

# Australian Housing – A Fair Share?

## National Shelter Policy Platform 2007

### Preserving the positives; fixing the problems

The Australian housing system works well for most Australians. The majority of households are housed in good quality housing which is affordable for them. However, an increasing number of households suffer housing stress or are homeless. Australia needs all three levels of government to cooperate in righting this inequity. This policy platform outlines a series of initiatives to preserve the positives of the Australian housing system and make sure that those who are homeless or in housing stress get access to the benefits the rest of our community enjoys.

### Some home truths about housing

Housing plays many important roles in Australian society:

- It is a vital part of the national economy and an important generator of employment
- It is an important generator of personal wealth for ordinary Australians, whose home is often their main asset
- It is home, providing people with safety, security, a location in a community, and a place to belong.

The majority of Australian households aspire to own their own home. Approximately 70 per cent of Australia's 7.7 million households either own or are purchasing their home.

However, despite the consistent economic and employment growth of the past decade, a substantial minority of Australians miss out on good quality, affordable housing.



### Our vision for Australian housing

National Shelter is the national peak housing body advocating for low income housing consumers. Our vision is that all Australians, including those on low incomes, will have access to housing which is

- Affordable
- Adequate
- Secure
- Appropriate
- Well located
- Sustainable.

These benefits should be available to Australian households whether they own their own home, are renting from a State/Territory Government or a non-profit housing provider, or renting in the private market.

### Making this vision a reality

Our policies aim to steer the Australian housing system towards a fair share for people on low incomes, while retaining the aspects that make it work well for the majority of Australians.

### The cold hard facts

- ✗ **1.2 million** households are in housing stress, up 20% from 10 years ago
- ✗ **400,000** households are in extreme housing stress
- ✗ **100,000** people were homeless on census night 2001



### Government responsibilities

Responsibility for housing policy is currently divided amongst a number of different ministries and departments in all three levels of government. Without an overall housing policy, different departments often pull in different directions. Our proposals

aim to ensure all levels of government work together to reduce homelessness and housing stress.

National Shelter proposes

- A new senior **Commonwealth Minister for Housing, Urban and Regional Development**, with cabinet status
- A new **Ministerial Council for Housing, Urban and Regional Development** under the COAG (Council of Australian Governments) system, incorporating the current Ministerial Councils for Housing, Local Government and Planning and including Local Government representation
- A **National Housing Strategy** addressing the overall direction of housing policy in Australia, aiming at concrete reductions in the level of homelessness and housing stress over a five year period.

### Tax and finance

The Australian tax system plays a central role in the housing market, with a range of tax subsidies built into the system to encourage home ownership and investment in rental housing. Unfortunately, many of these measures exacerbate the inequities in our housing system.

National Shelter does not seek to reduce the tax benefits available to owner-occupiers. However, we believe that equity considerations demand that this situation be balanced, so that low income households can access a similar level of benefit.

National Shelter proposes

- A full **review of the impact of the tax system** on housing affordability, aimed at developing reforms which will improve access to housing by low income households. This review should examine a range of options including:

- tapering negative gearing for higher value properties to provide greater incentive to invest in more affordable housing
- increasing the Capital Gains Tax exemption rate for affordable rental housing
- introducing a tax credit system for investment in affordable rental housing.

- The development of **financing and investment strategies** at a national level which can attract institutional investment into affordable housing, with options including the creation of a national housing bond, the introduction of tax credits to finance affordable housing, and the introduction of a National Affordable Rental Incentive scheme.

### Housing assistance

#### *Indigenous communities*

Indigenous communities, both urban and remote, bear the brunt of housing disadvantage, with low levels of home ownership and high levels of homelessness and overcrowding.

National Shelter proposes

- That Commonwealth and State/Territory Governments implement a **comprehensive National Indigenous Housing Strategy** which incorporates strategies to increase Indigenous home ownership, reduce overcrowding and provide increased rental housing in urban, regional and remote communities
- That these strategies be designed to **maximise self-determination** for Indigenous communities, and provide appropriate support for **Indigenous-led** housing provision.

#### *First home owners*

The First Home Owners Grant provides valued assistance to many younger households struggling to get a foothold in the housing market. However, it also subsidises many people who don't need it, and many believe it contributes to rising house prices.

<b>GOVERNMENT RESPONSIBILITIES</b>	<i>Commonwealth</i>	<i>State/Territory</i>	<i>Local</i>
<b>Tax and finance</b>	Main responsibility - income tax and GST	Some taxes - land tax, stamp duty	Property rates
<b>Housing assistance</b>	Commonwealth Rent Assistance, First Home Owners Grant, funding of social housing	Funding and direct delivery of social housing, home lending schemes	Some are direct social housing providers
<b>Planning and land development</b>	Minimal role	Planning legislation, policies and regional planning processes	Local planning schemes, development control
<b>Regulation</b>	Financial regulation, companies legislation	Tenancy law, regulation of real estate and community housing industry, associations law	Some forms of regulation eg boarding houses and caravan parks
<b>Human service delivery</b>	Funds for homelessness, disability, health and aged care	Fund, administer and directly provide human services programs	Some are direct providers - aged care, disability, youth support

National Shelter proposes

- That the **First Home Owners Grant be targeted** at low to moderate income households who need assistance to enter the home ownership market, and be restricted to the purchase of homes at or below the median price for the Local Government Area in which the purchase is taking place
- That Commonwealth and State/Territory Governments work together to introduce **shared home ownership schemes** which give households the benefits of capital growth in the value of their housing.

### **Commonwealth Rent Assistance**

Commonwealth Rent Assistance (CRA) is the main source of support available to low income tenants in the private rental market, and provides valuable assistance in meeting their housing costs. However, the current maximum rate of assistance is not enough to keep many households out of housing stress in the more expensive housing markets, including major cities and other growth areas.

National Shelter proposes

- That there be a **review of payment levels of CRA** to ensure that they remain adequate to keep housing costs below 30% for low income households
- That **eligibility be expanded** to include students on Austudy

- This needs to be done alongside **measures to increase the supply of affordable rental housing** to ensure that increased allowances do not fuel further inflation in rents.

### **Social housing**

Over the past decade, levels of funding for social housing have dropped by 30% in real terms. The overall size of the social housing sector is gradually shrinking, while Australia's population and the number of households in housing stress are growing. Australian Governments need to reverse this trend.

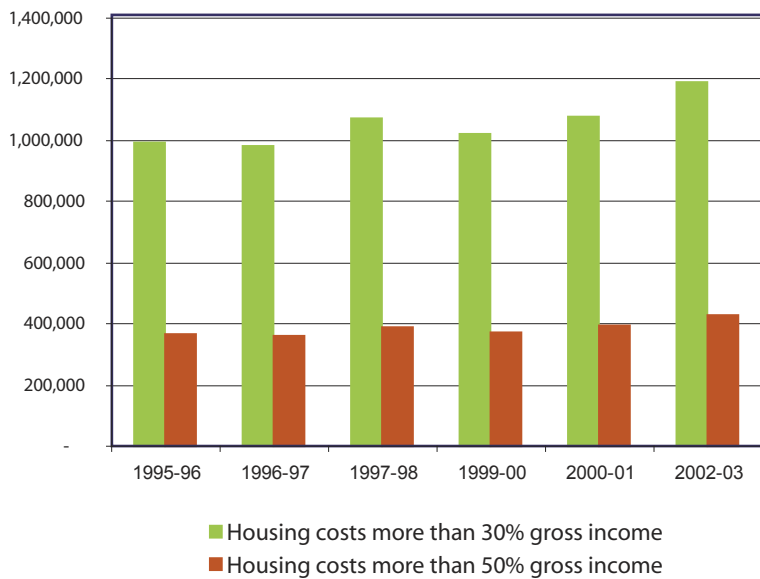
National Shelter proposes

- That **capital investment in social housing be substantially increased**, with the aim of lifting total social housing to 6% of the Australian housing market by 2025
- A **review of the impact of current rationing processes** by State/Territory Housing Authorities to ascertain their impact on low income households and on the social housing system as a whole
- As outlined under Tax and Finance, governments should also implement other financing strategies to boost supply of affordable housing.



## Households in housing stress

Source: Yates and Gabriel, 2006



### Planning and land development

Affordable housing is essential to the wellbeing of every community, and needs to be planned for at the outset of any new development or redevelopment. If affordable housing is unavailable in local communities, people are forced to either live in housing stress, or commute long distances.

National Shelter proposes

- That the Commonwealth and State/Territory Ministers for Planning and Local Government develop a set of **uniform standards for planning and land development**
- That these standards include **processes and levers to generate affordable housing** through the planning system, with a target of 15% of all new housing to be affordable, one third of this to be social housing
- That **universal design guidelines** be incorporated into planning and building regulations
- That planning for the development of economic "hot spots" includes **measures to ensure that there is adequate affordable housing** in these communities.

### Housing regulation

Private rental housing is increasingly becoming the only housing choice for many households. There is a need to recognise rental housing as a legitimate long-term tenure and ensure the rights of private renters are respected.

National Shelter proposes

- That the Ministerial Council on Housing, Urban and Regional Development work towards the development of **national standards for tenant rights**
- That these include provisions for "just cause eviction"; for limits to the frequency and level of rent increases, and for tighter regulation of the operation of tenancy databases.

### Human services

Many disadvantaged households require extra support to access and sustain housing. These include homeless people, and many people with disabilities, mental illness, and drug and alcohol issues. The housing system and the human services system need to be working together to ensure that such households can stabilise their lives and live as part of the wider Australian community.

National Shelter proposes

- That State/Territory and Commonwealth governments and NGOs work together to develop **new models of housing and support** which meet the needs of high need households
- That the **homelessness and housing systems be better aligned** to provide sustainable pathways out of homelessness for people accessing the homelessness support system.

### Call to action

Despite our nation's increasing economic prosperity, 1.2 million households are in housing stress, and 100,000 people are homeless on any one night. Australian governments need to work in partnership to rectify this situation. This document outlines a set of proposals which can help our nation begin to deliver a fair share of housing resources for all Australians. We urge governments and political parties across the country to adopt these proposals and take action now.

For more information visit the National Shelter website at [www.shelter.org.au](http://www.shelter.org.au)

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