

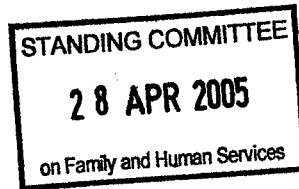


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22 April 2005

Our Ref: GOV/226

The Hon Bronwyn Bishop, MP  
Chair  
Standing Committee on Family and Human Services  
Parliament House  
CANBERRA ACT 2600

Dear Ms Bishop

The Australian Housing and Urban Research Institute (AHURI) commends the House of Representatives Standing Committee on Family and Human Services in conducting an inquiry into the problems encountered in balancing work and family responsibilities.

Key findings from the housing and policy research evidence base developed by AHURI shows that the cost of housing; the location of housing in relation to labour markets, social networks and support services; and the use of housing as the 'home' to provide support and stability for families, all affects decisions made by families about an 'appropriate' balance of work and family responsibilities.

AHURI is the national policy research institute responsible for the conduct of research on housing and urban policy matters. Since its re-establishment in 2000, AHURI has undertaken more than 100 research projects on a wide range of housing policy matters. The findings from this research program are available free from the AHURI website: [www.ahuri.edu.au](http://www.ahuri.edu.au). The following brief points draw on evidence from the extensive research program sponsored by AHURI.

There have been immense changes in the nature of the housing market in Australia. The certainties of the past have been replaced with uncertainties about the future. Data point to:

- Falling home purchase rate amongst 25-34 year olds
- People remaining longer in private renting
- Delays in leaving the parental home
- Delays in household formation
- Persons living longer, with a rise in the number of 'old old' persons – with implications for the provision of housing for this group
- People falling out of home ownership.

In particular, AHURI research shows that the cost, location and use of housing effects decisions made by families about the balance of work and family responsibilities.

First, the cost of housing can greatly affect the decisions made by families about their balance of work and family responsibilities, and may also affect the decision for couples to start a family. AHURI research shows there is a link between home ownership aspirations and the decision to have children. Merlo and McDonald (2002) reveal that childbearing aspirations produced the strongest effect on home-ownership goals: respondents to the Negotiating the Life Course (NLC) survey (based on an interview in 1996–97) reported that having a child in the next three years was important or very important were almost seven times as likely to report home purchase goals as were those without strong childbearing intentions.

For most families, purchasing their own house is their largest expenditure of their life and can entail considerable sacrifice to obtain a deposit and maintain mortgage payments. However, many families are struggling to attain home ownership due to rising house prices. Affordability problems (particularly in large capitals such as Sydney and Melbourne) reduce access to home purchase in these locations. Increasing housing prices, especially in the major cities, means that typically two incomes are required to purchase a house. AHURI research into home ownership shows that dual income households were most likely to succeed in achieving home ownership. Certainly, changes in family structures have an important bearing on accessing housing. Australian families have undergone marked changes since the post-war decades of the 1950's and 1960's. This is evident by increased women's labour force participation; delays in people marrying and becoming parents; a higher incidence of separations and divorce; and an increase of people living alone, and not just the elderly.

There is an emerging dichotomy between two-earner families who are 'work rich' and other families without any adult family member in paid work and effectively being 'no-work' households. 'Work rich' families have better access to housing by having a dual income, but may struggle to balance work and family responsibilities. 'No-work' households do not have the same struggle of work and family responsibilities, but have immense difficulties accessing affordable housing.

Economic change and the restructuring of jobs and labour markets have had a profound impact on access to housing. Work and labour markets within changing economies influence the ability of households to purchase different kinds of housing services; affect investors' propensities to buy/let/sell housing in relation to other investment opportunities; and affect differences between households' capacities. An AHURI research project by Kupke and Marano (2002) investigated how changes in the labour market, such as insecure or casual employment, are affecting the attitudes and decisions of first home-buyers. The research was based on surveys in metropolitan Adelaide and three South Australian regional centres in 1999 and 2000. It found that employment category proved to have a stronger association with home purchase price than did household income. Those in less secure jobs bought cheaper homes; having a higher income did not necessarily translate into the purchase of a more expensive home.

There is now concern about falling rates of home ownership. AHURI research (Baxter and McDonald, 2004) indicates that home purchase rates have been steadily declining over the past several decades among successive cohorts of 25 to 34 year olds. AHURI is currently

undertaking a 3-year program of research on 21st Century housing careers. This research, which has recently commenced, will advance our understanding of contemporary housing careers in Australia and will shed light on how shifts in household structure, the labour market, fertility patterns, attitudes to home ownership and government assistance, will influence the demand for government interventions in housing markets over the next 10, 20 and 30 years.

Decisions about balancing work and family responsibilities also occur in the context of changes in family structures, due to separation and divorce. AHURI research shows (Flatau et al 2004) contributes to a falling out of home ownership for one or more party leading to the possibility of higher rates of housing equity reversals and unanticipated downward housing tenure transitions (from homeownership to the rental market). Certainly, divorce is an adverse shock that can erode a rental household's stock of liquid assets and make first transition into homeownership more difficult. It can also leave homeowners in a financially precarious position, so much so that it results in loss of their homeownership status.

Second, balancing work and family responsibilities is affected by the location of housing in relation to labour markets, as well as access to social networks and support services. The location choices of families about where they are going to live are driven, in part, by the cost and appropriateness of housing in various locations (for example, as outlined in AHURI reports by Marshall et al 2003 and 2004). This can lead to trade-offs about travel time to work, the ability and preparedness to change jobs, and access to family and other networks to help support family responsibilities.

Third, policy discussions about an 'appropriate' balance of work and family responsibilities presumes the vital, though often forgotten role, of housing as the 'home' to provide support and stability for families. It is difficult for any family to seek a balance between work and family responsibilities when the security and quality of the home environment is precarious and in a state of flux. This can have the adverse effect on family wellbeing and the life opportunities of children. AHURI research (Baum & Wulff 2003) about housing aspirations consistently reports the importance of security of tenure in providing a requisite base for a secure and stable family life. For example, AHURI (Bridge et al 2003) research shows that there are significant benefits for families associated with moving to public housing, including: changed use of health services and health improvements; increased perceptions of safety; and importantly, children of school age performing significantly better at school.

In summary, it is posed to the Committee that housing matters very much when considering the balance of work and family responsibilities. Through its extensive research program, AHURI has developed a pool of evidence that highlights how housing is integral in understanding the nature of the balance between work and family responsibilities for Australian families. This evidence base shows that the decisions made about the work and family responsibilities occur in the context of housing costs, the location of housing relative to employment and social supports, and the benefits that housing as the 'home' provides for family stability and support.

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AHURI looks forward to the deliberations of the Committee and I can be contacted on (03) 9660-2301 if the Committee requires further information.

Yours sincerely

A handwritten signature in black ink, appearing to be 'I. Winter', written over a large, loopy circular flourish.

**Dr Ian Winter**  
**Executive Director**

Attachment

## ATTACHMENT

The following is a list of AHURI research cited in our submission or is directly relevant to the considerations of the House of Representatives Standing Committee on Family and Human Services:

Baxter, J. and McDonald, P. (2004) *Trends in Home Ownership Rates in Australia: The Relative Importance of Affordability Trends and Changes in Population Composition*, AHURI, Melbourne <http://www.ahuri.edu.au/global/docs/doc627.pdf>

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*housing market with applications to Commonwealth and State policy initiatives*,  
AHURI, Melbourne

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Yates, J. (2002) *Housing implications of social, spatial and structural change*, AHURI,  
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[http://www.ahuri.edu.au/attachments/final\\_socialspatial.pdf](http://www.ahuri.edu.au/attachments/final_socialspatial.pdf)