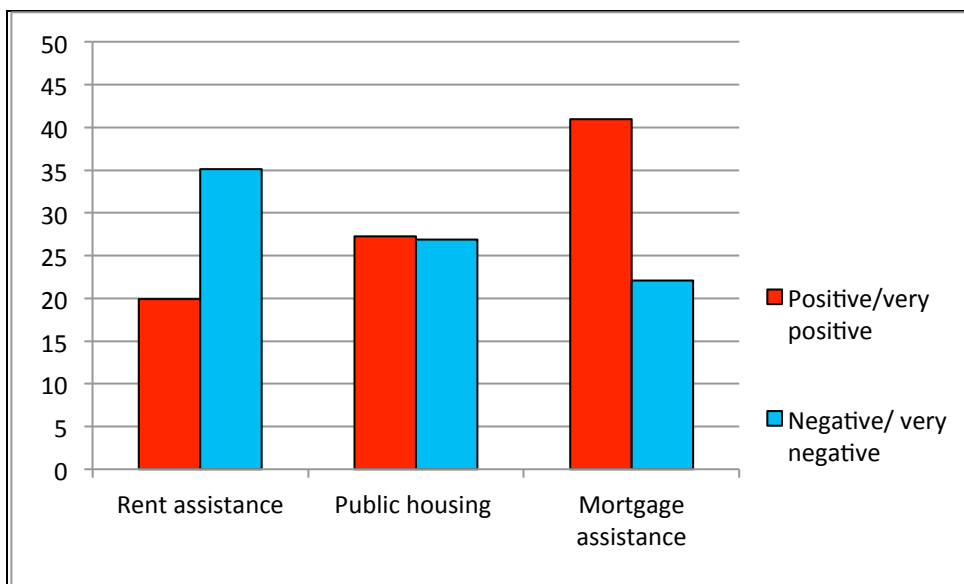
A similar crossed gradient was evident when respondents were asked about the impact of their current housing on both their physical (Figure 2) and mental health (Figure 3). Housing appears to have a much greater impact on self reported mental health than physical health, and indeed of any dimension of wellbeing discussed later in this paper. Just over 30 per cent of home purchase assistance recipients, and just over 20 per cent of public tenants, said that their current housing circumstances had a positive effect on their mental health and a further 10 per cent reported a very positive impact. Importantly, this finding is consistent with other studies on the relationship between housing and mental health in Australia (Bentley et al *forthcoming*). This pattern of perceived positive impact was also apparent for physical health, and held for negative perceived impacts across both health domains.

Figure 2 Impact of Current Housing Circumstances on Physical Health *



* “Overall, what effect do you believe your current housing circumstances have had on your physical health in the past 12 months?” Source: Housing and the Life Course Survey, 2008

Figure 3 Impact of Current Housing Circumstances on Your Mental Health *

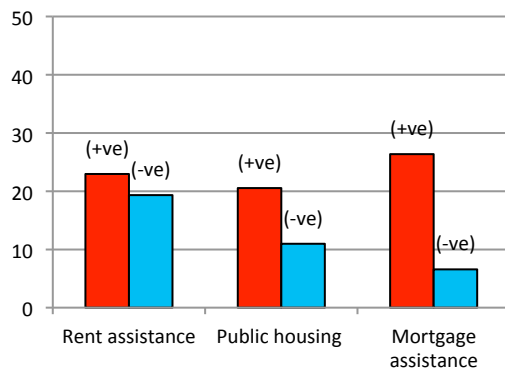


* “Overall, what effect do you believe your current housing circumstances have had on your mental health in the past 12 months?”
Source: Housing and the Life Course Survey, 2008

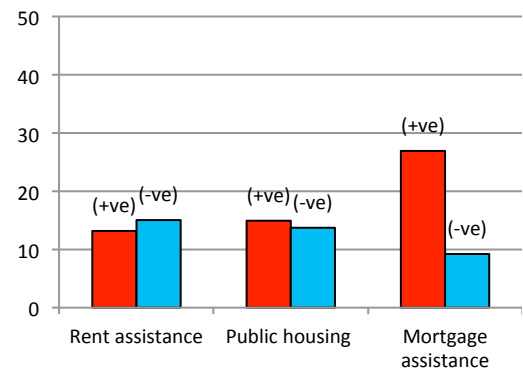
Respondents to the survey believed that each of the housing assistance programs had small but positive impacts on the educational attainment of their children, as well as their own – and their partners’ – capacity to undertake education and training (Figures 4 and 5). Interesting also in figure 4 is the gradient describing perceived negative impacts, which shows that almost 20 per cent of rent assistance recipients perceived their housing circumstance to have negative impact on their children’s education, compared to just over 5 per cent of mortgage assistance recipients. Importantly, the interpretation of the results shown in Figure 4 should be

cautious as there was a high degree of convergence across the three forms of housing assistance and the proportions were comparatively small. We suggest that these marginally differentiated outcomes reflect the complexity and indirectness of housing and other social influences on the educational outcomes of children. Similarly, the perceived magnitude of the influence of housing on adult education and training (Figure 4) was relatively modest. Housing assistance had a positive impact on employment, and once again mortgage assistance was perceived by recipients to deliver the greatest benefits (Figure 5). Notwithstanding the compositional differences between the three housing assistance groups, the cohort that received home purchase assistance were significantly more likely to have perceived a positive effect on their employability as a result of their housing circumstances (owner occupation). Research in Australia into the ‘Oswald thesis’ that home ownership depresses the rate of participation in the labour market has concluded that while outright home ownership can serve as an impediment to employment, home purchase strongly encourages households to find and maintain work (Wood and Ong 2007; Beer 2008).

Figure 4: Impact of Current Housing Circumstances on ...
 ...your children’s education

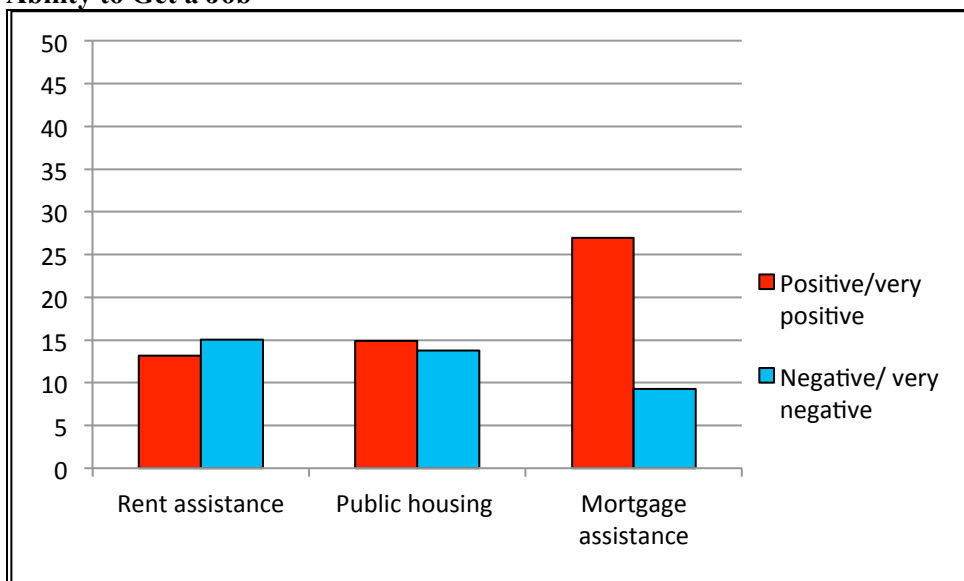


... you and your Partner’s Education/Training



* “Overall, what effect do you believe your current housing circumstances have had on your children’s education / you and your partner’s education or training in the past 12 months?”
 Source: Housing and the Life Course Survey, 2008

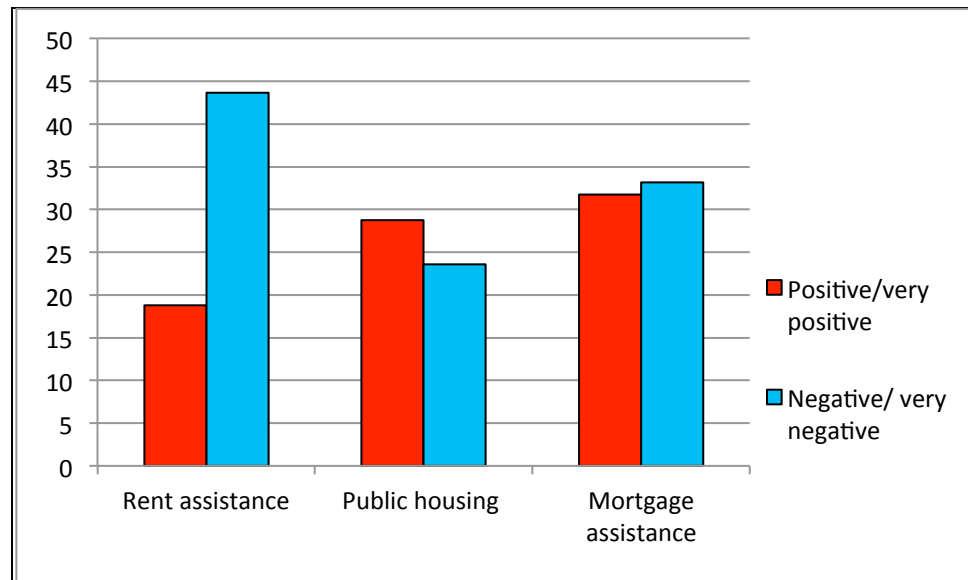
Figure 5 Impact of Current Housing Circumstances on You and Your Partner’s Ability to Get a Job



* “Overall, what effect do you believe your current housing circumstances have had on you and your partner’s education or training in the past 12 months?”

Source: Housing and the Life Course Survey, 2008

Figure 6 Impact of Current Housing Circumstances on Your Financial Situation



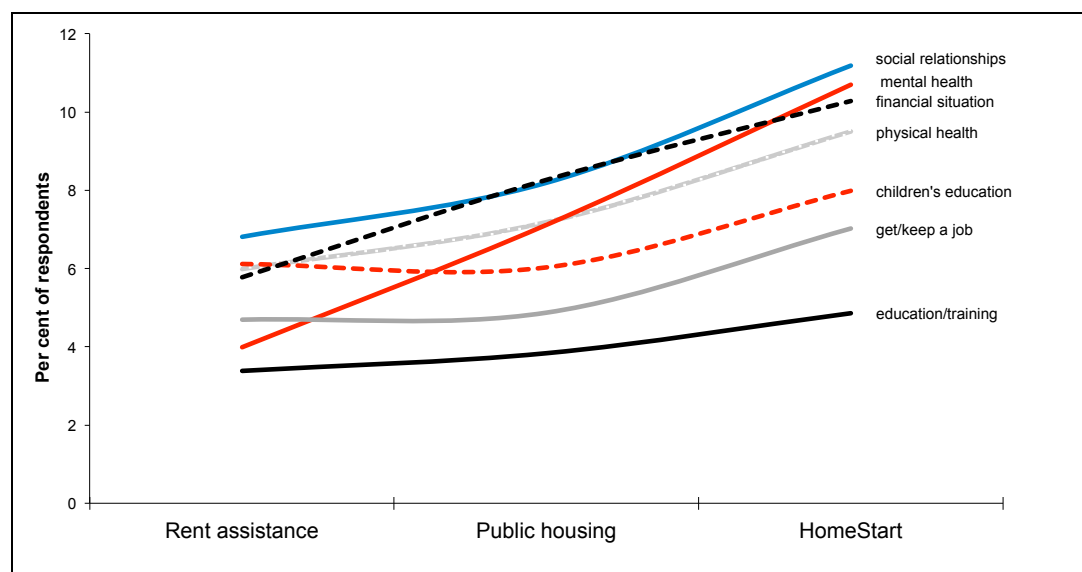
* “Overall, what effect do you believe your current housing circumstances have had on your financial situation in the past 12 months?”

Source: Housing and the Life Course Survey, 2008

Finally, it is important to acknowledge that all forms of housing assistance were perceived by the survey respondents as having a positive impact on their financial situation. In this instance, public housing tenants reported a level of benefit that almost equalled that recorded by those assisted into home purchase. Many aspects of public rental housing – rents set at a modest proportion of income, the targeting of assistance to those most in need, and security of tenure – mean that this tenure is likely to add to an individual’s sense of financial security. For home purchase assistance recipients, a different set of factors have shaped opinion as housing costs may be higher than in rental accommodation but ownership of an appreciating asset and knowledge that their mortgage carries low risk would add to a sense of financial security. Tempering the high proportions who perceived positive effects from their housing on their financial situation, were correspondingly large proportions who perceived negative effects. Most striking is the substantial proportion of rent assistance recipients (almost 45 per cent) who perceived that their housing circumstances had a negative effect on their financial situation.

Interestingly, when considering the proportion of respondents who considered that their current housing had ‘very positive effects’ on their wellbeing, a clear gradient was observed in each of the areas of wellbeing – as pictured in Figure 7. These trend lines, when considered together, show private rent assistance recipients as least likely to regard their housing as having positive effects, followed by public housing tenants. In each case, recipients of home purchase assistance were most likely to regard their housing conditions as having a very positive effect on their wellbeing. Most stark within this figure is the result for the mental health component of wellbeing, highlighting its importance as a housing outcome.

Figure 2.10 Summary of Trend Lines for 'Very Positive' Housing Effects by Assistance Type



Source: Housing and the Life Course Survey, 2008

Affordability and Housing Assistance

Reducing exposure to unaffordable housing is one of the goals of housing assistance in Australia but, as discussed previously, the delivery of these programs results in highly differentiated outcomes. The level of housing stress was calculated for each of the three forms of assistance (Table i).

Table i . Prevalence of Housing Stress by Housing Assistance Group

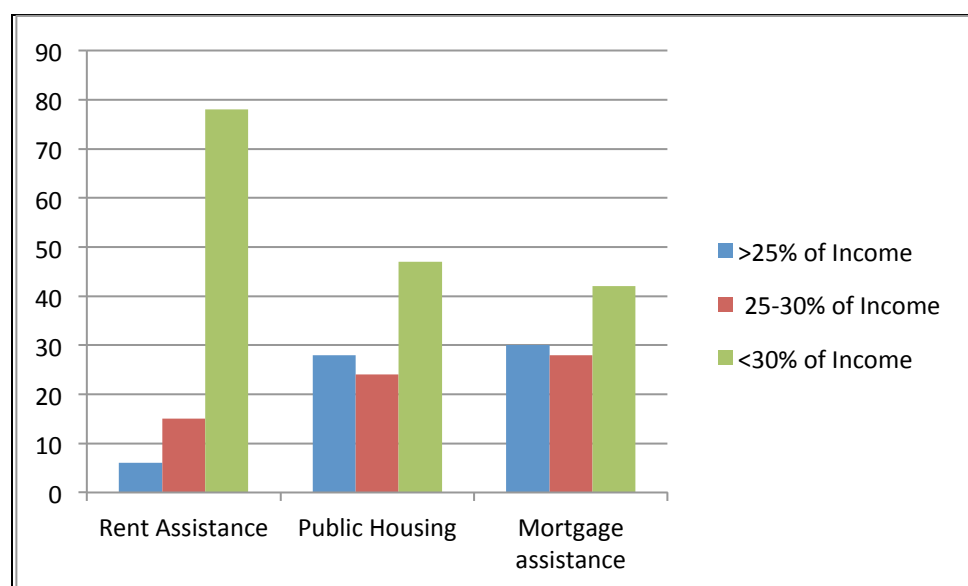
Type of housing assistance	Level of Housing Stress (%)		
	Low >25% of Income (n=250)	Medium 25-30% of Income (n=246)	High <30% of Income (n=545)
Rent Assistance	7	15	78
Public Housing	28	25	47
Mortgage Assistance	30	28	42

Source: Housing and the Life Course Survey, 2008

Critically, the incidence of housing stress was unequally divided across the three major forms of housing assistance: some 78 per cent of households in receipt of rent assistance remained in high levels of housing stress, compared with 47 per cent of public tenants and 42 per cent of home purchase assistance recipients (Figure 9). Conversely, 30 per cent of assisted mortgage holders and 28 per cent of public housing tenants enjoyed low housing stress. The differences are statistically significant,⁴ with home purchase clients experiencing the lowest level of housing stress of the three groups, and recipients of private rental assistance experience the highest level of stress.

⁴ At $p < 0.05$,

Figure 9 Prevalence of Housing Stress by Housing Assistance Group



Source: Housing and the Life Course Survey, 2008

Physical and Mental Health and Housing Stress⁵

The incidence and severity of housing stress experienced by households is influenced by the type of housing assistance received. Our analysis also shows a correlation between housing stress and health outcomes on a number of measures¹. The physical health of the respondents to our survey varied significantly ($p < 0.05$) between each of the three housing assistance groups. Home purchase assistance recipients reported the best physical health of the three groups, followed by rent assistance recipients who in turn had significantly better physical health than public housing tenants. The results of a two-way analysis of variance indicated that, after controlling for age (which itself has a significant impact on physical health, $F(1,985)=120.65$, $p < 0.05$), type of housing assistance had a significant impact on recipients' physical health, ($F(2,985)=14.931$, $p < 0.05$ (Table ii). Although the level of housing stress experienced by respondents does not on its own influence physical health ($p > 0.05$), it did interact with the type of housing assistance to influence physical wellbeing, $F(4,985)=2.85$, $p < 0.05$.

Table ii : Physical Health Summary Score by Housing Assistance and Housing Stress

Type of housing assistance	Housing Stress (and standard deviation)		
	Low	Medium	High
Rent assistance	47.70 (10.73)	38.96 (12.94)	43.37 (13.18)
Public housing	37.75 (12.49)	40.56 (13.55)	40.18 (13.02)
Mortgage assistance	46.22 (11.79)	47.82 (12.37)	44.58 (14.07)

Source: Housing and the Life Course Survey, 2008

⁵ Measured by the SF12 standardised measure of physical health

Mental health varied across tenures and by levels of housing stress (Table iii). The mean mental health summary score (and standard deviation) for recipients of each form of housing assistance is presented, according to the level of housing stress experienced. It is worth noting that these are low scores and that for the population as a whole, the mean score is 50. Scores of less than 42 on this standardised measure are generally indicative of diagnosable mental health conditions and both public and private tenants in high housing stress recorded summary scores that indicated a diagnosis of mental health was probable. As might be expected, public housing tenants tended to have lower mean scores than the other tenures, and somewhat surprisingly, mean scores tended to be slightly higher in the medium housing stress group. This reflects both the age and labour market position of those in medium housing stress.

Table iii : Mental Health Summary Score by Housing Assistance and Housing Stress

Type of housing assistance	Housing Stress (and standard deviation)		
	Low	Medium	High
Rent assistance	46.34 (7.55)	47.83 (12.79)	41.42 (13.82)
Public housing	43.25 (12.61)	42.79 (12.70)	40.87 (13.04)
Mortgage assistance	44.97 (12.25)	47.80 (11.08)	45.56 (11.94)

Source: Housing and the Life Course Survey, 2008

A two-way analysis of variance was undertaken where the influence of age was controlled. This analysis showed that housing assistance type and level of housing stress each had a significant effect on respondents' reported mental health ($F(2,984)=13.19, p<0.05$ and $F(2,984)=8.14, p<0.05$ respectively). Critically, no interaction effect between housing tenure and housing stress was detected which indicates that the influence of tenure on mental health was not linked to the level of housing stress or vice versa. Essentially the two parameters act independently of each other to exert an influence on mental health of housing assistance recipients.

Conclusion

This paper began with a discussion of the underlying structural conditions in the Australian housing market. The paper then examined the wellbeing effects of the three major forms of housing assistance: public rental housing, modest subsidies for private rental housing and targeted assistance with entry into home purchase. The paper has shown that all three forms of housing assistance exert a positive influence on the wellbeing of low and moderate income households, and that this benefit is multi dimensional. We were also able to conclude that assistance with entry into home purchase generated the greatest advantages for low and moderate income households and that this was evident in both the qualitative and quantitative data. There was a clear gradient in the assessment of the three forms of housing assistance, with home ownership generating the most favourable wellbeing benefits and private rental assistance the least. This finding is important because it suggests both past and current policy initiatives are, in some respects, sub optimal. That is, governments are committing funds to forms of housing assistance that generate few, if any, benefits for low income households while expending considerable public sector resources. We can summarise that private rental assistance schemes generate limited wellbeing gains for recipients while consuming over \$2.6 billion of Australian Government expenditures.

The empirical findings covered in this paper have implications for the further development of housing research in Australia because they challenge the assumption that there will be a

simple linear relationship between wellbeing – and especially health – and housing stress. We would argue that housing stress is a concept that does not adequately capture the complex interaction between tenure and unaffordable housing costs and the ways in which this combination of social processes/structures shapes an individual's wellbeing. This interaction has a measurable and evident impact on physical health, but mental health is shaped by the independent influence of the form of housing assistance and housing cost. The conceptual challenge for housing researchers into the future will be to further explore these effects and develop a metric of housing stress that better expresses the propensity of one's health to be affected by housing conditions. We further note the limitations of cross-sectional data, and the fact that gold standard evidence would be provided by ongoing longitudinal data.

Turmoil on the world's financial markets has created both the need and the opportunity for innovation in housing policies across nations. The previous policy regimes that were predicated on low income households gaining access to relatively low cost but risky finance have failed. In Australia, the need for such reform has not been driven by the GFC, but instead is a reflection of longer term structural failings within the market. In this context, the research presented in this paper has demonstrated the case for expanding and refocussing the instruments of government that assist low and modest income households into home purchase. A case can also be made for enhancing systems of social housing supply as that form of housing assistance also generates substantial benefits for recipients, and does so for the most disadvantaged. Subsidies for private rental housing, however, deliver few wellbeing benefits and may ultimately prop up the unsustainable investment decisions of the relatively affluent.

Housing policy is under active consideration in Australia, with both the conservative side of politics (The Coalition) and (The Greens) releasing housing policies for the August 2010 national election, and the Labor Party standing on its record of achievement while in government. The research presented in this paper provides an important part of the evidence base that should inform the further development of housing policies. The research results would indicate the need for investment in policies and programs that generate the greatest wellbeing gains and maintain choice and tenure diversity. Home ownership has long been valued in Australia (Williams 1984) and while social theorists have reflected on its contribution to broader society (Stretton 1989; Castles 1998), research to date has not been able to identify and gauge those impacts with any precision. The research presented here is a first step to filling that gap and the move towards a more informed debate on the nation's housing future.

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