

National Shelter Submission to the ACNC Consultation on the Commissioner's Interpretation Statement: Charities' Provision of Housing

National Shelter – Australia's Peak Housing Advocacy Body
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Executive Summary

National Shelter welcomes the opportunity to respond to the Australian Charities and Not-for-profits Commission's (ACNC) Consultation on the Commissioner's Interpretation Statement (CIS) on the provision of housing by charities. As Australia's peak housing advocacy body, we strongly support the ACNC's efforts to clarify and modernise the framework for charitable housing, ensuring it stays responsive to the evolving needs of communities, and the changing policy, funding, and governance settings.

Our submission endorses the CIS's recognition of a broad range of charitable housing activities, including social and affordable housing, key worker housing, shared equity, and pathways to home ownership. We encourage the ACNC to ensure the CIS remains flexible and inclusive, explicitly acknowledging the intersection of housing need with factors such as poverty, disability, cultural background, and homelessness.

We recommend that the CIS:

- Clarifies eligibility for registration and tax concessions while embedding flexibility to address current and emerging housing needs;
- Recognises the diversity of housing models, including innovative and culturally specific solutions;
- Supports home ownership schemes and related services for those facing systemic barriers;
- Encourages tenant participation and empowerment in housing provision;
- Affirms the public benefit of housing for key cohorts, including First Nations peoples, young people, people with disability, older Australians, women escaping violence, and low-income households;

- Recognises key worker housing as a valid charitable purpose;
- Establishes ongoing review and feedback mechanisms to maintain regulatory adaptability;
- Prioritises policy alignment and engagement with charitable housing providers at all levels of government.

By adopting these recommendations, the CIS will empower charities to deliver diverse, innovative, and effective housing solutions, advancing the right to safe, secure, and affordable housing for all Australians and supporting the sector's vital role in addressing the nation's housing crisis.

Introduction

National Shelter is pleased to contribute to the ACNC's consultation on the Commissioner's Interpretation Statement on housing provided by charities. As a leading housing advocacy peak, we understand the ongoing challenges facing low-income renters and disadvantaged cohorts and communities across Australia.

Australia is currently experiencing a severe housing crisis, with the latest data revealing:

- The national mean price of residential dwellings surpassed \$1 million for the first time in 2025, making home ownership increasingly out of reach for many Australians.
- Over 122,000 people were experiencing homelessness on Census night, with the rate rising to 48 per 10,000 people. In 2023–24, around 280,000 people accessed specialist homelessness services, and persistent homelessness is increasing, particularly among First Nations people and those with mental health issues.
- 71% of low-income households are experiencing housing stress, with many allocating more than 40% of their income to housing costs. Nearly one in three renters missed a rent or mortgage payment in the past year due to financial hardship, and 19% reported having to couch surf or sleep in their car.
- The shortfall in social and affordable housing is now estimated at 640,000 households, with average waiting times for social housing exceeding 10 years in some regions.
- Rental stress is worsening, with a sharp rise in people stuck in rental stress for over two years, and one in four renters in stress having no savings to manage an emergency.

These figures highlight the urgent need for bold, coordinated action to address the housing crisis and ensure all Australians have access to safe, secure, and affordable homes.

Drawing on our extensive experience in policy analysis and advocacy, National Shelter supports the ACNC's efforts to clarify and modernise the framework for charitable housing provision. We believe that a flexible, inclusive, and contemporary approach is essential to

ensure charities can effectively respond to the evolving needs of communities and deliver meaningful public benefit.

This submission reflects our commitment to advancing fair, accessible, and innovative housing solutions. We aim to provide constructive feedback that will help the ACNC develop a CIS which empowers charities, supports diverse housing models, and addresses the realities of housing disadvantage across Australia.

We acknowledge and commend the ACNC for its updated guidance on social and affordable housing, key worker housing, shared equity, home ownership, and multi-tenure developments. The recognition of the evolving landscape of housing policy and provision is a crucial step in ensuring that charities can effectively respond to the changing needs of communities. Our feedback intends to further reinforce these positive developments and help ensure the CIS remains adaptable and inclusive, to benefit all Australians who require housing assistance.

We ask the ACNC to seize this opportunity to adopt a bold and inclusive interpretation of charitable housing, one that enables charities to respond creatively and effectively to Australia's housing crisis, and ensures that all Australians have access to safe, secure, and affordable homes.

About National Shelter

National Shelter is Australia's leading peak housing advocacy organisation, dedicated to improving housing outcomes for low-income and disadvantaged communities across the nation. We work collaboratively with government, community and industry groups, and the housing and homelessness sectors to promote fair, accessible, and affordable housing for all Australians. Our approach includes policy development, research, and public advocacy to address systemic issues in housing affordability and homelessness. By engaging with stakeholders at every level, we strive to ensure that the voices of those most affected by housing insecurity are heard and reflected in public policy, and that charitable housing provision is recognised as a vital part of addressing poverty and disadvantage in Australia.

Support of the CIS

National Shelter supports the ACNC's intent to clarify how charities may provide housing. While charity law in this area is complex, clarity must not inadvertently narrow the scope of charitable housing provision. The CIS should explicitly acknowledge that poverty and housing insecurity intersect with a range of social factors, including disability, cultural background, and experiences of homelessness. Effective charitable housing responses must be tailored to these diverse and changing circumstances.

Expanding the Scope of Charitable Housing Provision

We support the CIS in recognising that charitable housing should extend beyond traditional social housing. This broader perspective empowers charities to offer diverse housing solutions tailored to evolving community needs. The CIS should clearly encourage models outside conventional social housing so charities can fill gaps, address local pressures, and provide public benefit through flexible practices. Innovative options like affordable rentals, shared equity, culturally specific housing, and supportive accommodation for people with complex needs effectively help underserved groups.

Responding to Local Contexts and Market Conditions

National Shelter supports the CIS's recognition that location is a key factor in assessing housing disadvantage. Rapid changes in the housing market, such as fluctuating rental availability and rising rents, make it harder for households to secure stable housing..

CIS definitions of benevolence and charitable housing should include innovative models, and further, assessments of need must consider local contexts rather than relying on national averages alone. In many regions, limited housing stock and high costs increase the risk of rental stress and homelessness.

Regarding Section 33 – Relief of Poverty, while National Shelter recognises the utility of the 30/40 rule as a benchmark for assessing housing stress, it is also important to acknowledge its limitations. Housing stress is shaped by a range of factors beyond income and housing costs, such as household structure, regional variations in the cost of living, and additional financial pressures like those arising from serious medical conditions. By taking these diverse factors into account, charitable housing responses can be better tailored to the specific circumstances of individuals and families, thereby providing more effective and responsive support.

This context highlights the essential role of charitable housing provision in relieving poverty and disadvantage. It forms a central component of National Shelter's advocacy for policy reforms that recognise housing provision as a charitable purpose in its own right, fundamental to alleviating poverty and disadvantage, and consistent with Australia's obligations under the Sustainable Development Goals.

National Shelter also emphasises the importance of flexibility within the charitable housing sector. Housing needs differ significantly between urban, regional, and remote areas,

requiring locally tailored solutions—especially in remote or rural locations with fewer housing options.

Supporting Pathways to Home Ownership as a Charitable Purpose

Inclusion of Home Ownership Schemes and Related Services

National Shelter strongly supports the recognition of home ownership schemes and associated housing policies and services such as shared equity, rent-to-buy, and deposit assistance programs as legitimate charitable activities. Enabling access to home ownership for disadvantaged groups and those underrepresented in home ownership, including First Nations peoples, is essential to addressing the full spectrum of housing need in Australia.

Addressing Systemic Barriers for First Nations Peoples

For First Nations peoples, it is essential to provide housing options that are not only accessible but also culturally safe. Culturally safe housing models recognise and respect the unique histories, traditions, and needs of First Nations communities, ensuring that housing provision does not perpetuate disadvantage or marginalisation.

Equally important is supporting accessible pathways to home ownership for First Nations peoples. The opportunity to own a home can be transformative, promoting long-term stability and security. However, systemic barriers have historically limited access to home ownership for First Nations individuals and families. By developing and implementing tailored pathways, including culturally informed models and supportive schemes, these barriers can be addressed, enabling greater equity and inclusion within the housing system.

Ensuring that housing interventions for First Nations peoples are both culturally appropriate and accessible supports the broader goal of overcoming entrenched disadvantage and fostering stronger, more resilient communities.

Such models and approaches contribute to equity and inclusion within the housing system and provide meaningful opportunities to break the cycle of intergenerational disadvantage and achieve housing security and self-determination.

The Role of Safeguards in Charitable Home Ownership Initiatives

Safeguards, including shared equity models, restrictions on property disposal, and mechanisms to periodically review arrangements if a beneficiary's financial circumstances improve, are necessary to ensure that the private benefits derived from these schemes remain secondary to the charitable purpose. These protective measures allow charities to

recycle equity and reinvest in new housing options, thereby extending the broader community benefit and supporting sustainable solutions to housing insecurity.

Ensuring Charitable Focus and Preventing Unintended Consequences

It is acknowledged that, for home ownership schemes to qualify as charitable, beneficiaries must demonstrate a recognised charitable need such as escaping housing insecurity, homelessness, or poverty. The charitable test should ensure that these initiatives remain focused on individuals and households who face systemic barriers to accessing secure and appropriate housing through conventional market mechanisms. National Shelter recommends that the timing and rulings surrounding these matters be carefully examined and tested to avoid unintended outcomes or the imposition of unreasonable restrictions on beneficiaries or organisations.

Comprehensive and Equitable Housing Responses

Recognising and extending charitable status to home ownership schemes and related services, when designed to meet the needs of underserved and disadvantaged groups, including First Nations peoples, demonstrates a strong commitment to equity and inclusion within the housing system. This approach also aligns with contemporary practices among community housing providers, who increasingly view home ownership as an efficient and effective means to relieve housing need and promote long-term stability.

National Shelter recommends that the CIS explicitly support the inclusion of home ownership and related housing services that facilitate pathways to home ownership as charitable purposes, provided beneficiaries meet the charitable test for relieving housing insecurity, poverty, or disadvantage. Such recognition will ensure the housing system comprehensively addresses the diverse needs of Australians, with particular attention to those historically excluded, or facing systemic barriers to secure home ownership.

Demonstrating Impact Through Charitable Housing Provision

The CIS must provide clear and practical guidance to assist charities in demonstrating their effectiveness in alleviating poverty through the provision of housing and related services. Charities should be able to evidence a range of positive outcomes, including increased housing stability for tenants, the successful maintenance of tenancies, reduced levels of rental stress, and improvements in the overall wellbeing of individuals and households. In addition, charities should be encouraged to identify and report on broader community benefits, such as enhanced resilience and greater social inclusion, which result from their housing interventions.

A fundamental aspect of charitable housing provision is the direct benefit delivered to eligible beneficiaries, namely, those experiencing housing insecurity, poverty, or other forms of disadvantage. The CIS should make explicit that housing services are to be directed towards individuals and families with a recognised charitable need. Furthermore, it is important that charities are supported in measuring and evidencing the impact of their work in alleviating poverty through housing provision, ensuring that their charitable purpose remains at the forefront of service delivery.

Flexibility, Innovation, and Collaboration

National Shelter stresses the need for flexibility and adaptability in the charitable housing sector. Housing need varies significantly across Australia, and innovative, context-specific models are necessary to address the unique challenges faced by different communities. Partnerships and collaboration among charities, community organisations, local governments, and private sector partners are crucial to developing and sustaining diverse housing models.

The CIS should encourage tenant participation and empowerment in housing provision models, ensuring people with lived experience have a meaningful voice in design, governance, and evaluation. Ongoing evaluation and evidence-based practice should be supported, recognising the value of data collection, impact measurement, and knowledge sharing to drive continuous improvement.

Public Benefit and Key Workers

National Shelter supports the CIS's focus on delivering public benefit. Housing provides significant public benefit when it is affordable, accessible, well located, and secure. Insecure housing undermines a range of important outcomes, including health, wellbeing, education, and employment. For housing to truly achieve public benefit, the CIS should explicitly recognise its role in addressing disadvantage among First Nations peoples, young people, people with disability, older Australians, women escaping violence, and low-income households.

In addition, National Shelter strongly endorses the recognition of key worker housing as a valid charitable purpose, as articulated in the CIS. Providing affordable housing for key workers, i.e. those employed in essential community services delivers substantial benefits to the broader community, including improved service delivery, economic stability, and social cohesion. By ensuring that key workers have access to affordable accommodation, they can remain engaged in critical sectors such as aged care, disability support, health services, education, and other vital services.

Supporting key workers in accessing suitable housing within their communities helps to address workforce shortages and enables the consistent delivery of essential services. It also improves retention of experienced staff by reducing the stress and fatigue that can result from lengthy commutes. This, in turn, enhances workplace safety and supports the wellbeing of both workers and the communities they serve. These outcomes directly promote social and public welfare, aligning with the charitable purposes recognised by the ACNC.

Furthermore, the positive impacts of key worker housing extend well beyond individual workers. Allowing key workers to live closer to their workplaces provides communities with improved access to services, contributes to greater economic stability, and fosters stronger social cohesion. National Shelter maintains that providing key worker housing is not only a legitimate charitable activity but is essential to maintaining resilient and well-served communities.

Ongoing Review and Continuous Improvement

National Shelter supports ongoing review and feedback mechanisms within the CIS framework to promptly identify and address unintended consequences. This includes formal processes for charities to seek clarification or appeal decisions if their models risk exclusion due to evolving interpretations or regulatory changes. Regulatory flexibility and adaptability are crucial to avoid stifling creativity or adaptation in the sector.

Alignment with Government Policy

Effective charitable housing provision depends on strong alignment and coherence across all levels of government policy and regulation. To achieve this, it is essential that charitable housing providers are actively involved in both the development and ongoing review of government policies related to housing and homelessness. Their engagement ensures that policies are informed by on-the-ground experience and remain responsive to the evolving needs within the sector.

Policy coherence should be prioritised at federal, state, and local government levels. The CIS should take a proactive role in identifying and addressing any inconsistencies or gaps in the recognition of charitable status and regulatory requirements. By doing so, the CIS can help prevent housing providers from being hindered by conflicting obligations or unnecessary duplication of regulatory processes.

Ongoing monitoring and evaluation of partnerships between government and charitable organisations are also crucial. These processes ensure that insights and lessons learned are systematically captured and applied to future policy development and regulatory reforms. Maintaining a continuous and adaptive approach will allow Australia to address the

challenges of housing inequity and homelessness more effectively, benefiting both service providers and the communities they support.

Detailed Recommendations

1. **Clarity and Flexibility:** The CIS should clarify eligibility for registration and tax concessions, embed flexibility to account for current housing needs, and avoid narrowing the scope of charitable housing provision.
2. **Recognition of Diversity:** The CIS should explicitly acknowledge the intersection of poverty and housing insecurity with factors such as disability, cultural background, and homelessness.
3. **Support for Innovation:** The CIS should support innovative approaches, including affordable rental housing, shared equity schemes, culturally specific housing solutions, and supportive housing for people with complex needs.
4. **Local Context:** Assessments of need should consider local context, especially in rural, regional, and remote areas.
5. **Home Ownership:** The CIS should include home ownership schemes and related services as legitimate charitable activities when targeted to those experiencing disadvantage or systemic barriers.
6. **Tenant Empowerment:** The CIS should encourage tenant participation and empowerment in housing provision models.
7. **Public Benefit:** The CIS should explicitly recognise that public benefit is achieved when quality, accessible, affordable, and secure housing is delivered, especially to people who are disadvantaged and to key cohorts.
8. **Key Worker Housing:** The CIS should recognise key worker housing as a valid charitable purpose.
9. **Ongoing Review:** The CIS should establish formal feedback and review processes to maintain regulatory flexibility and adaptability.
10. **Policy Alignment:** Charitable housing providers should be engaged in policy formulation and review, with coherence prioritised across all levels of government.

Conclusion

National Shelter urges the ACNC to adopt an interpretation of charitable housing that is both broad and inclusive, clearly recognising the provision of housing as a charitable

purpose. The CIS should affirm the legitimacy of diverse housing models, focus on equity and public benefit, and minimise compliance burdens for providers. By adopting these recommendations, the CIS will empower charities to continue their essential work in addressing Australia's housing crisis and advance the right to adequate housing for all.

Further Discussion and Enquiries

National Shelter welcomes the opportunity to engage further regarding this submission. Should you have any questions or wish to discuss any aspect of our recommendations in more detail, please do not hesitate to reach out to us using the contact details provided below.

A handwritten signature in black ink that reads "Karen Walsh".

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