

Overview of Housing Policy in Australia 2007-2010
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Significant changes to Australian housing policy have occurred since the change of government following November 2007 federal election. Prior to that election, a Liberal/National government lead by John Howard retained power for eleven years. During that time, in real terms it decreased its financial support for the direct provision of housing by government and redirected monies into subsidies for tenants living in the private rental market.

The newly elected Labor government of 2007 set about making a number of changes affecting housing policy. Both a Minister and Federal department of housing were established, immediately elevating housing as an important policy area. It also started to develop a new instrument to establish its partnership with the States and Local government regarding housing matters.

Replacing the old Commonwealth State Housing Agreement (CSHA) the National Affordable Housing Agreement's (NAHA) stated aims were to identify the roles and responsibilities regarding each level of government's contribution to housing affordability and to establish a performance framework against which the key outcomes of the agreement would be measured.

The NAHA rolled together several housing related policy issues: responses to homelessness, social housing provision; assistance to people in the private rental market; and, home purchase assistance.

The NAHA is on-going with funding levels reviewed every 5 years. The NAHA commenced on January 1, 2009 with a five year commitment of \$6.2B. The NAHA identified five key housing initiatives to be implemented through the States:

- Improvements to housing supply through identifying surplus government land suitable for housing development;
- The National Rental Affordability Scheme (NRAS) to provide incentives to construct 50,000 units of affordable rental housing over 5 years;
- A lowering of the burden of infrastructure and regulatory costs built into the purchase price of a new home;
- Improving the evidence base for housing policy and program development; and,
- Support to the most needy in society through joint Commonwealth-State investment in 600 houses and units for homeless people.

NRAS, a new supply side response, offers financial incentives to the business sector and community organisations to build and rent dwellings to low and moderate income households at 20% below-market rates, for a period of 10 years. NRAS is also an attempt to encourage large scale investment and innovative delivery of affordable housing. If the program is successful, the Labor government has committed to doubling the number of properties NRAS will deliver over a subsequent five years.

Additional to the core elements of the NAHA, three time-limited National Partnership Agreements (NPAs) were agreed between the Commonwealth and States to provide further funding:

- *Homelessness Partnership Agreement - \$800 million over five years*
The Commonwealth will provide \$400 million over four years matched by the States. These monies are being spent on prevention and early intervention programs, such as the 'street to home' initiatives and others aimed at breaking the cycle of homelessness. There is also a focus on getting greater integration between homelessness and mainstream services. Targets have been set to achieve a 50% reduction in

homelessness and an end to rough sleeping by 2020. Also part of this agreement is the implementation of policies of 'no exits into homelessness' from statutory or custodial care for those at risk of homelessness.

- *Remote Indigenous Housing Partnership Agreement - \$1.94 billion over 10 years*
This aims to deliver 4,200 new houses in remote Indigenous communities and provide upgrades and major repair to around 4,800 existing houses in order to address significant overcrowding, homelessness, poor housing conditions and the severe housing shortage in remote Indigenous communities. Some difficulties and delays have been experienced as Indigenous community housing providers and governments have debated over what is required by the former (such as signing 40 year leases over land) in order to benefit from the program.
- *Social Housing - \$400 million over two years*
\$400 million provided over two years for capital investment in social housing and homelessness is providing approximately 1600 to 2100 additional dwellings.

Whilst NRAS will contribute to housing stock overall, it is only guaranteed to be part of the social housing portfolio for 10 years. Housing advocates were disappointed that the NAHA did not commit the government to incrementally increasing traditional social housing stock. Government commitments did not equate to a return to the level of social housing experienced before the Howard government.

However in February 2009, as a response to the global financial crisis, the Commonwealth government announced the biggest investment in social housing ever as part of an economic stimulus package. As its name suggests, the package was primarily focussed on keeping people in work. However, whilst housing advocates were extremely pleased with the announcement, it is still not an on-going commitment to increasing the supply of social housing stock, which all agree is needed.

The economic stimulus Social Housing Initiative will add 20,000 units of social housing. Funding of \$5.2 billion will be provided to the States over the three and a half years to 2011/12 for its construction, and a further \$400 million over two years for repairs and maintenance to existing public housing dwellings which would otherwise be untenable. The stock will be managed by either State Housing Authorities or community housing providers and 75% of it is required to be completed by December 2010. It will soon become clear if this latter target will be met.

Two weeks ago on August 21 2010, Australia held another Federal election. The outcome is still unknown. Five independents will hold the balance of power in the lower house with three of them yet to declare which of the two major parties they will support. There is the chance of a hung parliament and the possibility of another election.

The last three years have brought many changes in housing, new administrative arrangements and more importantly, increases in stock not seen for many years. Many of the promised changes are still being delivered.

Should the government change, it is extremely likely that the direction of housing policy in Australia will again change. Whichever party gains government, without a majority it may be a challenge for advocates to win any campaign to increase social housing stock as part of the core housing agreement between the Commonwealth and the States. Housing advocates wait anxiously to see what happens in the coming weeks.