



11 January 2023

Personal and Indirect Tax, Charities and Housing Division
The Treasury
Langton Cres
Parkes ACT 2600
Email: housing@treasury.gov.au

To whom it may concern,

Submission on the Housing Legislative Package – Housing Australia Future Fund Bill, National Housing Supply and Affordability Council Bill, and Amendment Bill

Everybody's Home welcomes the opportunity to make this submission on the Government's Housing Legislative Package.

Everybody's Home is a national campaign to fix the housing crisis. It was launched in 2018 by a coalition of housing, homelessness and welfare organisations to ensure everyone has a safe and decent place to live. The campaign has over 400 organisational members, and 40,000 individual supporters across the country.

A secure home is the foundation for a good life. Take it away, and people are pushed into poverty and insecurity. Yet across Australia home prices and rents are skyrocketing, plunging more and more Australians into housing stress. The shortfall of social housing means there is nowhere to go for people who have been forced out of renting. Government decisions have created this crisis, and only Government action can fix it.

In introducing this package, the Government has acknowledged its role in shaping these systems. Yet while we welcome the Government's efforts to show leadership and make a start on tackling the affordability crisis, the actions proposed in this Package do not match the scale of the crisis. This submission focuses on strengthening the Package and helping it match the moment we face.

National Housing Supply and Affordability Council

The past three decades have seen a major shift in how the Federal Government approaches housing. The Commonwealth used to fund social housing as its main policy response. It funded secure homes for people on low incomes, and this freed up affordable rentals for people on middle incomes. This changed in the 1990s, when the Government began relying on the private market.

This approach has been failing. The Australian Housing and Urban Research Institute has found that the Government's move away from social housing has led to homes that have never been less affordable. The shortage of affordable rentals for low-income households has been soaring since 1996.¹ This is in spite of the fact that every region in Australia has an oversupply of homes compared to its needs and demographics.² Between 165,000 and 240,000 new dwellings are built across the country each year,³ but this is not making housing more affordable.

Everybody's Home believes that the undersupply is not in housing, but in affordable housing. Private rentals do not 'trickle down' and become more affordable, but social housing has benefits that trickle up to all renters.

To achieve its mandate, the National Housing Supply and Affordability Council will need to focus on social housing. An analysis commissioned by Everybody's Home has shown that another 500,000 social homes are needed to end the shortfall, and keep up with population growth.⁴

Although this is Australia's most pressing housing supply issue, there is no focus on the shortfall in the Package or how to end it. Everybody's Home recommends that the Council's role be changed from advising on "housing supply and affordability" to "the supply of affordable housing." We also call for the Council's functions to be expanded to advise on strategies to end the shortfall of social housing, rather than simply monitoring conditions that impact social housing.

To fulfil this role, we recommend that the secretariat for the Council be removed from Treasury and placed within Housing Australia. Both the Council and Housing Australia must be independent of Government to focus on boosting the supply of social and affordable housing for those who need it, and provide frank advice on the role of Government and the scale of investment required to meet these goals. It is also important that the Council include representatives of the homelessness sector, housing sector, and tenants.

¹ Australian Housing and Urban Research Institute (2015) [Supply shortages and affordability outcomes in the private rental sector: short and longer term trends](#).

² Centre for Social Research and Methods (2017) [Regional housing supply and demand in Australia](#). Australian National University.

³ Australian Bureau of Statistics (2022) [Building Activity, Australia](#).

⁴ SGS Economics (2021) [Economic Impacts of Social Housing Construction](#).

Housing Australia

Housing Australia should play a critical role in this Package. It should aim to understand Australia's housing crisis and find ways to tackle it, working with the Council and managing the Housing Australia Future Fund to deliver affordable homes. It should be an independent voice solely focused on delivering affordable housing to those who need it. Its mandate should allow it to withstand political changes; and its strength should allow it to be frank with actors who have competing interests, such as developers, investors, and even governments.

Everybody's Home is concerned that Housing Australia is shaping up to be much narrower and weaker than the body proposed before the election. The current Package proposes to rename the National Housing Finance and Investment Corporation to Housing Australia and task it with administering the Government's announcements. This narrow approach will not solve the housing crisis or end our social housing shortfall.

Everybody's Home calls on the Government to broaden the responsibilities and mandate of Housing Australia, allowing it to fulfil the role initially canvassed by the Government ahead of the election.

Housing Australia Future Fund

Building social and affordable housing costs money. Simply maintaining the current share of social housing will mean building 15,000 new social housing properties a year.⁵ Our current rate of new social housing construction is about 3,000 dwellings a year.⁶ Even taking into account the Housing Australia Future Fund, the social housing shortfall will continue to grow without a major investment.

The proposed Housing Australia Future Fund would invest money from the Federal Budget, using the returns to fund 20,000 social homes over five years. This makes the Fund budget-neutral.

The Fund should be seen as a welcome first step, but it will not come close to ending the social housing shortfall or even maintaining the current proportion of social homes. To end the shortfall, the Government would need to build 25,000 social homes each year for two decades. The scale of the crisis means that the Fund should be designed in a way that treats the Government's cost-neutral plan as a floor, rather than a ceiling. Unless the Government is willing to fund social housing from the Federal Budget, this will mean doing as much as possible to attract institutional investment. Everybody's Home recommends adding a clause to the Bill ensuring the Government meets its obligations to investors and assuring the adequacy of returns. This could help attract investment.

If the Housing Australia Future Fund is successful in raising money, it must not be used to raise revenue for other parts of the Federal Budget. Everybody's Home calls on the Government to maintain the value of the Fund, by amending the package to reinvest any surplus. This will also protect the Fund from being raided or undermined by future governments.

⁵ Ibid.

⁶ Ibid.

Homes for all: Tackling the housing crisis

For years, Governments have been walking away from social housing. The number of homes has simply not kept pace with the growth in population,⁷ leaving the system in crisis. Housing has become less and less affordable over that same period. Only the Federal Government can provide the funding and leadership to turn this around, but it will take a real investment.

A cost-neutral package will not make a dent in Australia's housing crisis. Nor will relying on the private sector to build affordable homes, an approach that has been failing for years. Instead, the Government needs a long-term plan to fund and maintain social housing. This Package is a first step in that direction.

Everybody's Home welcomes the Government's interest and leadership on housing. We hope this Package represents a foundation for further action, and that the Government is willing to work with us and our members to scale-up its ambition to meet the moment we face.

Yours sincerely,



Maiy Azize
National Spokesperson
Everybody's Home

Contact: info@everybodyshome.com.au

⁷ Australian Institute of Health and Welfare (2018) [Housing Assistance in Australia 2018](#).