



Media release for immediate release
Federal Budget 2014

Affordable Housing Abandoned in First Hockey Budget

The first Hockey budget has slashed Commonwealth support for affordable housing while pairing back a diminishing public housing and homelessness portfolio to Howard Government levels.

Only the partnership agreement on Remote Indigenous Housing has remained from the Rudd and Gillard government's attempts to boost affordable housing supply and address homelessness.

The National Rental Affordability Scheme (NRAS) has been reduced by more than 20,000 incentives cut from round five of the scheme. The existing incentive payments will be honoured until they expire.

The National Partnership Agreement on Homelessness appears to have only one year to run although National Shelter Executive Officer Adrian Pisarski remains hopeful something may replace the NPAH and even NRAS.

National Shelter is concerned that changes to income support for young people and pensioners mean they will be particularly vulnerable to rising rents and will increasingly be at risk of homelessness.

"Asking young people to forego income support whilst engaging in more stringent mutual obligation activities may increase the numbers of young people who disengage and fall out of housing and support." He continued.

"Pegging pension increases to CPI will also have housing impacts as rents have been rising faster than the CPI so the number of older people in housing stress and homelessness will also rise."

"The budget retreats from implementing reforms to affordable housing supply, social housing programs and homelessness service delivery, but we are hopeful that over the next twelve months a plan may arise from the ashes of these programs."

"It appears that housing supply for those who can't find it is again left up to market forces which have consistently failed to deliver it in the past and now have any incentives to improve it removed in the future." Mr Pisarski said.

The Treasurer said in his budget speech " It is time, for all of us, to contribute and build." But this won't apply to affordable housing.

The budget does little to address the structural issues which contribute to homelessness and housing stress, no changes to Negative Gearing, Capital Gains Tax Exemptions but hits to youth and elder incomes.

"There is a disproportionate weight being carried by the young, the old and cuts to programs which helped. It is not an even spread of contribution by any fairness measure, more could have been done to address any long term budget issue, rather than whacking the vulnerable."

"Over the past five years the housing and homelessness sectors, including NGOs, business and governments, have made significant reforms that are making a difference to supply, affordability and reducing homelessness, we now risk losing that momentum".

"For modest government outlays NRAS a was delivering significant boosts to affordable rental housing supply and could have been adjusted to a new governments standards, it is the large reform we have now lost."

"It allowed massive private investment, was drawing in institutional investment, contributed to the development of the NGO housing sector and the reform of social housing by States. That process may now also be lost," Mr Pisarski concluded.

Ends.

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Mr. Pisarski will be available for comment at the ACOSS press conference Senate Courtyard
Wednesday May 14 10:30 a.m.