

POLICY POSITIONS

July 2021

1. 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 program leave more than one million Australians living with housing stress in the private rental market.

Around the world, housing affordability has emerged as a major contributor to increasing inequality.ⁱ Nations that recognise this issue have developed national housing strategies to combat the problem. Twenty-five of thirty-six Organisation for Economic Cooperation and Development nations have housing strategies targeting a range of objectives.ⁱⁱ

National Shelter Recommendations

1. The Australian Government to commission the development of a national housing strategy with an emphasis on meeting the housing needs of low and moderate income households and increasing the supply of non-market housing available to them.
 - a. Create an independent statutory authority to 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.
 - b. The strategy to look at establishing targets for homeownership, rental housing and non-market (social, affordable, specialist) housing.
2. The national housing strategy to include a plan to lift the national level of social housing to 10% of all housing by 2036.
3. Social housing to be developed within a mixed tenure approach, appropriate to locations and within jurisdictional capability.
4. A minimum of a net increase of 20,000 net new social housing dwellings to be added to the total social housing dwelling supply each year in the absence of a national housing strategy.
5. Current national housing and homelessness payments to be separated into two streams:
 - a. An operational fund paid on a per-dwelling basis to providers (State and Territory housing authorities and community housing providers); this could be preserved for structural maintenance, and clarify the homelessness payments being quarantined out. Payments should be sufficient to cover operational costs and Commonwealth Rent Assistance. Need to be identified on a per capita basis of each State and Territory.
 - b. A growth fund to be provided to State and Territory governments on a per capita basis.
6. The Commonwealth Government to 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).
7. The strategy progressively lifts the role of community housing providers to owning and managing 50% of all social and affordable housing by 2036.¹

Read the National Housing Strategy Discussion Paper

¹ The National Association of Tenant Organisations is a dissenting voice on increasing the role of community housing providers; a full explanatory note may be found with the discussion paper on a National Housing Strategy.

2. Housing as Infrastructure Linked to Economic Productivity

A new survey of housing experts and leading economists supports the case that Australian governments must pay greater regard to housing system impacts on productivity and growth – a view held by almost two-thirds of economists participating in this research (64%), and by 94% of other housing experts.

1. A national housing minister to be included in Cabinet within, or linked to, a central agency (treasury, infrastructure, cities, regional development).
2. That Infrastructure Australia include social and affordable housing in their next plan to meet the infrastructure needs of Australia.

Read [Housing and the Economy: Scenarios for Australia to 2025 and 2045](#)

Read the [Background Paper: Housing as Infrastructure Linked to Economic Productivity](#)



3. Housing is Essential to Health and Wellbeing

Global studies point to the role housing plays in health and wellbeing and have shown that poor housing has implications for a wide range of health conditions, including respiratory, cardiovascular and infectious diseases such as asthma, tuberculosis, influenza and diarrhoea, as well as mental health. Nowhere is this issue more important than among Australia's First Peoples.

Read [Aboriginal Housing and Health Research](#)

1. The Commonwealth Government to establish a set of minimum housing standards (within a national housing strategy) to be met by all rental housing, and negotiate with States and Territories about additional requirements to ensure healthy housing meets regional variations for climates, population groups etc.
2. The Commonwealth Government, through the Australian Building Code Board, to establish minimum accessibility standards for all housing built to new Australian standards – silver and gold.
3. Minimum rental housing standards to be developed to include:
 - a. higher energy efficiency levels
 - b. suitable plumbing and hardware
 - c. heating and cooling
 - d. adequate ventilation
 - e. absence of mould
 - f. security features
 - g. absence of injury hazards
 - h. addressing overcrowding to prevent the following health conditions:
 - a. tuberculosis
 - b. rheumatic heart disease
 - c. meningococcal
 - d. other infectious diseases
4. The National Housing and Homelessness Agreement to be increased by a Commonwealth Government contribution to meet these standards for social housing matched by State and Territory contributions.
 - a. Increased contributions are also required to meet the support needs of people experiencing homelessness.



Read the [Background Paper: Housing is Essential to Health & Wellbeing](#)



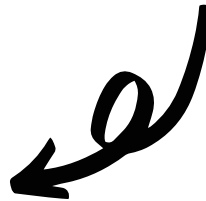
4. Renting

Renting is a rising tenure in Australia's housing makeup. Historically, renting made up about 25% of housing tenure with social housing being about 20% (1/5th) of all renting. Renters now comprise 31% of Australian households and social housing has declined from a high of 6.1% in the mid-90s^{iv} to now be approx. 4.3%.^v National Shelter will continue to examine renting throughout 2021 and consider new positions on Commonwealth Rent Assistance following a principle to eliminate rental stress and examining the relationship between rental subsidies and levels of income support.

1. Commonwealth Government to review Commonwealth Rent Assistance (CRA).
2. Commonwealth Government to increase the maximum rate of CRA by 50%.
3. Commonwealth Government to call for a national set of rental law reforms across the nation backed by a minimum set of national standards including the following measures:²
 - a. End no-cause evictions.
 - b. Fixed maximum rent rises.
 - c. Repair and maintenance timeframes.
 - d. Minimum quality standards.
4. Investment in rental housing should shift from individual investment to institutional options.
5. Call for the introduction of rent control to have caps on rents, rent rises and around special events (such as the Olympic Games).
6. Social housing rents should not exceed 25% of (gross) household incomes.



Read [the Moving on Report](#)



² Meeting national standards should not be at the cost of losing any affordability in housing and incur no net loss of housing by community housing providers or State housing authorities.

5. Tax Reform

Australia's treatment of capital gains taxes and the deductibility of rental losses against any income source (negative gearing) have been the subject of significant discussion and debate for the past two elections and beyond. Since the Australia's Future Tax System Review we have elevated tax reform into an issue in its own right or for purposes of economic efficiency and effectiveness - an end in itself.^{vi} Tax reform is rightly a means to an end and raising revenue from appropriate taxes like a lower discount on capital gains and lowering the tax forgone through negative gearing provides additional income which may be applied to additional social and affordable housing programs and supporting people experiencing homelessness.

National Shelter Recommendations

1. Reduce the capital gains tax discount for individuals and trusts to 25%.
2. Limit negative gearing and quarantine passive investment losses so they can only be written off against other investment income.
3. Remove the exemption on capital gains tax for homeowners.³
4. Investment in rental housing should shift from individual investment to institutional investment options.
 - a. Equalise the treatment of tax discounts between institutions and individuals.
 - b. Equalise the withholding tax provisions between commercial and residential investment classes.⁴
5. Discontinue the use of superannuation withdrawals for home deposits.



Incentives for States & Territories

1. Encourage and provide incentives to State and Territory governments to exchange stamp duties for a disaggregated land tax over twenty years.⁵

Read the Case for Change Report

Read the Background Paper: Tax Settings Relating to Housing in Australia

3 Removing the exemption of CGT for homeowners may need an accompanying threshold and mechanism to defer payment to be taken from an estate on death.

4 Equalising the tax treatment for commercial and residential may mean increasing withholding tax rates for commercial property to achieve an equitable outcome between the two classes of investment e.g. 20 or 25% for both.

5 https://espace.curtin.edu.au/bitstream/handle/20.500.11937/3348/186984_186984.pdf?sequence=2

6. Housing Australia's First Peoples

A new report, “Reimagining Indigenous Housing, Health and Wealth”: The necessary ecological response to unlock the potential in the Indigenous Estate, has identified a fresh way forward to the provision of housing to improve housing, health and wealth outcomes for Australia’s First Peoples.

An important principle guides the report, is embedded in it, emerges from it and reiterates previous statements from First Peoples and organisations including the coalition of peak bodies, that:

The planning system has a critical role in the delivery of social and affordable housing. While this is generally seen as an issue between State and Local Governments, the Federal Government can set the policy agenda through national urban policies, infrastructure investment, and bilateral funding agreements.

While the Commonwealth Government is generally seen to not play an active role in the framing of urban planning, there is historic precedence for the Commonwealth to drive the provision of affordable and social housing through planning and infrastructure funding frameworks. This is primarily in the form of framing the agenda, policy and funding priorities.

- 1.** All Australian governments should adopt a principle of self-determination for First People's housing.
 - a.** Community control is the demonstrably successful process governments should use in housing First Peoples.
 - b.** A national housing pool should be established using an ecological approach to wealth, utilising, among other strategies, the National Indigenous Estate.
 - c.** State and Territory Governments should develop specific First Peoples housing strategies as part of their bilateral agreement with the Commonwealth in the National Housing and Homelessness Agreement.
- 2.** A national Indigenous housing, health and wealth authority should be established that connects the Indigenous Estate to an Indigenous housing pool. The authority will recognise and build on the success of community control demonstrated by National Aboriginal Community Controlled Health Organisations (NACCHO).
- 3.** A National First People’s housing strategy should be developed within a national housing strategy to specifically address the lack of housing options for First Peoples with:
 - a.** A maintained focus on remote housing need that should be strengthening utilising community-controlled Aboriginal and Torres Strait Islander housing organisations to honour the principle of self-determination.
 - b.** A new focus on regional and urban housing need reforming and transforming community-controlled organisations through co-design and strengthening sector plans for Aboriginal and Torres Strait Islander housing.
 - c.** Include requirements for First People’s employment, training and enterprise development using co-design and production.
 - d.** The strategy should utilise the successful NACCHO as a model and base on which to build and develop housing.

Housing Australia's First Peoples Cont.

4. National Housing Finance and Investment Corporation (NHFIC) and Indigenous Business Australia (IBA) should be commissioned to develop options to increase homeownership among First Peoples utilising:
 - a. Shared equity programs.
 - b. Land-owned by Indigenous or other organisations and entities.
 - c. The National Housing Infrastructure Facility (NHIF) to bring on developable land owned by Indigenous organisations.
5. The Commonwealth should resource a significant capacity-building project to facilitate the registration of Indigenous Community Housing Organisations (ICHOs) as registered community housing providers.
 - a. Explain the advantages of being a registered provider.
 - b. Explore variations for ICHOs to qualify/comply with the National Regulatory System for Community Housing (NRSCH).
6. The Commonwealth Government should invest in a project with NATSIHA/CHIA/National Shelter to develop the concept of the establishment of a national First People's housing pool.

Read Aboriginal Housing and Health Research

Read the Background Paper: Housing Australia's First Peoples



7. Planning

The land-use planning system can be an important mechanism for the delivery of housing supply, housing diversity, housing affordability, and more specifically, affordable housing.

The primary focus of the planning system is generally on State/Territory and Local governments. Broadly, State and Territory governments have primary responsibility for establishing the strategic direction and policy framework for land use, supply and urban planning and development policy. State and Territory governments also have responsibility for housing-related State/Territory taxes and charges, and State/Territory-based infrastructure policy and services associated with residential development. Local government is responsible for the development and adoption of local planning schemes and development control decisions, that respond to the strategic direction set out by the relevant State/Territory, as well as the needs of the community.

While it may appear that the role of the Commonwealth Government is limited in relation to planning and influencing housing outcomes, particularly social and affordable housing, the Commonwealth Government plays a significant role in setting both the policy and fiscal agendas, and tying deliverables/outcomes to funding.

1. Support the development of the national mandatory inclusionary zoning framework developed by the Constellation Project including:
 - a. A minimum of 10% of mandatory inclusionary zoning (MIZ) on all new private housing developments where there is an unmet need for social housing with additional requirements for affordable rental housing.
 - b. Require a minimum of up to 30% of MIZ, minimum 50% social, on all residential development undertaken on surplus Commonwealth, State and Local Government land.
 - c. Require planning frameworks that require and enable affordable and social housing as a key outcome of National Housing and Homelessness Agreement (NAHA) bilateral agreements.
2. Require that all city deals include housing affordability as a central element including:
 - a. Targets for social and affordable housing.
 - b. Direct funding for social and affordable housing.
 - c. Supply of land for social and affordable housing.
 - d. Frame social and affordable housing as essential infrastructure.
 - e. Support planning reform including the introduction of inclusionary zoning.
3. Require that the disposal of surplus Commonwealth Government land include provisions for the delivery of social and affordable housing, as either product or cash in lieu of product.
4. Require jointly funded infrastructure projects with State and Territory Governments to include value capture to maximise community benefits associated with projects that have significant government investment. This includes the delivery of social and affordable housing outcomes.

**Read the Background Paper: The Role of the Planning System
to Deliver Social and Affordable Housing**



i <https://theconversation.com/rising-inequality-in-australia-isnt-about-incomes-its-almost-all-about-housing-119872>

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

iii <https://news.un.org/en/story/2018/11/1026811>

iv <https://www.abc.net.au/news/2019-08-12/fact-check-social-housing-lowest-level/11403298>

v <https://www.housingdata.gov.au>

vi <https://treasury.gov.au/review/the-australias-future-tax-system-review>