Tenure Trends: Local Factors in the Decline of Australian Social Housing

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Sadly it’s not breaking news that the proportion of households in social housing is falling. AHURI recently noted the decline in public and community housing from a peak of 7.1 per cent of all dwellings in 1991 to just 4.2 per cent in 2016. But what’s the pattern like in different neighbourhoods of our capital cities? Is there a uniform trend? This article digs through the numbers to suggest a few unexpected features.

Census Headlines

Our numbers compare the proportion of social housing compared to total occupied homes in 2011 and 2016. Nationally, the figure fell from 4.7 per cent to 4.2 per cent. The 0.5 per cent absolute fall can hide the rapid rate of decline, so we look at the proportionate change between 2011 and 2016. Using national data, the social housing proportion fell by around ten per cent between these two years — a big drop.

The table below uses the Australian Bureau of Statistics Greater Capital City Statistical Areas data — these areas represent the metro economies. However, the maps on the following two pages display Local Government Areas (LGAs) which readers will be able to identify.

The proportion of social housing varies around Australia, generally higher in South Australia, the Australian Capital Territory (ACT), and Tasmania, and lower in Victoria. From the table, there is also a marked variation in social housing percentages between capital cities, with Adelaide (7.13 per cent) far higher than Melbourne (2.88 per cent).

Viewing the changes between 2011 and 2016, all capital cities saw a fall in the proportion of social housing. But Sydney is the only large capital city where the fall has been noticeably below the national trend. Greatest proportionate falls have been in capital cities with significant new private housing supply and a fall in social housing numbers: the ACT, Darwin and Perth. In Adelaide, the large fall is probably due to continued social housing asset sales. In Melbourne, social housing has remained steady while new dwelling development has accelerated.

Local Trends

The four maps opposite show the pattern is even more varied within capital cities:
• Across Australia, few LGAs have seen an increasing proportion of social housing (shaded blue), or very large proportionate falls (shaded red). These numbers should be viewed with caution as often there are only a few social housing homes in these LGAs: Woollahra LGA (minus 38 per cent), Sydney — there are only just under 100 social housing dwellings; in Manningham LGA (plus 15 per cent) Melbourne — only 260 social housing dwellings.
• Melbourne has seen the greatest proportionate decline in social housing in both the central city and urban fringe. The main factors have been intense brownfield/greenfield private housing developments with very little new social housing. Some areas, such as Port Phillip (St Kilda) with only a one per cent decrease in the social housing proportion, have likely benefited from a pro-active approach by the local council.
• Sydney, like Melbourne, has a middle ring of suburbs where the proportionate fall in social housing has been less than the national average (minus ten per cent). In the case of Sydney this might be due to the location of councils with a proactive affordable housing strategy: Randwick (minus four per cent), Inner West (minus six per cent, Canada Bay minus nine per cent), or

### Table: Social Housing as % of Total Housing, 2011 and 2016

<table>
<thead>
<tr>
<th>Area</th>
<th>Social housing as % of total housing, 2011</th>
<th>Social housing as % of total housing, 2016</th>
<th>Proportionate change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greater Sydney</td>
<td>4.97 %</td>
<td>4.58 %</td>
<td>-7.80 %</td>
</tr>
<tr>
<td>Greater Melbourne</td>
<td>2.88 %</td>
<td>2.58 %</td>
<td>-10.41 %</td>
</tr>
<tr>
<td>Greater Brisbane</td>
<td>4.07 %</td>
<td>3.61 %</td>
<td>-11.45 %</td>
</tr>
<tr>
<td>Greater Adelaide</td>
<td>7.13 %</td>
<td>6.18 %</td>
<td>-13.25 %</td>
</tr>
<tr>
<td>Greater Perth</td>
<td>3.62 %</td>
<td>3.11 %</td>
<td>-14.06 %</td>
</tr>
<tr>
<td>Greater Hobart</td>
<td>6.53 %</td>
<td>5.90 %</td>
<td>-9.75 %</td>
</tr>
<tr>
<td>Greater Darwin</td>
<td>6.57 %</td>
<td>5.54 %</td>
<td>-15.77 %</td>
</tr>
<tr>
<td>ACT</td>
<td>7.47 %</td>
<td>6.19 %</td>
<td>-17.15 %</td>
</tr>
<tr>
<td>National</td>
<td>4.71 %</td>
<td>4.24 %</td>
<td>-9.98 %</td>
</tr>
</tbody>
</table>
because sites have been slow to
redevelop through the Victorian
Government’s Communities Plus
scheme.
• Sydney is noticeable for the
proportion of social housing
holding up relatively well in the
central areas, as is Perth where
the proportionate decline in
social housing tends to increase
the further travelled from the
central business district. This
trend is counter-intuitive, and
suggests the trend of
displacement of low income
house from well-located city
centre areas is not a uniform
trend across the country’s
capital city areas.
• Adelaide shows fewer variations
between LGAs than the other
capital cities, though there has
been a sharp fall in Holdfast Bay
(minus 24 per cent) where new
developments in beachside
Glenelg are largely private. But
the main Adelaide factor is loss
of social housing — the
sharpest absolute fall of any
capital city with 3,218 homes
lost between 2011 and 2016.
The South Australian
Government has been selling
social housing to balance the
books.

What Does all This Mean?
Australia already has one of the
lowest percentages of social
housing in the developed world.
Continuing falls of ten per cent in
the proportion of social housing
every five years would leave few
long-term, secure affordable
housing options. Housing stress,
displacement from community and
homelessness would be set to rise.

Between 2011 and 2016 social
housing numbers fell by 15,000 with
around half the decrease in capital
cities and half in regional areas.
Over the same period total
dwellings rose by 525,000. Both
impact on the falling proportion of
social housing, and a clear policy
failure is not to increase social
housing in line with general housing
growth. Australia has used the
planning system to deliver new
social and affordable housing far
less than many countries.

Some cities have been able to
maintain social housing minus
four per cent the fall in Sydney
(minus 793 homes) and Melbourne
(minus 98) were much lower than in
Brisbane, Adelaide and Perth. But
will future estate renewals in Sydney
and Melbourne lead to even faster
falls in numbers of social housing?
We should push for a minimum one-
for-one replacement of social
housing in renewal projects.

More research is needed to better
understand the drivers at local level
that either sustain or threaten the
proportion of social housing. We are
seeing fewer clear, uniform trends
than expected — both within and
between cities. Perhaps local
residents and councils can have an
impact on neighbourhood housing
markets. So get lobbying!

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