

# “HOUSING AUSTRALIA AFFORDABLY”

## National Shelter policy platform

Issued on November 24, 2009

### INTRODUCTION

In 2007 National Shelter released a set of policy positions titled *Australian Housing - A Fair Share?*

Since 2007 a lot has changed in housing policy. The election of the Rudd Labor Government has seen the introduction of a National Affordable Housing Agreement, new programs, and substantial reform and funding increases to existing programs.

National Shelter welcomes these initiatives and recognises them as significant steps toward achieving a fairer housing system. However, they are just a beginning. To make a lasting improvement in Australia's housing affordability will require sustained effort over an extended period.

This policy platform provides a set of pointers as to how the Australian Government might continue working towards a fairer and more affordable housing system.

### THE NATIONAL CONTEXT

The Prime Minister, the Hon Kevin Rudd, has recently noted that Australia's rapidly growing population will reach 39m people by 2049. The National Housing Supply Council has reported a shortfall of 250,000 affordable rental properties now. If Australia is to accommodate these levels of population growth we need to address the shortfall and plan for the future growth of affordable housing that is well located, accessible by all and environmentally sustainable.

The burden of meeting the affordable rental shortfall should not fall only on governments. Governments have provided new funding to encourage private sector investment in affordable rental, we believe these incentives create new opportunities for the private sector to contribute to meeting the national shortfall in affordable rental dwellings.

### ABOUT NATIONAL SHELTER

National Shelter is the peak community organisation representing the policy interests of low-income housing consumers, and has been in operation since 1976. It

comprises representatives of Shelter bodies in all States and Territories, and representation from such national bodies as Homelessness Australia, the Community Housing Federation of Australia and the National Association of Tenant Organisations. National Shelter cooperates closely with other national bodies such as the Australian Council of Social Service and is a member of the National Affordable Housing Summit Group.

### INTEGRATED HOUSING POLICY

While National Shelter recognises that the task of coordinating housing policy is not an easy one, given its complexity and close links with other policy areas, we see such coordination as essential to good housing policy.

#### National Shelter calls on the Australian Government to:

- **work with the State and Territory governments to develop a National Housing Strategy which would provide the policy framework for the National Affordable Housing Agreement and other housing-related policy areas;**
- **use this strategy to address issues across the housing system, including the way housing affects, and is affected by, policy decisions across government;**
- **address a broad range of areas including delivery of affordable housing programs, the tax treatment of housing and housing-related income support measures;**
- **within the process of developing this Strategy, develop mechanisms for consumer and “expert” input on housing issues; and**
- **elevate housing to a Cabinet level ministry aligned with regional and urban development to address the ambitious agenda recently outlined by the Prime Minister in his address to the Business Council of Australia.**

## BETTER PLANNING AND REGULATORY ENVIRONMENT

There are great benefits to be achieved from national co-operation around regulatory issues and the Australian Government is in a strong position to lead this co-operation through the COAG mechanism.

**National Shelter calls on the Australian Government to:**

- create a Residential Development Taskforce, chaired by the Minister for Infrastructure; and
- use this Taskforce to examine a wide range of issues including urban and regional planning, transport, incentives for affordable housing development, innovative tenure forms, and the links between housing and climate change.

## IMPROVED PRIVATE RENTAL SECTOR

The Australian Government should work with State and Territory Governments to develop national standards for tenants' rights that adopt current best practice, including:

- limiting evictions to cases where there is a "just cause" such as a serious breach of tenancy conditions, a need for the owner or their immediate family to use the dwelling as their principal place of residence, or the need for major repairs or renovations that require vacant possession;
- limits to the frequency and level of rent increases;
- regulation of residential tenancy databases;
- introduction of tenancy rights for boarders and lodgers and for caravan park tenants; and
- mechanisms to prevent or minimise discrimination.

The Australian Government should work with State and Territory governments to investigate the current state of the boarding house industry, and recommend measures for transforming this sector into a viable alternative for low income tenants.

## IMPROVED AND EXPANDED AFFORDABLE RENTAL HOUSING

### Affordable Housing Programs

Affordable rental housing is fundamental to a fair housing system.

**National Shelter applauds the Australian Government's recent funding commitment to this area, and calls on the Australian Government to:**

- aim to achieve a minimum of 220,000 new

dwellings under affordable housing programs by 2020;

- ensure a range of different levels of subsidy within this system to meet the needs of households at different income levels;
- work with State and Territory governments to develop a flexible, integrated management of programs which allows households and houses to move between programs as intended in the "A Place to Call Home" program, rather than making households move house as their circumstances improve;
- deliver this housing in communities with mixed tenure types and resident profiles;
- develop a range of sources of funding for this housing including direct government capital grants, the use of private sector investment as managed under NRAS, and the use of affordable housing targets in new development areas ;
- develop a strategy to ensure the sustainability of affordable rental housing including providing secure operational subsidies to public and community housing providers;
- continue to support the rollout of NRAS, including extending it to its projected second 5-year period to produce a total of 100,000 dwellings over 10 years;
- continue to improve the rights and protections available to tenants of affordable housing programs by measures such as access to external appeals mechanisms; and
- resolve the funding imbalance between differently managed housing types by developing an operational subsidy applicable to both state managed and community managed housing.

## INDIGENOUS HOUSING

The provision of adequate housing is a precondition to responding to a range of other issues in Indigenous communities, including health, education, the safety of women and children, and economic security. Self-determination is also essential to ensuring the wellbeing of Indigenous communities. Programs should work towards the greatest possible devolution of housing management from housing authorities to Indigenous housing organisations.

**National Shelter calls on the Australian Government to:**

- develop and implement a comprehensive National Indigenous Housing Strategy to, reduce overcrowding, increase access to rental housing

and home ownership, and provide tenancy support and sustainability programs;

- use this strategy to respond to the needs of households in urban, regional and remote communities;
- work closely with Indigenous communities on the implementation of this strategy, and build the capacity of Indigenous communities to manage and control their housing, maximise self-determination and support Indigenous-led housing provision;
- ensure that the program includes adequate funding and arrangements for maintenance for existing stock; and
- wherever possible, employ Indigenous people in construction and maintenance programs, both using the existing skill base in Indigenous communities and using training programs to expand local skills.

## SUPPORTING VULNERABLE HOUSEHOLDS

National Shelter welcomes the Australian Government's White Paper on Homelessness, The Road Home, and its commitment to a target of halving the number of people experiencing homelessness by 2020 and ensuring that all rough sleepers who need it are offered crisis accommodation by 2020.

*Below: Oxenham Apartments, Danby Lane Nundah. This award winning scheme with 67 dwellings was completed in early 2008. Brisbane Housing Company proudly acknowledges the support received from the Queensland Government, Brisbane City Council and its Community Shareholders including Queensland Shelter.*

**National Shelter calls on the Australian Government to:**

- facilitate the access of highly disadvantaged households, including people experiencing homelessness, to social housing properties including the new properties provided under the Social Housing Initiative of the Nation Building Economic Stimulus Plan;
- ensure that multiple disadvantage does not lead to exclusion from housing and support services, and that people entering the homelessness service system at any point (through either a housing, homelessness or generalist community agency) can get access to both the housing and the support they need to bring a permanent end to their homelessness;
- closely link strategies for housing and other important issues such as homelessness, family violence and child protection;
- work with State and Territory governments to develop programs to prevent homelessness amongst people exiting corrections, leaving State care and leaving mental health facilities;
- index the level of funding to homelessness support services, at least to CPI increases; and
- increase the level of support available to sustain households at risk of homelessness, in their existing tenancies.



## ACCESS TO SUSTAINABLE HOME OWNERSHIP

Current programs supporting access to home ownership are, in the main, poorly targeted and hence contribute as much to overall house price inflation as to home ownership for lower income households.

**National Shelter calls on the Australian Government to investigate the best ways of using the tax system to provide more targeted assistance for low to moderate income households in housing need, to:**

- increase access to home ownership;
- minimise house price inflation, especially at the lower end of the market;
- maximise intergenerational equity;
- reduce the risk of unsustainable purchases;
- use existing programs such as NRAS and the First Home Saver Accounts to foster the development of Rent to Buy and shared equity schemes;
- target greatest assistance to new housing, thereby increasing supply; and
- link the level of support to the amount of Commonwealth Rent Assistance which would be received by such households if they were in rental housing.

## A FAIRER TAX SYSTEM

The review of the taxation system led by Treasury Secretary Ken Henry provides an ideal opportunity to address long standing inequities in the tax treatment of housing. Tax reforms should increase fairness in the system, provide the greatest subsidies to those in the greatest need, and improve efficiency, ensuring that tax arrangements don't add to inflationary pressure on housing costs.

**National Shelter calls on the Australian Government to:**

- remove the capital gains tax exemption on higher priced owner-occupied housing, by removing the exemption from housing above a set threshold, such as the \$2 million figure recently raised in public discussion;
- limit the inflationary pressure of current negative gearing provisions by quarantining the deductibility of costs in rental housing to the income from the rental investment;

- ensure that the provision of housing under an affordable housing program is deemed as a charitable activity for the purpose of granting Public Benevolent Institution status within the tax system;
- examine mechanisms to encourage other forms of investment in affordable private rental, such as the tapering of negative gearing over a defined period;
- examine ways to use the tax system to encourage owners to sell or lease unoccupied dwellings; and
- examine ways the tax system can encourage the growth of new housing stock.

## A FAIRER INCOME SUPPORT SYSTEM

**National Shelter calls on the Australian Government to:**

- immediately increase the maximum rate of Commonwealth Rent Assistance (CRA) by 30%; and
- in the medium term carry out a comprehensive review of CRA, examining a range of issues including possible regional variations in the maximum rate, extending eligibility to public housing tenants, and ways to support transition to home ownership.

## CONCLUSION

The Rudd Labor Government has made a good beginning in addressing housing affordability issues in Australia. It has introduced a number of programs and initiatives to improve the supply of affordable rental housing, boost support for people experiencing homelessness and improve the fairness of tax and regulatory provisions. If these measures are to have a lasting impact on the fairness of the Australian housing system, they need to be built on over the long term. Housing Australia Affordably points the way towards this long-term sustained effort.

A more detailed version of this platform is available at the National Shelter website [www.shelter.org.au](http://www.shelter.org.au)

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