



20 September 2021

Committee Secretary  
House of Representatives Standing Committee on Tax and Revenue  
Parliament House  
Canberra ACT 2600

Dear Committee Secretary,

**RE: Inquiry into housing affordability and supply**

The St Vincent de Paul Society National Council of Australia (the Society) welcomes the opportunity to provide a submission to the Standing Committee on Tax and Revenue's, *Inquiry into housing affordability and supply*.

The Society is a lay Catholic charitable organisation that comprises over 60,000 members and volunteers and over 3,000 employees and has a long history of providing on-the-ground assistance in the form of emergency relief, supported accommodation, community housing and other support services across Australia.

Research shows that access to safe and affordable housing is a vital determinant of wellbeing and is associated with better outcomes in health, education and employment, as well as economic and social participation.<sup>1</sup> It can help reduce poverty and enhance equality of opportunity, social inclusion and mobility.<sup>2</sup> The Society's members and employees witness this every day, through their charitable works.

The Society invites the Committee to visit one of the Society's many community housing projects, managed by Amelie Housing Ltd. CEO, Mr Brian Murnane, has over 35 years' experience in community housing. Please contact us if you wish to organise a visit.

**Background**

The Society's housing profile varies across the states and territories as it has developed over time, as opportunities arise and in response to local needs. It includes short-term crisis accommodation, transitional housing, medium to longer-term community housing, accessible housing for people living with disability and specialist homelessness services. Dwellings range from single bedrooms with shared facilities to four-bedroom homes.

In addition to responding to housing needs, a case-managed, client-centred approach is applied when providing or referring people to health, legal and other social services, as needed. Community-based programs are also conducted to build people's confidence, independence, social networks and self-esteem. The Society believes in a 'housing-first' but not a 'housing-only' approach, especially when supporting people who may have been homeless for many years, have few social networks and often have multiple, complex needs that must be addressed to successfully transition to stable and secure living arrangements.

**Advocacy**

Housing and homelessness remain a key concern for the community sector with organisations reporting large numbers of people experiencing shortages of affordable housing, rent rises and housing insecurity. Housing pressures and inequalities have been exacerbated by increased population flows from cities to regional areas, as people sought affordable housing or to avoid lockdowns in response to the pandemic. Lack of pathways out of temporary housing is also an issue, and tent cities were reported in some regional centres.<sup>3</sup>

And for the average Australian, affordable housing is out of reach - 57 per cent of people feel that they cannot afford to buy their own place at present and 32 per cent don't think they will ever be able to afford to buy a home.<sup>4</sup>

Research indicates that there is a current shortfall of around 430,000 social housing dwellings,<sup>5</sup> and just over 210,000 affordable housing dwellings. By 2036, this will have blown out to an additional 728,000 social housing dwellings and 294,000 affordable housing dwellings.<sup>6</sup> This is a terrible situation for Australia to accept as an advanced economy.

Many people are homeless or at risk of homelessness. It often takes just one life event – losing a job, a relationship breakdown, addiction, ill-health, or family violence – for people to find themselves homeless.

At least 115,000 people are homeless on any given night and this has increased 13.7 percent in five years.<sup>7</sup> 148,500 households are already on waiting lists for social housing.<sup>8</sup> The specialist homelessness service system is turning away 260 people each day.<sup>9</sup> Upon first presentation, most clients seeking assistance were housed but at risk of homelessness (57 percent or 152,300); of these, most were living in private or other housing (61 percent or 92,900) or public or community housing at the time (24 percent or 36,000).<sup>10</sup>

Our first-hand experience is that renters are doing it tough.

While severe financial stress rates declined for renters over the period 1998 to 2015, their severe financial stress rates remain four times higher than for purchasers.<sup>11</sup> There are more than one million low-income households (2.65 million people) renting in the private market and this figure has more than doubled over the past two decades. Two-thirds of vulnerable private renters are currently in rental stress, and 170,000 households have less than \$250 each week after paying rent. Most concerning, half of households experiencing rental stress are still experiencing rental stress four years later.<sup>12</sup>

The Society has actively advocated for increased social, community and affordable housing for many years, including through its 2016 paper, [Ache for Home](#) and in its [2021-22](#), [2020-21](#), [2020](#) and [2019 Pre-Budget submissions](#).

### ***Existing evidence base on housing shortfall and housing affordability***

Many factors influence the supply, demand and cost of housing across the country, ranging from Australia's growing and ageing population<sup>13</sup> to fiscal policies covering, subsidies and planning laws across all three levels of government.<sup>14</sup>

The evidence base on housing affordability and supply is extensive. Rather than reiterate this information, we refer the Committee to the following:

- [The Society's submission \(June 2020\)](#) to the House of Representatives Standing Committee on Social Policy and Legal Affairs', *Inquiry into Homelessness* which outlines the issues faced by those we assist. The Committee's 35 recommendations contained in its [final report \(July 2021\)](#) are pertinent to this Inquiry.
- AHURI's recommendation that a National Strategic Framework be developed that integrates and enhances public subsidies, financial settings, policy levers and programs across all levels of government to address Australia's failing housing system.<sup>15</sup>
- National Shelter Australia's policy platform which notes the housing affordability crisis in Australia, with home ownership on the decline, fewer households achieving mortgage-free homes before retirement, the private rental market unable to provide affordable homes for people on low incomes, and a social housing system not meeting citizens' needs. A Commonwealth Government Housing Strategy is needed to address the growing numbers of people experiencing housing stress and homelessness.<sup>16</sup>
- AHURI's research which outlines the importance of secure and long-term finance, including adequate public subsidies; and of states and territories using inclusionary planning mechanisms that are tailored to local market conditions and supported by evidence of local housing need.
  - The ACT and WA housing strategies are considered comprehensive because they unite housing and housing supply targets, programs and initiatives across the private and affordable housing sectors.
  - Innovative approaches to support the development of affordable housing include shared equity schemes, low deposit home loans, and mixed tenure development, delivered in partnership with the private sector.
  - Inclusionary planning for affordable housing is limited in Australia. However, South Australia delivered 5,485 affordable rental and low-cost home ownership dwellings between 2005–2015 through an inclusionary planning target applying to new residential areas, amounting to around 17 per cent of SA's total housing supply.
  - In New South Wales, planning concessions to enable more diverse and lower cost housing development, such as accessory dwellings ('granny flats') and boarding

houses (small rental units sized at around 12 square metres) have produced a greater supply response than their planning incentive scheme. However, developers remain frustrated by barriers and delays in development approvals and only affordable rental dwellings can be delivered as part of the inclusionary planning provisions.<sup>17</sup>

- UNSW/ACOSS' Poverty and Inequality Project includes *Poverty after housing cost maps*. This 2020 research (based on 2016 data) found that 13 per cent of all Australian households are living below the poverty line after housing costs are taken into account. This is likely to have worsened since the rapid increase in housing costs and rents during the pandemic.
  - Variations reflect the interplay between median income and median housing costs which are influenced by job availability, socio-demographic characteristics, and local housing market conditions. Metropolitan regions have lower levels of poverty after housing costs than non-metropolitan regions, likely reflecting the higher incomes in cities than regional and rural areas.
  - However, the top 10 statistical areas contain a mix of remote and metropolitan locations (Aurukun [Qld], Carlton [Vic], Tiwi Islands [NT], Yarrabah [Qld], East Arnhem [NT], Palm Island [Qld], Melbourne [Vic], Ravenswood [Tas], Kowanyama - Pormpuraaw [Qld], Lakemba [NSW])<sup>18</sup>
- ANU's research on *Investment Housing Tax Concessions and Welfare* found that repealing negative gearing decreases house prices and increases rents, thereby raising the home ownership rate. The policy change significantly reduces housing investments, especially by younger landlords and higher income landlords, as they have the most to gain from negative gearing. Overall, welfare improves (by 1.7 per cent) when negative gearing is eliminated, with the key mechanism for welfare gains being redistribution of additional government revenue.<sup>19</sup>
- AIHW's 2021 Housing Affordability Report found that in 2017-18,
  - 11.5 per cent of households spent 30 to 50 per cent of gross income on housing costs with another 5.5 per cent spending 50 per cent or more. This has increased in the order of 20 to 25 per cent since 1994-95.
  - Over 1.0 million low-income households were in financial housing stress. Households with low income in the private rental market were more likely to be in housing stress, spending on average 32 per cent of income on housing costs, compared with home owners with a mortgage (29 per cent)<sup>20</sup>
- Anglicare's Rental Affordability snapshot found that of the 74,000 rental listings, only three were affordable for a person on JobSeeker and none for a person on Youth Allowance (April 2021).<sup>21</sup>
- CoreLogic data indicate that Australian tenants are experiencing their biggest annual rent increases since January 2009. At July 2021, the median rent of houses and units increased 6.6 per cent compared to the same time last year. Regional tenants were hit with their biggest yearly rent hike ever, with the median figure up 11.3 per cent to \$441. Capital city rents lifted by a more modest 5 per cent.<sup>22</sup>
- Various parliamentary inquiries, peak bodies, service providers and academics have repeatedly called for increased funding for public and community housing and improvements to the Commonwealth Rent Assistance (CRA) program.<sup>23</sup>
- In 2019, the House of Representatives Select Committee on Intergenerational Welfare recommended immediate increases in funding for emergency relief housing and ongoing low cost- housing. <sup>24</sup>

**Recommendations:**

- 1. A National Housing Strategy must be developed in consultation with key stakeholders and endorsed by the Commonwealth, state and territory governments.**
- 2. A review of the Commonwealth Rent Assistance program must be conducted to ensure that it is appropriately targeted and funded.**
- 3. Alternatives to the National Rental Affordability Scheme, which winds up in 2026, must be identified and prioritised.**

### ***Shared responsibility, matched funding.***

The first Commonwealth/State Housing Agreement signed in 1945 was meant to ensure that every person in Australia had access to secure, adequate and appropriate housing at a price within his or her capacity to pay. The aim was to alleviate housing poverty and ensure housing assistance was delivered equitably to people in different forms of housing tenure.<sup>25</sup>

However, the approach to social, community and affordable housing across the states and the territories is, at best, piecemeal, with housing data and budgets inaccessible or difficult to accurately attribute to the Commonwealth, state and territories. Further, the rate of affordable homes built or sold per 1,000 of low and moderate income households fluctuates widely within states across years and across states. From 2009-10 to 2017-18, NSW has dropped from 42 to 17, Vic has been stable at around 40, Qld, WA and SA have improved from around 30 to 50, Tas has improved from 35 to 76 and the ACT has dropped from around 50 to 40.<sup>26</sup>

### ***State and territory government commitments***

State and territory governments have recently handed down budgets with variable commitments to increase social, community and affordable housing.

#### ***New South Wales***

NSW's Housing Strategy 2041 "focusses on increasing affordability and housing security, supporting those in housing crisis and improving the experience of people in the private rental market." However, the plan stops short of setting out key targets, actions and funding that will drive significant change.<sup>27</sup>

Vinnies NSW's *Build Homes Build Hope* campaign has called on the NSW Government to commit to an additional 5,000 new social housing homes every year for the next 10 years. This would not only meet the existing housing shortfall, it would also generate an additional 16,200 construction jobs. And with 40 per cent of social housing needs arising outside the Sydney metropolitan area, jobs could be created in regional communities across NSW.

However, the last NSW Budget only provided for \$147 million towards the construction and acceleration of new social housing properties; \$256 million to deliver around 250 new Aboriginal Housing dwellings; and \$57 million to expand the Together Home initiative.

Vinnies NSW advises that there are over 51,000 applicants on the waiting list for social housing (June 2020) and in some parts of the state, the wait time exceeds 10 years. Further, if home ownership rates continue to decline, demand for social housing amongst retirees alone will increase by another 68,000 by 2060-61.

While the Communities Plus program is set to deliver 23,000 new and replacement social housing dwellings, 17,000 existing properties will be demolished, leaving just an additional 6,000 social housing dwellings over 10 years. All up, commitments from the NSW government total around 9,400 new dwellings, well short of what is required to meet demand.

Further, there are currently more than 11,600 people assessed as eligible for priority housing. As such, they have diverse and complex needs that require intensive, trauma-informed care and support. Without this support, people who were homeless will struggle to maintain their tenancy and are at risk of returning to damaging environments. Investment in new social housing must be accompanied with wrap around support.

Finally, Vinnies NSW has seen a recent increase in the number of people in gainful employment (such as teachers, nurses, carers) being forced to live away from jobs, transport and other services and to seek housing support. Without access to affordable housing, many of these households are overcrowded, poor quality, insecure and inadequate for a family's needs. Vinnies NSW calls for an increase in the supply of affordable housing for key workers and other moderate-income households. The current mandatory inclusionary zoning targets of five to ten per cent in greater Sydney are insufficient to meet community need (and should be 15 per cent on private land; and 30 per cent on government land).

#### ***Victoria***

Under the Homes for Victoria strategy, \$5.3 bn was committed in 2020 to increasing social and affordable housing and policy changes include shifting support from investors to first home buyers, through tax changes and grants.

## **Queensland**

Under Queensland's Housing and Homelessness Action Plan, \$2.9 bn, comprising a social housing fund of \$1 billion and \$1.9 billion in other measures, has been made available to increase affordable housing and reduce homelessness. The Qld budget supports many of the recommendations made by [Queensland Shelter](#).

## **Western Australia**

WA's Housing Strategy 2020-30 aims for a 6 per cent net increase in social homes over the next 10 years (2,600 homes). A \$444m Housing Stimulus Package was announced in June 2020 which will refurbish 1,500 homes, build and purchase about 250 new dwellings and deliver a regional maintenance program to 3,800 homes.<sup>28</sup> Plans for social housing, affordable housing and regional and remote housing are being developed. The recent budget saw an additional \$875 million committed to social housing, taking the total investment in this Budget to \$2.1 billion and producing an additional 3,300 new social housing properties over the next four years.<sup>29</sup> On a per capita basis, this social housing package delivers an almost equivalent amount to the Victorian government's record commitment of \$5.3 billion into social and affordable housing in 2020.<sup>30</sup>

## **South Australia**

SA's most recent budget commitment of \$660m under the SA Government's Affordable Housing Initiative will produce 1000 affordable homes built over the life of the project, as well as public housing capital maintenance and renewal. While this adds to the \$550 million invested to deliver 20,000 affordable housing solutions under the Our Housing Future 2020-30 plan,<sup>31</sup> it falls short of calls to increase the net supply of social housing (publicly owned and community owned/managed) to at least 20,000 properties over five years. Other recommendations for change include that government land sales should transition to the mandatory inclusion of social and affordable housing as a first step, with five per cent committed to social housing, five per cent affordable to permanent rental housing and five per cent to affordable home sales for all new developments by 2022. The price points of affordable home sales should be lowered and should be changed to focus on the purchase price point and the repayments for people living on low incomes.<sup>32</sup>

## **Tasmania**

Tasmania's Affordable Housing Strategy 2015-25 aims to prevent housing stress of low- income earners through early intervention and rapid response and recovery models of assistance. The most recent budget included an additional \$615 million for social and affordable housing, and homelessness initiatives, with 3,500 new homes built by 2027 and an additional 2,000 homes to the current plan to deliver 1,500 homes by 2023. A Tasmanian Housing Strategy, which will consider demand across the public and private sectors and formulate strategies to deliver sustainable outcomes, will also be developed. While the government has not committed to the 10 per cent target (currently at five to six percent) of affordable social rental housing or to an additional 1,000 social housing dwellings per year over four years, the funding has been welcome.<sup>33</sup>

## **Northern Territory**

The Northern Territory's Housing Strategy 2020-25 includes a \$1 bn remote housing investment package, \$40m to reform town camps, \$169m to refurbish existing housing stock, \$25m for homelessness services and a homeowner incentive package. However, the government has been called on to deliver 250 additional homes per year and provide community housing providers with title to land, stock (title) transfers at scale and 20-year head leasing arrangements.<sup>34</sup> The most recent budget saw a commitment to land releases and an additional \$600m to build and refurbish remote Aboriginal housing.<sup>35</sup>

## **Australian Capital Territory**

In 2019, the ACT Government announced a \$100 million net investment to renew 1,000 homes and add at least 200 new homes to the public housing portfolio over five years.<sup>36</sup> However, Vinnies Canberra-Goulburn has called on the ACT Government to commit to an additional 3,000 social housing properties over the next five years. The ACT's Government's most recent budget did not include land transfers to community housing providers for affordable housing or any new funding to support full implementation of the ACT's Housing Strategy. Further, research indicates that the present policy settings are only generating a small amount of new social housing and are inadequate to meet existing and future housing needs. Direct government capital investments (through land, capital grants, or equity) are recommended as the cheapest way of developing social housing.<sup>37</sup>

In summary, over the past 12 months states and territories have lifted contributions to increase social and affordable housing by over \$10 billion in the next 4 to 5 years while the Commonwealth is contributing nothing additional under partnerships such as the NHHA. For instance, the Commonwealth could consider mandating the establishment and delivery of housing targets, in exchange for additional resources delivered through the NHHA.

**Recommendation:**

- 4. The Society supports Shelter Australia's view that the Commonwealth, at the very least, should be matching state and territory government funding to increase social, community and affordable housing.<sup>38</sup>**

For the first time, Australia's Infrastructure Plan 2021 includes social housing and notes that housing quality, supply and design are inadequate across the country. It recommends that the case be made to drive more investment, improve the standard of dwellings, address the growing shortfall of housing and provide a greater range of housing types.<sup>39</sup> Well-maintained and designed social and affordable housing provides many community benefits, supporting individual and societal wellbeing and productivity, and reducing costs in health and justice services.<sup>40</sup>

**Recommendation:**

- 5. All governments should commit to implementing recommendations contained in Australia's Infrastructure Plan 2021 concerning social and affordable housing.**

***The Society's experience as a housing provider***

Through the Society's Amelie Housing Ltd, social, community and affordable housing is offered to those in need, with up to 1,200 dwellings in New South Wales, the ACT and South Australia. In NSW, Amelie Housing is a welcome participant of the NSW Government's \$1.2 billion Social and Affordable Housing Fund, which is on track to deliver 2,450 social housing properties by 2023. Amelie Housing has contributed both land and capital to acquire, build and tenant 350 of these social housing properties and another 150 affordable homes, on time and under budget.

Amelie Housing could seek to allocate additional land to deliver more affordable housing, should funding become available. Similarly, the company is undertaking preparatory work so that it is 'shovel-ready' to either build or renovate dwellings, should government funding be made available.

The Society currently holds land but requires funding to progress the development of new dwellings. Proceeds from the sale of an aged care facility in Tasmania and funds held in Vinnies Housing Queensland have resulted in several million being set aside to support housing activities.

The Society understands that many other community housing providers are similarly 'shovel-ready', either ready to build new types of accommodation or undertake maintenance work if supported to do so. Upgrades and maintenance are particularly important, as satisfaction with housing is closely related to the condition of tenants' homes - as structural problems rise, satisfaction falls.<sup>41</sup>

However, no one entity, be it the Commonwealth or state governments, the private sector, or charities, can do it alone. The Master Builders Association has urged governments and the private sector to partner to fill the funding gap, saying that post-pandemic recovery could be accelerated by investing into affordable supply, while boosting vital trade and valuable flow-on market activity. Affordable and social housing by definition needs a level of government support to be viable, as the burden of the funding gap cannot be borne by the private sector, or any one sector, alone.<sup>42</sup>

***The funding gap***

The principal obstacle to the delivery of new social, community and affordable housing by community housing providers is the significant difference between the cost of designing, building, maintaining and managing housing and the income received from rent and CRA. Given that rents must be set at levels affordable to low-income households, revenues can only support modest levels of debt financing, which means funding gaps must be met by the community housing provider or the private investor, thereby necessitating co-investment.

The size of funding gap depends on whether community housing providers already own land that can be assigned to new housing; whether developments are in metropolitan or regional areas; the size and type of the dwellings to be built; whether wrap around support or tailored support coordination is included; the operational efficiency of community housing providers; and the funding model used to deliver the housing.

Government funding incentives and targeted forms of assistance are essential to incentivise private and community sector investment to meet funding gaps and operational costs.

The Society's supports AHURI's *Social Housing as Infrastructure* <sup>43</sup> findings that an up-front 'capital grant' model, supplemented by efficient financing, provides the most cost-effective pathway for Government and is preferred to the 'no capital grant, commercial financing operating subsidy' model.

The Society has found the up-front capital grant funding to be more cost effective and less administratively complex than operating subsidies. Under the capital grants model, government provides most of the capital up front, with community housing providers then borrowing a small amount of capital at low interest rates either through the NHFIC or other sources. (Precedents include the approaches adopted by Qld and Vic governments).

Under the operating subsidy model, community housing providers borrow low cost finance to fund the design and development of community housing. The provider then receives a government subsidy for each tenanted property which, when combined with rental income and CRA, is used to repay the loan and cover building maintenance and tenancy management. This is the approach used by the NSW Government under its Social and Affordable Housing Fund.

**Recommendation:**

- 6. Government funding incentives and targeted forms of assistance are required to incentivise community housing provider investment in the building of new community and affordable housing. The up-front capital grant model, supplemented by efficient financing, is the most cost-effective pathway for Government and community housing providers.**

**National Housing Finance and Investment Corporation.**

We commend the Government for establishing the National Housing Finance and Investment Corporation but note that other incentives as outlined above are also required to address the funding gap borne by community housing providers.

Further, the Society has found little difference between the NHFIC and a commercial bank. Significant community housing projects have to date been funded through the Catholic Development Fund. Although interest rates are higher than the NHFIC, fees and charges are much lower, and funding is available over 25 years. The NHFIC offers only 10-year terms (with a 10-year rollover), with borrowers having to enter into General Service Agreements which apply to all operations, not just the project being funded.

With respect to Victoria, state government lenders are not preferred because they have far more onerous obligations than external lenders.

We also understand most of the new loans issued by the NHFIC have been used to refinance existing stock and have therefore not substantially increased social or community housing stock.

**Recommendation:**

- 7. The NHFIC should extend the term of its loans (to 25 years), limit General Service Agreements to the project being funded and reduce fees and charges.**

**National Regulatory System for Community Housing (NRSCH)**

The Society notes the final report (April 2021) on a *Review of the NRSCH* and refers the Committee to recommendations made across three reform areas - scope and span of regulation; efficiency and effectiveness of regulation; and transparency of regulation. The Society commends the consultation to date but notes a reform pathway forward has not been charted and that "registrars will continue to work with jurisdictional policy representatives and the sector to deliver regulatory reform to encourage the growth and development of a dynamic sector."<sup>44</sup> The Society recommends that work on implementing reform continue, in consultation with the sector and with other key stakeholders, such as affordable housing providers and Indigenous Community Housing Providers.

The Society agrees with the Review's recommendations that improvements to the system could be made particularly if Victoria and Western Australia joined. As the system is not truly national, community housing providers have to cover the significant costs associated with establishing subsidiary companies in these states and this is a disincentive for national community housing providers to operate in these states.

As contained in the Review's recommendations, the Society agrees that feedback should be sought from Indigenous Community Housing Providers, particularly smaller organisations, as some may have experienced difficulty achieving registration. Resources should be provided to support these community housing providers to opt in to the NRSCH.

Pre-development capacity building funds should also be made available to help with covering the costs of preparing initial submissions.

As contained in the Review's recommendations, the tier system should be reviewed to create better uniformity within, and differentiation between Tiers. This is important as stakeholders misunderstand the purpose of the Tier systems and use it as a proxy for performance – it is supposed to operate as a measure of risk but often operates as an eligibility requirement for funding and financing. The Tier system leads to real and perceived differences in the treatment of providers which, in turn, affect opportunities and relationships within the sector.

Over-regulation, lack of streamlined reporting across jurisdictions for different but similar entities (such as the ACNC, ASIC and the NHFIC), and multiple requests for the same information create a significant administrative burden for providers. Further, the Department continues to conduct annual service reviews in addition to requiring compliance with NRSCH requirements.

As contained in the Review's recommendations, the Society notes the perceived tension between the location of the regulatory functions across jurisdictions, including the extent to which this function is separate from the commissioning and/or funding functions of government. Regulators could be restructured so they are separate, operate independently of commissioning and/or funding functions of government and report directly to the minister.

As contained in the Review's recommendations, improvements to data reporting and the Financial Performance Framework are required. Performance metrics lead to uneven comparison between providers where program tenures, target groups and operating guidelines differ substantially (for example, turnover rates in crisis/transitional vs long term tenures). The data should be nuanced to provide a more detailed and accurate picture of the sector and to better understand the performance of the sector, including its challenges, risks and opportunities.

The Society understands that some work is underway to bring back the National Community Housing Standards. While quality service delivery is essential, this would introduce another level of compliance, accreditation and reporting. This would result in funding being redirected from service delivery to meet increased red-tape requirements and administrative costs.

***Recommendation:***

- 8. A reform agenda for the NRSCH must be mapped out to address the findings contained in the Review of the NRSCH and this should be done in consultation with key stakeholders, especially Indigenous Community Housing Providers.**

***National Shelter Australia***

The Society supports National Shelter Australia's policy platform<sup>45</sup> to combat growing unaffordability in home ownership and the rental market.

The policy platform calls on the Australian Government to elevate the Housing Minister into Cabinet, with links to a central agency (such as PM&C, Treasury) and establish a new independent authority to develop a national housing strategy.

The strategy should prioritise the housing needs of low and moderate income households, increase the supply of social and affordable housing, set target bandwidths for home ownership and fix rental laws and renting systems.

The independent statutory authority would oversee the development of the strategy, establish data and reporting processes, and ensure inputs from all levels of government are commensurate with the national strategy.

Housing is an important economic infrastructure, critical to improving not only people's and communities' well-being but essential to boosting economic productivity. For too long it has been treated as either a wealth or welfare issue. The reality is that home ownership is out of reach for young Australians and will remain so without a significant recalibration of fiscal policy (review of homeownership grants/schemes, negative gearing, capital gains tax; land tax over stamp duty etc).



Given the extent of the housing shortfall, governments need to provide incentives and targeted assistance to encourage private and community sector investment to meet investment funding gaps and operational costs. The Society supports National Shelter Australia's calls to:

- lift the national level of social housing to 10 per cent of all housing by 2036.
- develop social housing within a mixed tenure approach, appropriate to locations and within jurisdictional capability.
- set a minimum net increase of 20,000 new social housing dwellings supply each year in the absence of a national housing strategy.
- establish an operational fund paid on a per-dwelling basis to providers (State and Territory housing authorities and community housing providers) which could be preserved for structural maintenance, and quarantine homelessness payments within NHHHA. Payments should be sufficient to cover operational costs and Commonwealth Rent Assistance.
- establish a growth fund to State and Territory governments on a per capita basis.
- establish an affordable housing infrastructure booster (the boost) with a variable subsidy based on land and housing cost, regional variation, a variety of contributory inputs (planning, land, equity).
- foster its strategy which will result in community housing providers owning and managing 50 percent of all social and affordable housing by 2036 (Although we note that the Commonwealth has limited states to transfer no more than 30 per cent of social housing to community housing providers, so as to limit CRA costs. Transferring stock to community housing providers would increase CRA costs and this recommendation would only be supported if the increase in CRA costs does not adversely impact investments in social housing stock by the Federal Government).

National Shelter Australia also supports changes in planning measures to improve and stimulate new housing developments. These include setting benchmarks for mandatory inclusion zoning on all new private housing developments and additional requirements for affordable rental housing, where there is unmet need. The benchmark would be substantially increased where development is undertaken on surplus government land. Planning frameworks covering social and affordable housing targets must also be included as a key outcome of the NHHHA.

**Recommendation:**

- 9. The Society supports National Shelter Australia's policy platform to combat growing unaffordability in home ownership and in the rental market.**

***UNSW Synthesis Report – Housing – taming the elephant in the economy***

In addition to developing a National Housing Strategy and having a Cabinet-rank post responsible for Housing Policies and Outcomes, the Society supports recommendations made by UNSW's Synthesis Report on housing (June 2021), such as:

- Australian governments switching housing stimulus efforts from market housing to the social rental sector with potentially lesser inflationary consequences.
- expanding the formal accountabilities of the RBA to include maintaining a more price stable and well-functioning housing market.
- expanding the NHFIC as an enduring National Housing Agency tasked with informing government policymaking, championing actions to enhance housing-economy outcomes, promoting affordable housing development and re-establishing the analytical capacity of the former National Housing Supply Council. (The Society considers that any advisory body should comprise representatives from community housing providers and tenants).
- setting up a Royal Commission on Housing Future Australia, given the nature and disparity of the issues involved across departments and levels of government.

**Recommendation:**

- 10. The Society supports recommendations outlined in UNSW's Synthesis Report on the future policy directions needed to address housing affordability and increase housing accessibility in Australia.**

We thank you for the time you have given our submission. If you require any further information, please do not hesitate to contact me.

Yours sincerely



Mr P Toby oConnor  
Chief Executive Officer



- <sup>1</sup> Commonwealth Senate Economic References Committee. 2015. *Out of reach? The Australian housing affordability challenge*. Canberra
- <sup>2</sup> AIHW. June 2021. *Australia's Welfare. Snapshots. Housing Affordability*. Accessed at: <https://www.aihw.gov.au/reports/australias-welfare/housing-affordability>
- <sup>3</sup> ACOSS' Community Services Survey. April 2021. *Meeting community needs in difficult times*. Accessed at: [https://www.acoss.org.au/wp-content/uploads/2021/04/meeting-community-needs-in-difficut-times\\_experiences-of-Australias-community-sector\\_WEB\\_v2.pdf](https://www.acoss.org.au/wp-content/uploads/2021/04/meeting-community-needs-in-difficut-times_experiences-of-Australias-community-sector_WEB_v2.pdf)
- <sup>4</sup> Biddle. N. Gray. M. May 2021. *Tracking wellbeing outcomes during COVID-19 pandemic. Continued Social and Economic Recovery and Resilience*. ANU Centre for Social Research and Methods.
- <sup>5</sup> Troy.L. van den Nouwelant. R. Randolph.B. March 2019. *Estimating the need and cost of social and affordable housing*. UNSW City Future Research Centre. AHURI Brief. May 2020. *Why building housing infrastructure after the pandemic can benefit Australia*. Accessed at: <https://www.ahuri.edu.au/research/covid-19/covid-19/why-building-housing-infrastructure-after-the-pandemic-can-benefit-australia>
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