

# Launch of Report: Housing Affordability in Australia – Tackling a Wicked Problem

Speech by Hugh Belfrage for V&F Housing Enterprise Foundation

**Good morning. My name is Hugh Belfrage. With my wife Ondine Spitzer, I am a director of V&F Housing Enterprise Foundation, and we commissioned Per Capita to write the Report we are launching today, Housing Affordability in Australia – Tackling a Wicked Problem.**

We are here today to address an issue that is shaping our life as a nation. It is an issue that has become white hot in recent weeks, in the news every second day, with people's anger rising at the way it is being massively downplayed by both major parties in this election.

What we are bringing into focus in this report are two fundamental dimensions of our lives – as Australians, but more importantly, as human beings: our homes – safety and shelter – and our wealth. When we hold these in balance, when we have both in sufficient measure, we can thrive.

Children and families can thrive. Children who grow up with shelter and safety, with parents whom they see because they're not working all the time, parents who are more calm and present, because they are not wracked by stress and its symptoms – anxiety, alcohol, conflict, violence, poor health. Children who have hobbies and sports – friends and mentors – decent clothes and devices. They don't tag signs and buildings at night because they don't carry anger and alienation. Mum does gym around the corner, and the family goes on holidays. If the mortgage or the rent is manageable, all of this – the elements of an ordinary rich life – becomes more possible.

Our communities can thrive when people are not driven far from their networks seeking an affordable home.

Our society can thrive when people have the basis for functional, productive, fulfilling lives. And supporting this our economy can be more productive when it has trillions... trillions more dollars pumping through it, rather than being locked up in housing for no added benefit.

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We are here today as a sign of our wish to bring these great human and social goods – shelter & wealth – back into balance. We are here today because we believe that the democratic society we live in holds out the possibility that we can achieve this. People among us and representing us control all the policy settings that have brought us to our current difficulty, so we can revisit those settings. We can reregulate the Australian housing market.



Before I respond to the gasps at the naivety of that statement, I would like to reflect on recent history.

Over the last 40 years in Australia, we have tried to have our cake and eat it too – to have a housing system based on ownership that could also make us wealthy. We all recognise that, as well as being a home, a house is also an asset. BUT - both of these propositions can be true ONLY if they are held equally. Over the last 40 years we have not held them equally. We – homeowners and investors – have been entranced by the Siren song of rising home values. Consequently, our housing system has been drawn nearer and nearer to the rocks of Financialization, as we have collectively accepted the reframe of housing as asset, overlooking how this leaches away its ‘home and shelter’ meaning.

That Siren song has been arranged in four part harmony, and given symphonic backing by the regulatory framework. One by one, diverse regulatory & policy elements have lined up to validate, enable and indeed to drive the ‘asset’ narrative at the cost of the ‘home’ narrative – Tax, Monetary policy, CPI measure, First Home Buyer schemes. Our Report dives into this in detail.

Consequently, over recent decades we have developed a new narrative around housing. It is A Tale of Two Cities...“It was the best of times, it was the worst of times”. Although – that was a story about two different countries, and we are talking about one country. Actually housing in Australia is more like “Two Tales of a City” – 2 disconnected narratives. One is a narrative of the market showering fortune, for no apparent reason, on those lucky enough to own property; and the other a narrative of a market turned monster, savaging those who come near, seeking a home: a narrative of hardship and despair, of a dream become nightmare – a crisis with no solution.

We will founder on these rocks of Financialisation if we do not grasp the tiller of policy, and steer to safer waters. At best it will be as though those of us living in those different narratives are living in different countries, different worlds – disconnected and suspicious; at worst one half of our society will understand that the other is holding them to ransom to simply gain a necessity of life, and this will play out in myriad destructive ways.

In these dark possible futures, it would appear that one group of Australians – home owners and, more specifically, investors – is causing the housing affordability problem for the others. However – and this is an important point to hold going forward – people who have invested in housing have acted rationally and reasonably. While they are part of the immediate cause, they are NOT the underlying cause, because they are simply enacting the possibilities imagined and enabled by the regulatory framework. Ideally we could all benefit from those possibilities. But we cannot all benefit: the great benefits for some come at the price of great burdens for others. Underlying responsibility for this problem lies with the regulatory framework itself.

So, to put it simply, we believe the underlying challenge that we face is to change the national narrative around housing; to remind ourselves as a nation that housing is both ‘home’ AND asset, and that these meanings must be held equally. And that renewed narrative must be held by enough Australians so that regulators and legislators have the political space, if not pressure, to reflect it.

Of course the hard nut to be cracked in forging a new housing narrative, where wealth is less prominent, and ‘home’ more prominent, is the deep national conflict of interest we have around housing: as a social good and human need, we can all happily acknowledge

its importance; but as a form of wealth, we property owners will naturally resist the single thing that would make it more affordable: a reduction in market value.

Ondine & I look to Marriage Equality as an issue that moved from unthinkable to legislated, and the Marriage Equality campaign as a model that worked by activating in enough of us, recognition of a common right to certain fundamentals as human beings – love & family. This new narrative opened the way for a reordering of social structures and processes. This is a model which informs the challenge that lies before us, as housing is another such fundamental.

The Marriage Equality campaign also worked because many people actively supported it. V&F Foundation cannot hope to achieve anything on its own. Today as we launch this Report which so well illuminates the problem, we want to say to you **IT WILL TAKE MANY OF US** – to have any hope of **ADDRESSING** the problem – at its structural roots. It will require the time, the ideas, skills, effort, money – of many of us if we are to have any hope of creating with and for our nation a powerful and persuasive new narrative about housing.

Many people work tirelessly and creatively to help fellow Australians gain housing. We will be working to mobilise many more to join them, as we seek the rebalancing of our national housing narrative and our national housing market – a reordering of two great values in our nation – our people and our wealth.

Thank you.

Ondine & I would like to thank the Per Capita team – Emma, Michael, Matt, John & Meredith – for producing such a comprehensive and accessible Report.

We'd also like to thank Anna, Kristin & Megan from Viola Design for a fabulous design job.

And we want to thank Australian Communities Foundation – and particularly Georgia Mathews – for hosting this event, and more significantly for their administrative and strategic support of our work leading up to this Report.

A Summary of the Report is available here today at <PLACE>, and the full Report and Summary are available from our website [vfhousing.org.au](http://vfhousing.org.au) and Per Capita's website. For those of you joining online, we are posting the links in the chat now.

Thank you to those online for joining us today, and please reach out to discuss further. If you're in the room, please stay on now for some refreshments and informal discussion – this is a great opportunity for us to meet each other.

