

Launch of Centre for Equitable Housing

Speech by Hugh Belfrage for V&F Housing Enterprise Foundation



My name is Hugh Belfrage. My wife, Ondine Spitzer and I are directors of the V&F Housing Enterprise Foundation, and funders of the Centre for Equitable Housing. In launching the Centre, we would like to share the thinking that lies behind that support.

Right now in Australia, housing is skewed heavily in favour of wealth creation and asset management at the expense of the shelter we all need and should be able to expect as members of this wealthy, first world society. We believe it's time to change the conversation about housing, and to change the widespread reality of people struggling to meet this basic need.

It is in the interests of every one of us for every one of us to have reasonable access to housing.

The research is very clear: at every level of our society and economy, households having reasonable access to housing will bring our community, our nation, better outcomes.

Individual wellbeing is profoundly reliant on stable, affordable housing. (Can I clarify that when we refer to 'affordable housing' we understand that in the sense of housing in general, not in the recent sense of Social Housing) The emotional idea of 'home' – that small corner of a huge, indifferent world that is deeply familiar, where we feel ourselves safe and held, where the deep core of our lives plays out – our loves, our tragedies, our celebrations, our babies and children, our treasured possessions – that emotional reality of home is completely dependent on a stable material home.

Children's development is also profoundly dependent on stable, affordable housing. Children's brains develop in direct response to their environment. The difference between an optimal environment that is stable, safe & nurturing, where having basics like food & clothing is straightforward because there is enough left in the household budget after housing, a home which is a platform for participation in society – friends coming and going, hobbies, sports, family holidays, part time jobs, girlfriends & boyfriends – the difference between a home that can provide these, and it's opposite, is written physically in the brains of children as they grow. And it is written emotionally, socially and financially, in health and wellbeing and productivity outcomes, in their life course. Stable, affordable housing is not the only social determinant of life course outcomes, but it is a critical determinant. And the difference between positive life course outcomes, and lesser or opposite outcomes, writ large for our nation, in terms of human potential, fiscal outlays, and productivity, is enormous. Creating reasonable access to stable, affordable housing is not only the right thing to do – it is a critical investment in our nation's future.

A Housing system which leaves enough in ordinary household budgets for discretionary spending is not only good for households, but good for the economy. Money currently hoovered up in mortgages and rents could increase discretionary spending in myriad



retail outlets, services and organisations – a massive win-win as ordinary people spending on the elements of ordinary rich lives generates jobs and income in large areas of the economy.

A Housing system which is affordable allows employers to find workers without the overhead of also providing housing for them, as has begun to happen. It allows workers to live reasonable distances from their work, where the cost of commuting, in hours and dollars, remains in those workers' households – extraordinary amounts of time and money over years and lifetimes. It is the difference between people who have lived in communities all their lives being able to keep living in those communities – or not, and those communities having essential workers – or not.

A housing system which is affordable frees up trillions – trillions of dollars of capital to be used in far more productive ways: whole new industries and sectors could be seeded and grown from the vast and increasing amounts of capital tied up in the same asset class for no increase in productivity.

And perhaps most tellingly, a housing system that is affordable represents Society keeping the Social Contract with its individual members. The contract that says 'If you work hard and keep the laws you can build a good life'. When Society respects the Social Contract, essentially expressed through the laws of the land, respect for the social contract exists within Society, and Society thrives. The sum of individual members of Society building good lives is extraordinarily rich and vibrant - a place, a community to be both delighted and proud to live in.

The elephant in the room is how do we get from here to that good place we've just been imagining together?

Let's spend a moment more imagining – let's imagine the pathways to affordable housing.

The pathways to affordable housing will acknowledge to investors that in bringing one great social good – shelter – back into balance with another – wealth – we are recognising and respecting their diligent financial planning, their disciplined budgeting, the risk they have endured, and the enterprise they have displayed. We will recognise that they have acted reasonably and rationally in realising the wealth creation possibilities imagined and enabled by the housing regulatory framework; and that they will be held in mind, and given time and opportunities to diversify investment, to transfer wealth, to re-imagine wealth creation.

The pathways to affordable housing will reassure parents that, like them, their children can hope to build decent, comfortable lives; that their children will more easily establish homes and financial footing of their own in a market that better balances shelter and wealth; that their children will not have to wait decades until those children themselves are on the edge of old age, waiting for their parents to die, to inherit the only source of capital that could help them to buy a home; and that the responsibility to house their children does not primarily lie with them as parents, but lies with society more broadly.

The pathways to affordable housing will reassure young people that they have not been forgotten, that their elders have been stewards and generational parents, as well as the lucky recipients of the post-war economic miracle and the recent bonanzas of the share and housing markets. Critically, the pathways to affordable housing will seek from those generational parents, so blessed by their own times, the generational possibility, the

generational permission, for their children, and their children's children, to take the critical steps into their own adult lives represented by establishing their own homes, and their own financial viability.

The pathways to affordable housing will reflect our deep, collective knowledge that housing is shelter before it is wealth, and that human thriving is prioritised in a civilised society. Those pathways will be paved with creative and courageous nation-building policy. Policy which our nation has created and embraced in the past – the national housing and infrastructure build following World War 2, the economic reforms of Hawke and Keating, the game-changing GST Tax reform of Howard & Costello. These policies will create time and strategies for the orderly transfer of wealth, the re-diversification of investment – it has taken us decades to get to this fraught place, and it will take something similar to travel carefully and collectively to arrive somewhere better. Such policies may gain support from surprising quarters: the finance sector, for example, is eyeing the implosion of the housing mortgage business model as the very buying of housing faces the prospect of a generational cliff.

Above all, the pathways to affordable housing will begin with a new story. A story about human thriving, about economic vitality, about rich lives and a rich society. A respectful and compelling story that people will slowly grasp, and share and spread. This story will create the possibility for everything else we have just imagined, to happen. This story will create the possibility for governments to develop housing policies which allow and enable the story to be realised.

As philanthropists Ondine & I are calling on other philanthropists, and civil society as a whole: Help us create that new story. Help us build those pathways. Help us make housing affordable for all Australians.

Thank you.

