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Policy Platform Background Paper

A National Housing Strategy

A National Housing Strategy

There is a housing affordability crisis in Australia yet there is no Commonwealth Government strategy to address the growing numbers of people experiencing housing stress and homelessness. Homeownership is on the decline, fewer households are achieving mortgage-free homes before retirement, the private rental market cannot provide affordable homes for people living on low incomes and our social housing system is not meeting the needs of our citizens. Inadequate social security payment levels, unemployment and a poorly targeted and insufficient Commonwealth Rent Assistance (CRA) program leave more than *one million* Australians living with housing stress in the private rental market.

A national housing strategy is required to consider all aspects of the housing system including crisis and supported accommodation, social housing, private rental and homeownership, rather than placing the issue of housing in a solely welfare paradigm. The formation of the National Affordable Housing Alliance is a testament to the will of diverse interest groups, including peak bodies, industry, unions and academics, to progress towards a national housing strategy and work together on improving the housing system.¹

Policy Context

The National Housing and Homelessness Agreement (NHHA) is the vehicle that delivers Commonwealth Government funding to the States and Territories, however, it is not a public policy or strategy for the housing system. The objective of the NHHA is that all Australians have access to affordable, safe and sustainable housing that contributes to social and economic participation. Without Commonwealth Government strategic leadership in this area, Australians continue to be unable to access the housing they need and can afford now or in the future and the objectives of the NHHA cannot be met.

The NHHA does not contain targets to grow the supply of social housing or reduce homelessness, nor any funding to achieve improvements. Data from the States and Territories does little to shed light on how NHHA funds are spent or how they improve the housing situation of their citizens, especially people living on low incomes.

The Commonwealth Government has various policy and funding levers it can activate including taxation, infrastructure, the National Housing Finance Investment Corporation (NHFIC), City Deals, fiscal policy, and the use of land and welfare; but, in 2021, these policy approaches are piecemeal and do not address the housing system. The NHFIC provides low-interest loans to community housing providers to achieve social and affordable housing and can result in modest levels of new construction. The National Rental Affordability Scheme was effective in increasing the supply of affordable rental properties at up to 80% of market rate, however, the scheme is coming to an end and will not be continued.

Expenditure on the Commonwealth Rent Assistance (CRA) program has grown steadily, reflecting the growing cost of renting and higher numbers of people living on low incomes and high unemployment rates in Australia.²

[Read the methodology behind developing a national housing policy](#)

1 <https://www.communityhousing.com.au/national-affordable-housing-alliance-established/>

2 <https://www.ahuri.edu.au/research/news/better-targeted-rent-assistance-will-improve-housing-affordability-for-low-income-renters-while-generating-cost-savings-report>

Importantly, the past fifteen years has seen significant growth in community housing while public housing has declined since the previous National Affordable Housing Agreement (NAHA), now the National Housing and Homelessness Agreement (NHHA), included targets of up to 35% of social housing transferred to the community housing sector.

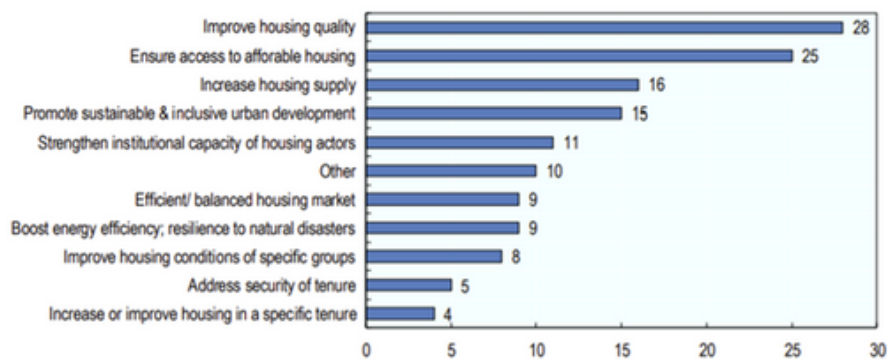
National Shelter supports increasing the role of the community housing sector up to 50% accompanied by better funding and financing arrangements not reliant on using Commonwealth Rent Assistance (CRA) as a faux operational subsidy and linked to higher standards of tenant management than required by standard tenancy legislation; including not using no-cause evictions within a new tenancy management standard and consideration of promoting tenant choice of housing provider.

This measure could accompany a move to title transfer instead of only property management rights, which would improve the balance sheets and equity financing available to the community housing sector. We recognise legitimate concerns from tenants organisations around security of tenure, participation and recourse to protections considered to be available under State and Territory Government ownership, but the future of growth in social and affordable housing will arrive via a robust community housing sector backed by a strong national regulatory process.

Other Jurisdictions

The Organisation for Economic Co-operation and Development (OECD) - Social Policy Division - Directorate of Employment, Labour and Social Affairs, reported in 2019 that the majority of countries around the world have a national housing strategy.³ These jurisdictions recognise their public responsibility to assure housing as a basic human right and a social determinant of health; however, Australia is lagging behind in this area. An overview of the main policy housing policy objectives in OECD countries is provided below.

Figure PH 1.2: Overview of main types of policy objectives in OECD, Key Partner and EU countries¹
Number of reporting countries identifying the following as one of the main five housing policy objectives



Notes: Information on housing policy objectives was collected for 40 countries. Information regarding policy objectives for Croatia, Estonia, Finland, Lithuania, Romania and Slovenia was reported in the 2016 OECD QuASH. Further details are available in Table PH1.2.1, Annex I.

Source: OECD Questionnaire on Affordable and Social Housing, 2019 and 2016.

³ <https://www.oecd.org/els/family/PH1-2-Housing-policy-objectives-and-obstacles.pdf>

Canada's National Housing Strategy

Canada has produced a National Housing Strategy recognising the importance of housing to reduce homelessness, housing need and a rights-based approach (outlined below).⁴ A formal evaluation of the Strategy is expected in 2021.

The Government of Canada believes every Canadian deserves a safe and affordable home. Affordable housing is a cornerstone of inclusive communities. It helps to strengthen the middle class and grow the economy. Canada's first ever National Housing Strategy is a 10-year, \$40-billion plan that will give more Canadians a place to call home. Canada's National Housing Strategy sets ambitious targets to ensure that unprecedented investments and new programming deliver results. This will include a 50% reduction in chronic homelessness, and as many as 530,000 households being taken out of housing need.

The National Housing Strategy will result in up to 100,000 new housing units and 300,000 repaired or renewed housing units. Through new initiatives like the National Housing Co-Investment Fund and the Canada Community Housing Initiative, the National Housing Strategy will create a new generation of housing in Canada.

Our plan will promote diverse communities. It will build housing that is sustainable, accessible, mixed-income, and mixed-use. We will build housing that is fully integrated into the community—close to transit, close to work, and close to public services. Expanded and reformed federal homelessness programming, a new Canada Housing Benefit, and a rights-based approach to housing will ensure that the National Housing Strategy prioritizes the most vulnerable Canadians including women and children fleeing family violence, Indigenous peoples, seniors, people with disabilities, those dealing with mental health and addiction issues, veterans and young adults. All programs in the National Housing Strategy will be based on best evidence and ongoing input from people with lived experience of housing need.

The National Housing Strategy is truly a national project, built by and for Canadians. The success of our plan requires collaboration from many partners. The National Housing Strategy invests in the provinces and territories, so all regions can achieve better and more affordable housing. It invests in municipalities, to empower communities to lead the fight against homelessness. It also creates new opportunities for the federal government to innovate through partnerships with the community housing sector, co-operative movement, private sector, and research community.

The National Housing Strategy also respects the Government of Canada's commitment to a nation-to-nation, Inuit-to-Crown, government-to-government relationship with Indigenous peoples. That is why the National Housing Strategy commits the Government of Canada to fund and continue the significant work currently underway to co-develop distinctions-based housing strategies for First Nations, Inuit and Métis Nation partners.



⁴ <https://www.placetocallhome.ca/what-is-the-strategy>

National Housing Strategy Methodology

National Shelter proposes a methodology for the development of a housing strategy similar to Canada, following the process used to develop Australia's first National Medicines Strategy. The principles of the methodology are based on an eclectic mix of theories to bring about change in society. It might seem counterintuitive at first glance, to think of housing in the same way as medicines, but both are political areas where government strategy and regulation is required that involves engaging diverse interests between industry, peak bodies, governments, the not-for-profit sector and consumers and where consensus is needed to progress strategy. The methodology would see all stakeholders represented in the process to create a consensus view of what is needed to create a housing system that will provide the housing that Australians need and can afford.

The method has been trialled at State and Territory based housing roundtables, led by National Shelter, where participants agreed they could separate the vested interests of their various roles from their insights and knowledge into how to create a fairer housing system, that would have a practical application in the areas of construction, finance and governance to meet its objectives.

The method, conceptual framework and evaluation details are set out in this National Shelter paper for further reading. The central objectives of the National Shelter proposal are as follows:

1. Timely access to housing that Australians need and the community can afford;
2. Housing that meets appropriate standards;
3. Maintaining a viable housing system;
4. A bi-partisan approach to housing policy that removes housing from politics and election cycles; and
5. Housing policy for common good – what is beneficial for the majority of members of society.

National Shelter Policy Platform

National Shelter asks the Commonwealth Government to undertake the following actions:

Commission the development of a national housing strategy with an emphasis on meeting the housing needs of low and moderate-income households with an independent statutory authority to oversee the implementation of the strategy, collect data and evaluate progress.

The National Housing Strategy should address all aspects of the housing system including homeownership, private rental and social housing.

The National Housing Strategy should result in an increase in the national level of social housing to 10% of all housing by 2036.

