



Submission to the Inquiry into the Commonwealth Land (Affordable Housing) Bill 2026

Finance and Public Administration Legislation Committee

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Official contact:

Jackson Hills

Chief Executive Officer

National Shelter

0411 395 842

Jackson.Hills@shelter.org.au

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1. Introduction

National Shelter is Australia's peak non-government housing body. For more than 50 years, National Shelter has worked to advance policies and investment priorities that ensure every person in Australia has access to safe, secure, affordable, accessible and appropriate housing. We work in partnership with housing, homelessness, community sector and industry stakeholders, governments across all jurisdictions, community housing providers, researchers and people with lived experience to promote evidence-based solutions to Australia's housing challenges.

This submission is informed by National Shelter's longstanding policy and advocacy work on housing security, affordability, public, social and affordable housing supply, planning reform, value capture, and the role of government land in delivering long-term community benefit. It also draws on evidence from Australian and international jurisdictions that have successfully leveraged publicly owned land to increase affordable housing supply and create more inclusive communities.

Australia is experiencing a prolonged and severe housing crisis. Rapid increases in rents and house prices, persistently low vacancy rates, growing levels of rental stress, and a historical insufficient supply of public, social and affordable housing have all placed secure housing beyond the reach of many low- and moderate-income households. Australia's current housing shortage also reflects a persistent gap between supply and demand, with dwelling completions in 2024 (177,000) well below estimated underlying demand (223,000) (NHSAC 2024). This shortfall is expected to continue despite reforms pursued under the National Housing Accord, with the National Housing Supply and Affordability Council forecasting that approximately 938,000 dwellings will be delivered, falling short of the Accord target of 1.2 million homes (NHSAC 2024). While increasing overall housing supply remains essential, market delivery alone will not provide housing that is affordable for many people living in Australia. Dedicated mechanisms and interventions are required to ensure adequate proportions of new housing is accessible to households whose needs are not met by the private market.

At the same time, governments possess policy tools that can directly contribute to housing affordability. One of the most important of these tools is publicly owned land.

Commonwealth land is a public asset accumulated over generations through public investment. When surplus government land is transferred into private ownership, governments have an opportunity, and a responsibility, to ensure that part of the value embodied in those assets continues to deliver enduring public benefit.

National Shelter also acknowledges that many Commonwealth landholdings are on lands that were originally cared for and occupied by First Nations peoples for tens of thousands of years prior to colonisation and subsequent government acquisition. The disposal and redevelopment of publicly owned land should therefore be informed by an understanding that land carries social, cultural and community value that extends beyond its financial value. Consistent with National Shelter's longstanding advocacy principle that housing policy should advance fairness, inclusion and community benefit, public land should be used to deliver outcomes that

benefit all people living in Australia, including Aboriginal and Torres Strait Islander peoples, who continue to experience disproportionately high rates of housing need and housing insecurity.

The Bill recognises this as a core principle. Rather than treating land disposal solely as a revenue-raising exercise, this approach establishes a practical framework to ensure that the redevelopment of suitable Commonwealth land contributes directly to the delivery of affordable housing. In doing so, it captures a portion of the value created through public land ownership and directs that value towards lasting social and economic outcomes.

The Bill also provides a practical mechanism to increase affordable housing supply without requiring ongoing operating subsidy, ensuring that public assets continue to serve public purposes long after they leave government ownership.

National Shelter supports the Bill because it aligns with well-established principles of inclusionary housing and development, value capture and public-interest planning. It reflects approaches already being adopted in some jurisdictions of Australia and internationally, where governments increasingly recognise that publicly owned land should contribute to affordable housing supply, mixed communities and long-term housing security.

The Bill also aligns strongly with National Shelter's longstanding advocacy for governments at all levels to use publicly owned land more strategically to support the supply of social and affordable housing. National Shelter has consistently argued that surplus government land is one of the most effective opportunities for governments to create enduring housing outcomes, strengthen mixed-tenure communities, and retain lasting social value from publicly owned assets.

Importantly, the Bill demonstrates how Commonwealth leadership can help address housing need, strengthen the community housing sector, and establish a clear expectation that public assets should generate both financial and social returns. In doing so, it provides a blueprint for state and territory governments to consider, as custodians of public land as well.

National Shelter regards the Bill as an important and practical contribution to a broader national housing strategy, including the need to substantially expand Australia's stock of public, social and affordable housing and progressively restore social housing to at least 6 per cent of all housing on a pathway towards 10 per cent over time. The Bill's significance extends beyond the housing delivered on Commonwealth sites alone. It establishes a principle that publicly owned land should be used to maximise long-term community benefit and demonstrates how governments can actively contribute to delivering the affordable and social housing Australia urgently needs.

National Shelter strongly supports the Commonwealth Land (Affordable Housing) Bill 2026 and recommends its passage by the Parliament.

2. Position on the Bill and key recommendations

The Bill is founded on a simple but important principle—where publicly owned land is transferred for housing development, a portion of the value created through that public asset should be retained for broader social and economic returns.

At a time of significant housing need, Commonwealth land represents one of the most effective tools available to government to support the delivery of affordable housing, strengthen mixed-tenure communities, and create lasting social and economic value.

National Shelter considers the Bill a practical contribution towards the larger task of rebuilding Australia's stock of public, social and affordable housing, including restoring social housing to at least 6 per cent of the housing stock on a pathway towards 10 per cent over time.

Rather than relying solely on direct subsidy or ongoing expenditure, it leverages an existing public asset to generate enduring affordable housing outcomes. Economists and urban policy experts increasingly recognise that land value capture mechanisms enable governments to recover and reinvest a share of the land value uplift created through public investment, planning decisions and infrastructure provision, helping to fund affordable housing, infrastructure and other public benefits (OECD 2022; OECD 2022a). In doing so, it recognises that affordable housing is essential social and economic infrastructure and that governments have a legitimate role in ensuring public assets contribute to broader community objectives.

The Bill is also consistent with longstanding Australian and international approaches to inclusionary housing, value capture, and public-interest planning. Governments routinely require development to contribute to public outcomes through planning obligations, infrastructure contributions, and other community-benefit mechanisms. The affordable housing requirements proposed in this Bill apply that same principle to Commonwealth land, ensuring that redevelopment delivers both financial and social returns.

National Shelter particularly supports the Bill's focus on:

- long-term affordability
- recognition of the role of regulated Community Housing Providers (CHPs), and
- intention to embed affordable housing outcomes through enforceable mechanisms that endure beyond the initial transfer of land.

These features help ensure that public value is retained over time and that the housing delivered remains accessible to future generations.

Importantly, National Shelter views this Bill not as a stand-alone measure, but as part of a broader national effort to increase social and affordable housing supply. While no single reform will resolve Australia's housing affordability challenges, the Bill demonstrates how governments can use public assets more strategically to contribute to housing outcomes and establish a stronger expectation that public land should generate lasting community benefit.

Our recommendations are therefore directed both to supporting the Bill's passage and to maximising its long-term impact as part of a broader national housing strategy to expand public, social and affordable housing supply, strengthen mixed tenure communities, and ensure that public land delivers enduring public value.

NATIONAL SHELTER RECOMMENDS:

- 1. The Senate support passage of the Commonwealth Land (Affordable Housing) Bill 2026.**
- 2. Public land disposal frameworks should explicitly prioritise enduring public, community and, where appropriate, cultural benefit alongside financial returns, recognising that publicly owned land should contribute to long-term social outcomes, including affordable housing and improved housing outcomes for Aboriginal and Torres Strait Islander peoples.**
- 3. Affordable housing requirements attached to public land should be maintained over the long term through enforceable instruments.**
- 4. Community Housing Providers (CHPs), public housing authorities and other regulated affordable housing providers should play a central role in delivering, owning and managing affordable housing generated through the scheme.**
- 5. Governments should explore similar value-capture and inclusionary housing mechanisms across broader land and planning systems, such as major infrastructure and renewal projects, transport-oriented development and other major asset disposal programs.**
- 6. The Commonwealth should regard this Bill as part of a broader strategy to expand public, social and affordable housing supply, including ensuring a meaningful social housing component within affordable housing requirements on Commonwealth land, and progressing toward restoring social housing to at least 6 per cent of Australia's national housing stock on a pathway to 10 per cent over time. This benchmark should be measured at the national level, recognising differing starting points across jurisdictions. States and territories that already exceed the 6 per cent threshold should be encouraged and supported to accelerate progress towards 10 per cent, particularly where housing need, population growth and delivery capacity justify a more ambitious trajectory.**
- 7. The Commonwealth should apply the principles embodied in this Bill across future Commonwealth land disposal and urban renewal programs to maximise affordable housing and enduring public benefit outcomes.**

3. Why the Bill is needed

Australia's housing affordability challenges extend beyond overall housing supply. While increasing housing construction remains essential, the evidence is clear that additional market housing alone will not meet the needs of many low- and moderate-income households. Dedicated pathways are required to ensure that households most affected by housing stress can access secure, affordable homes.

The current housing crisis has been characterised by rapidly increasing rents, low rental vacancy rates, worsening affordability pressures, and growing demand for housing assistance. Many lower-income households are spending an unsustainable proportion of their income on housing, while those unable to compete in the private market increasingly rely on an already constrained public, social and affordable housing system.

At the same time, Australia faces a significant shortage of public, social and affordable housing. The National Housing Supply and Affordability Council has consistently identified substantial unmet demand for non-market housing and highlighted the need for increased investment in affordable housing options for lower-income households (NHSAC 2024).

For many lower-income households, affordability challenges arise not simply from a shortage of housing, but from a shortage of housing that remains affordable relative to household incomes. This distinction is critical to understanding the role of affordable housing policy interventions, with AHURI research consistently finding that increased market supply alone is unlikely to address the housing needs of many low-income households without dedicated affordable housing measures (AHURI 2024).

This challenge requires governments to deploy a broader range of housing policy tools. Publicly owned land represents one of the most immediate and effective opportunities available to government. Unlike many housing policy measures, the strategic use of government land can support affordable housing delivery without requiring future land acquisition costs and can help create housing outcomes that endure over time.

The Commonwealth Land (Affordable Housing) Bill 2026 responds directly to this challenge. By requiring affordable housing outcomes to be secured when suitable Commonwealth land is transferred for residential development, the Bill creates a dedicated pathway for affordable housing delivery that would not otherwise be guaranteed. It recognises that public land can play a direct role in addressing housing need and that public assets should contribute to lasting public benefit.

For National Shelter, the Bill's importance is therefore twofold. First, it will increase the supply of affordable housing on former Commonwealth land. Second, it establishes an important principle that the disposal of public assets should contribute to broader social and economic objectives, including housing affordability, social inclusion, and the creation of mixed and sustainable communities.

4. Public land should create lasting public value

National Shelter considers the principle of public value creation to be the central policy foundation of the Commonwealth Land (Affordable Housing) Bill 2026. The Bill recognises that when governments dispose of public assets, they have an opportunity to secure enduring community benefit alongside financial returns.

- A. When governments dispose of publicly owned land, they are transferring assets that have been accumulated through generations of public investment. These assets have been acquired, maintained and enhanced using public resources and therefore carry a legitimate expectation that their disposal will contribute to broader community objectives
- B. While governments must appropriately manage public finances, maximising sale proceeds should not be the sole objective of public land disposal
- C. The transfer of public assets represents a significant opportunity to secure lasting social and economic outcomes that extend beyond the immediate financial return achieved through sale.

Therefore, in the context of Australia's housing crisis, one of the most important social and economic returns that can be secured through government land is the delivery of more affordable housing.

National Shelter also considers that the concept of public value should be understood broadly. Public land is not simply a financial asset. Many publicly owned sites sit on lands with deep First Nations histories and continuing cultural significance. This reinforces the principle that decisions about public land should seek to maximise long-term social, cultural and community outcomes, rather than focusing solely on immediate sale proceeds. The Bill's emphasis on affordable housing aligns with this broader understanding of public value by ensuring that redevelopment delivers lasting benefits for communities and future generations.

4.1 Capturing value for communities

The Bill adopts a practical value-capture approach by ensuring that a proportion of the value associated with publicly owned land is retained for community benefit through affordable housing outcomes.

National Shelter considers this a modest and reasonable sharing of the benefits associated with the transfer and redevelopment of public land. Rather than allowing the full value uplift generated through redevelopment to accrue solely to the purchaser, the Bill ensures that part of that value is translated into an enduring public asset in the form of affordable housing.

Importantly, this approach does not prevent development from occurring. Instead, it establishes a framework through which housing growth and community benefit can be delivered and realised together. It is likely therefore that the sale price in these scenarios might be adjusted to allow for a broader range of public outcomes to be realised, which assists with underlying project feasibility.

4.2 Established Australian and international practice

The principles embodied in the Bill are neither novel nor unprecedented. Comparable approaches are already used throughout Australia and internationally through:

- inclusionary housing requirements
- value-capture mechanisms
- affordable housing targets on publicly owned sites
- planning obligations linked to redevelopment and urban renewal projects and
- land disposal frameworks that seek to balance financial and social returns.

The Bill reflects a growing understanding that publicly owned land should be used strategically to maximise long-term community benefit rather than simply immediate revenue.

Experience from Australia and overseas demonstrates that governments can successfully leverage public land ownership to increase affordable housing supply, support mixed communities and create enduring public value.

- In New South Wales, the Government has adopted a minimum target of 30 per cent social and affordable housing on surplus government land (Department of Planning and Environment NSW 2023).
- Similarly, Victoria's Inclusionary Housing Pilot has tested the use of government-owned land to deliver mixed-tenure developments incorporating social, affordable and market housing (Department of Transport and Planning Victoria 2025).

These two initiatives recognise that publicly owned land offers a unique opportunity to secure affordable housing outcomes without incurring future land acquisition costs and demonstrate a growing acceptance that public land should contribute directly to meeting housing need.

- Internationally, London's planning framework includes a benchmark of 50 per cent affordable housing on public land developments, reflecting an expectation that publicly owned sites should make a greater contribution to affordability outcomes than comparable private developments (Greater London Authority 2018; Greater London Authority 2022).
- The long-running Moderately Priced Dwelling Unit Program in Montgomery County, Maryland, USA, demonstrates that affordable housing requirements can successfully generate affordable housing supply at scale while supporting mixed-income communities. Since its establishment in 1973, the program has delivered more than 17,000 affordable homes (Montgomery Planning 2024; Maryland Department of Planning 2018).

- Singapore provides perhaps the most comprehensive example of treating land as a strategic housing asset. Through the coordinated use of publicly controlled land, successive governments have delivered housing outcomes at a scale that demonstrates the transformative potential of aligning land policy with housing policy (Government of Singapore 2024; Ministry of National Development Singapore n.d.).

4.3 Lessons for the Commonwealth

While each jurisdiction operates within a different legislative and institutional framework, the common lesson is clear. Governments can use land ownership, affordable housing requirements, and value-capture mechanisms to deliver enduring housing and development outcomes.

The Commonwealth Land (Affordable Housing) Bill 2026 applies these principles within an Australian context. It recognises that public land can be used not only to facilitate housing development but also to ensure that a share of the value generated through redevelopment contributes to affordable housing, stronger communities and enduring public benefit.

The broader lesson is that these approaches should become more widely embedded within Australia's public land and infrastructure programs, rather than being considered only on a project-by-project basis.

Note: Summary case studies are enclosed in the Appendix for further information on models and the mechanisms used to deliver similar benefits on public land.

5. Support for the Bill's core mechanisms

The policy rationale underpinning the Bill is compelling, but its effectiveness ultimately depends on the mechanisms through which affordable housing outcomes are secured.

National Shelter considers that the Bill's core provisions are appropriately designed to translate the principle of public benefit into practical and enforceable affordable housing outcomes.

In particular, the Bill establishes a clear affordable housing requirement, ensures long-term affordability, targets assistance to households most in need, and utilises established Community Housing Provider regulatory frameworks to protect public value over time.

5.1 Mandatory affordable housing requirement

National Shelter strongly supports the affordable housing requirements established under Clauses 10 and 12 of the Bill. Requiring affordable housing to be secured as a condition of land disposal is the central strength of the proposed framework and the mechanism through which public benefit is translated into tangible housing outcomes.

Without a mandatory requirement, affordable housing outcomes would be dependent on negotiation, market conditions, or future policy decisions, creating uncertainty and inconsistency. By embedding affordable housing obligations within the disposal process itself, the Bill provides certainty for government, developers, housing providers and communities. It establishes a transparent and enforceable framework that ensures affordable housing outcomes are delivered whenever suitable Commonwealth land is redeveloped for residential purposes.

National Shelter considers this approach consistent with the broader principle that the disposal of public assets should contribute to long-term community benefit, rather than being assessed solely on the basis of immediate financial return.

5.2 The 30% affordable housing baseline

National Shelter supports the Bill's 30 per cent affordable housing baseline as an ambitious but credible benchmark that reflects both the scale of Australia's housing need and the unique opportunity presented by publicly owned land.

A 30 per cent requirement is broadly consistent with policy approaches being adopted on surplus government land in some other jurisdictions and recognises that public sites can reasonably be expected to deliver stronger affordable housing outcomes than comparable privately owned land. Government-owned land also provides some of the best opportunities to create mixed-tenure and mixed-income communities, ensuring that affordable housing is integrated within broader residential development.

National Shelter also considers that redevelopment of Commonwealth land should make a meaningful contribution to the expansion of social housing. Given the depth of unmet need among very low-income households and the Commonwealth's broader objective of rebuilding

Australia's social housing stock, a substantial proportion of the affordable housing secured through the Bill should be delivered as social housing. As a guiding principle, National Shelter considers that at least 40 per cent of the affordable housing component should be social housing, equivalent to around 12 per cent of total dwellings on affected sites. This would ensure that public land helps meet the needs of households least well served by the market while maintaining mixed-tenure communities and the project's overall feasibility.

Given the persistent shortage of affordable housing across Australia, National Shelter considers the proposed benchmark appropriate and proportionate. However, the Commonwealth should review the effectiveness of the scheme over time, including the adequacy of the affordable housing requirement, having regard to housing need, market conditions and delivery outcomes.

5.3 Affordable rent formula

National Shelter strongly supports the Bill's affordable rent provisions and considers them one of its most effective features.

The requirement that rent be set at the lower of 75 per cent of market rent or 30 per cent of household income combines two complementary approaches to affordability. It provides a market-based discount while also incorporating a direct affordability safeguard linked to a household's capacity to pay.

This approach improves upon many affordable housing models that rely solely on a percentage discount from market rent, which may still leave housing unaffordable in high-cost locations. By incorporating an income-based test, the Bill helps ensure that housing remains genuinely affordable to eligible tenants regardless of local market conditions.

National Shelter considers this an appropriately targeted and practical mechanism that better aligns housing costs with household incomes and promotes long-term housing security.

5.4 Income targeting

National Shelter supports the Bill's focus on directing affordable housing assistance towards lower- and moderate-income households through clearly defined income eligibility requirements.

Given the significant unmet demand for affordable housing, it is important that available housing opportunities are targeted towards households who face the greatest barriers in the private market. The Bill appropriately recognises that affordable housing is a limited and valuable resource that should be prioritised for those most in need.

National Shelter also supports the Bill's capacity for eligibility thresholds to be refined through regulation, allowing flexibility to respond to changing market conditions and housing costs across different locations. Similarly, the framework appropriately avoids unnecessary tenant reassessment requirements that may create insecurity or administrative burden while delivering limited policy benefit.

5.5 Community Housing Providers (CHPs) and other Providers

National Shelter supports the requirement that affordable housing delivered through the scheme be owned or managed by registered Community Housing Providers or other regulated Affordable Housing Providers.

Registered Providers operate within established regulatory frameworks and possess demonstrated expertise in affordable housing delivery, tenancy management and long-term asset stewardship. Their involvement provides confidence that affordability outcomes will be maintained, tenants will receive appropriate support, and housing assets will be managed effectively over time.

National Shelter also considers that the Bill should retain flexibility for state and territory public housing authorities to acquire, develop, own or manage housing delivered through the scheme where this would support housing outcomes. While registered Providers will play a critical role in delivery, governments should avoid unnecessarily limiting participation to a single delivery model. Allowing state and territory public housing providers to participate would maximise delivery capacity, support jurisdictional flexibility, and ensure governments can utilise the housing management arrangements best suited to local needs and circumstances.

The Bill also presents an opportunity to strengthen the capacity and scale of Australia's community housing sector. This is particularly important as governments seek to increase affordable and social housing supply through long-term partnerships with not-for-profit providers.

National Shelter considers the involvement of regulated providers, including Community Housing Providers, Affordable Housing Providers, and eligible public housing authorities, to be a critical safeguard that protects the public value created through the scheme.

5.6 Long-term and enduring affordability

National Shelter strongly supports the Bill's commitment to securing enduring affordability outcomes through legally enforceable mechanisms that bind future owners of affected properties.

Too often, housing affordability initiatives rely on temporary arrangements that expire after a fixed period, resulting in the loss of affordable housing assets and reducing the long-term return on public investment. National Shelter has consistently argued that affordable housing interventions should create enduring community assets capable of delivering benefits across generations.

The Bill moves beyond short-term affordability programs by seeking to preserve affordable housing outcomes over the long term and, where possible, in perpetuity. This approach ensures that the public value generated through the disposal of Commonwealth land continues long after the initial development has been completed.

National Shelter considers long-term affordability protections essential to the integrity of the scheme and one of the Bill's most significant strengths.

6. Government leadership and market signalling

The value of the Bill extends beyond the affordable housing generated on individual Commonwealth sites. It provides an opportunity for the Commonwealth to demonstrate leadership in the strategic use of public assets, establish a benchmark for other governments, and reinforce the principle that public land should deliver public benefit.

National Shelter considers this broader leadership and market signalling function to be an important aspect of the Bill's contribution to addressing Australia's housing affordability challenges.

6.1 Commonwealth leadership and national consistency

National Shelter strongly supports the Bill as an example of the Commonwealth using its own assets and decision-making powers to contribute directly to affordable housing supply. The Bill demonstrates that governments can play an active role in delivering housing outcomes, not simply regulating the actions of others.

Importantly, the Commonwealth should hold itself to the same standard it increasingly seeks from the broader development sector. If affordable housing is recognised as a legitimate public value outcome within planning systems, then land formerly held in public ownership should also contribute to that objective.

National Shelter co-chairs a project group with another peak housing body that includes housing policy experts, developers, and housing providers, which has also been exploring Inclusionary Zoning opportunities, and that grouping has identified the opportunity for government leadership on public land as an important step toward further exploration of inclusionary planning systems and value capture in a broader development and essential infrastructure funding context.

Ultimately, the Bill provides an opportunity for national leadership. While states and territories control planning systems and much of Australia's publicly owned land, the Commonwealth can establish a clear benchmark for how government-owned land should be used to advance housing affordability. By embedding affordable housing requirements into the disposal of Commonwealth land, the Bill demonstrates how public assets can be leveraged to achieve both housing and broader social policy objectives.

National Shelter considers that successful implementation of this model could encourage state, territory and local governments to adopt comparable approaches when disposing of surplus public land. A more consistent national approach would help ensure that publicly owned land, regardless of which level of government controls it, contributes to affordable housing outcomes, mixed communities and long-term public value.

6.2 A catalyst for broader reform

The significance of the Bill extends beyond the affordable housing delivered on Commonwealth sites themselves.

The Bill has the potential to normalise affordable housing requirements on public and privately owned land, demonstrate the feasibility of mixed-tenure and mixed-income communities, strengthen acceptance of value-capture approaches, and encourage other governments to adopt similar requirements when disposing of public assets. It can also support stronger partnerships between governments, Community Housing Providers and the development industry.

Importantly, the principles embodied in the Bill are relevant beyond government-owned land. By demonstrating how land assets can be leveraged to deliver affordable housing and enduring community benefit, the Bill may encourage other large institutional landholders to consider similar approaches. This includes faith-based organisations, universities, charities, superannuation funds and other entities with significant landholdings. Many of these organisations already pursue social, community or public-purpose objectives and may be well positioned to contribute to affordable housing outcomes through the strategic use of surplus or underutilised land.

6.3 Delivering inclusion through government leadership

National Shelter particularly supports the Bill's emphasis on integrating affordable housing within mainstream residential developments rather than concentrating it in separate or isolated locations. By requiring affordable housing to be incorporated into redevelopment projects on former Commonwealth land, the Bill supports more inclusive, diverse and sustainable communities.

This principle is especially important in high-opportunity locations, where employment, education, transport and services are concentrated, but where affordable housing opportunities are often limited. Research has consistently demonstrated that access to well-located housing improves economic participation, educational outcomes and social inclusion, highlighting the importance of ensuring affordable housing opportunities are available in high-amenity locations (AHURI 2023).

The Bill helps ensure that the benefits associated with publicly owned land are shared more broadly and that redevelopment outcomes deliver social as well as economic value.

By leading in this area, the Commonwealth can reinforce the principle that affordable housing is not an optional add-on to development, but a legitimate and expected public outcome.

7. Conclusion

Australia faces an enduring shortage of affordable housing that cannot be addressed through market supply alone. While increasing overall housing construction remains essential, additional measures are required to ensure that people on low and moderate incomes can access secure, affordable housing in the communities where they live, work and contribute.

The Bill provides a practical and proportionate response to this challenge. It recognises that publicly owned land is one of the Commonwealth's most valuable housing policy tools and that the disposal of public assets should create lasting community benefit. By requiring affordable housing outcomes to be secured when suitable Commonwealth land is redeveloped, the Bill leverages an existing public asset to deliver social and economic value without requiring the acquisition of additional land or ongoing operating subsidy.

National Shelter considers the Bill's key mechanisms to be well designed and appropriately targeted. The affordable housing requirements, 30 per cent baseline, affordability safeguards, income-targeting provisions, role of Community Housing Providers, and long-term affordability protections work together to ensure that public value translates into enduring housing outcomes.

The Bill also establishes an important precedent for the future use of government-owned land. It demonstrates that land disposal can generate both financial and social returns and reinforces the principle that affordable housing is a legitimate and expected public outcome. In doing so, it provides a model that could be adopted more broadly across Commonwealth, state, territory and local government land disposal programs.

Although no single reform will resolve Australia's housing affordability challenges, National Shelter believes this Bill represents a significant and constructive step forward.

National Shelter urges the Parliament to support the passage of the Commonwealth Land (Affordable Housing) Bill 2026. At a time when Australia faces unprecedented housing pressures, the Bill represents a practical, scalable and enduring mechanism for converting public assets into public outcomes. It should form part of a broader national effort to expand the supply of social and affordable housing, strengthen mixed communities, and improve housing outcomes for current and future generations.

Contact and further details

For more information on this submission, please contact:

Jackson Hills

Chief Executive Officer

National Shelter

0411 395 842

Jackson.Hills@shelter.org.au

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9. Appendix: Case Studies

1. NSW Government: 30 per cent social and affordable housing on surplus government land

The NSW Government has adopted an initial minimum target of 30 per cent social and affordable housing on surplus government land, reflecting the principle that publicly owned land should be used to deliver lasting housing outcomes as well as financial returns. The policy recognises that land value can be leveraged to increase affordable housing supply without requiring additional ongoing subsidy.

Relevance to the Bill

The Bill is consistent with an emerging Australian policy consensus that government land should contribute directly to meeting housing need. By attaching affordable housing obligations to surplus public land, governments can secure enduring community benefit while supporting mixed-tenure neighbourhoods and increasing the supply of below-market housing.

Source: Department of Planning and Environment NSW (2023).

2. Victorian Government Inclusionary Housing Pilot

Victoria's Inclusionary Housing Pilot was expressly established to use surplus government land to deliver a mix of social, affordable and market housing. The pilot includes a minimum commitment to social housing and uses government-owned sites to test how mixed-tenure development can be achieved through land disposal processes.

Relevance to the Bill

The pilot demonstrates that affordable housing outcomes can be integrated into redevelopment projects without preventing broader residential development. Importantly, it reinforces the proposition that governments can use land ownership to promote socially mixed communities and secure affordable housing outcomes that would otherwise not be delivered by the market alone.

Source: Department of Transport and Planning Victoria (2025).

3. London: 50 per cent affordable housing target on public land

London's planning framework establishes a benchmark of 50 per cent affordable housing on public land developments and explicitly recognises that publicly owned sites can make a greater contribution to housing affordability than comparable private developments.

Relevance to the Bill

London demonstrates that ambitious affordable housing requirements on public land are both feasible and internationally accepted. The policy has been designed not only to increase affordable housing supply but also to support key workers, maintain social diversity and ensure that redevelopment of public assets generates measurable community benefit.

Source: Greater London Authority (2018; 2022).

4. Montgomery County, Maryland (USA)

Montgomery County's Moderately Priced Dwelling Unit Program is one of the world's longest-running inclusionary housing schemes. Since commencing in 1973, the program has generated more than 17,000 affordable homes through mandatory affordable housing requirements in residential developments.

Relevance to the Bill

Montgomery County provides long-term evidence that inclusionary housing policies can deliver meaningful affordable housing supply at scale. The program was established to expand housing choice, distribute affordable housing across growth areas and support mixed-income communities, demonstrating that affordable housing requirements can achieve both housing and broader social inclusion objectives.

Source: Montgomery Planning (2024); Maryland Department of Planning (2018).

5. Singapore: Government land and housing delivery

Singapore's housing system demonstrates the transformative potential of treating land as a strategic housing asset. More than one million public housing dwellings have been delivered and approximately 80 per cent of residents live in public housing developed through a system that actively deploys publicly controlled land to achieve housing objectives.

Relevance to the Bill

While the institutional context differs from Australia, Singapore illustrates the benefits of aligning land policy with housing policy. Public land has been used to expand affordable housing supply, support social inclusion and improve housing security across generations. The example demonstrates that land ownership can be one of the most powerful tools available to governments seeking to shape housing outcomes and create lasting public value.

Source: Government of Singapore (2024); Ministry of National Development Singapore (n.d.).

Together, these examples demonstrate that affordable housing requirements attached to public land are neither novel nor untested. Across a range of jurisdictions, governments have successfully used land ownership, inclusionary housing requirements and value-capture mechanisms to increase affordable housing supply, support mixed communities and ensure that the disposal of public assets delivers an enduring public benefit.