



27 June 2016

Ms Carmel Rosier  
Community Housing Council of South Australia  
Via email: [carmel.rosier@chcsa.org.au](mailto:carmel.rosier@chcsa.org.au)

Dear Ms Rosier

Thank you for your letter to Jenny Macklin on behalf of Shelter SA, SACOSS, Homelessness SA and Community Housing Council of South Australia presenting the *Vote Home* campaign.

Labor believes that all Australians should have access to safe, affordable and appropriate housing throughout their lives.

Affordable and secure housing is essential to wellbeing, participation and inclusion.

A Shorten Labor Government will make addressing housing affordability and reducing homelessness a priority.

Addressing the long-term issues facing Australian housing requires a national and long-term strategy.

### **A national affordable housing strategy**

Labor recognises the need for national leadership in housing. National leadership is critical to drive the development of an agreed, coordinated approach to addressing housing affordability in Australia.

A Shorten Labor Government will consult with State and Territory Governments, community housing organisations, the housing industry and the financial sector, to develop a long-term strategy for affordable housing in Australia.

The strategy will aim to:

- Increase the supply of affordable housing.
- Meet the needs of vulnerable groups.
- Encourage intergovernmental cooperation and solutions to meet housing needs across the country.
- Support the reform of government policies that may be restricting the supply of housing.
- Better meet the needs of renting households.
- Support the development of an affordable housing industry.

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## **Making housing a priority**

A Shorten Labor Government will:

- Appoint a Minister for Housing and Homelessness.
- Make housing affordability a standing item on the COAG agenda.
- Include a more comprehensive coverage of housing as part of the Closing the Gap report.
- Develop an Affordable Housing Industry Plan to ensure the long-term development of a sustainable affordable housing sector.
- Re-establish the National Housing Supply Council.

## **Setting targets**

A Shorten Labor Government, in partnership with State and Territories, will:

- Aim to halve homelessness by 2025.
- Agree on national targets to increase the supply of affordable housing dwellings.
- Report annually through COAG on progress towards the targets.

## **Halving homelessness**

Labor wants to work with homelessness services to deliver long-term certainty for the sector.

Labor recognises the need to work closely with the homelessness sector on progressing the next homelessness agreement to end the uncertainty that has been a feature of the Abbott-Turnbull years.

A Shorten Government Labor will commence negotiations on a new national plan to achieve the target to halve homelessness by 2025.

These discussions will be informed by a national roundtable on homelessness and a meeting of State and Territory Housing and Homelessness Ministers.

A Shorten Labor Government will also provide \$88 million over two years for a new Safe Housing program; to improve transitional housing options for women and children escaping domestic and family violence.

## **Achieving better outcomes**

The Federal Government spends more than \$6 billion per year on housing assistance, through various national agreements and through the payment of Commonwealth Rent Assistance.

More than \$1.3 billion is invested every year from the Federal Budget through the National Affordable Housing Agreement (NAHA).

With housing need across the community increasing and significant funding already being invested, it is critical that we are confident that we are achieving maximum value for money. The

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States and Territories need to be held accountable for how funding under the NAHA is spent and for achieving housing results.

A Shorten Labor Government will work with the States and Territories to strengthen the transparency and accountability requirements under the NAHA.

### **Addressing critical need**

There is a critical need to improve housing for Aboriginal and Torres Strait Islander peoples.

Aboriginal and Torres Strait Islander households are about half as likely to own their own home as other households and they are more than 3 times as likely to live in overcrowded accommodation.

In government, Labor introduced a 10-year National Partnership Agreement on Remote Indigenous Housing (NPARIH) designed to reduce severe overcrowding, increase housing supply, improve the condition of existing houses and ensure that rental houses are well maintained and managed. The NPARIH is due to expire in June 2018.

Labor recognises the importance of providing funding certainty for communities and a Shorten Labor Government will provide certainty for affected communities well in advance of the expiry of the Agreement.

A Shorten Labor Government will also include a more comprehensive coverage of housing in the Closing the Gap report in recognition of the importance of housing to achieving the Closing the Gap health, education and employment targets.

Labor is also aware of the critical need for more accessible and affordable housing for people with disability.

Labor was proud to introduce the National Disability Insurance Scheme (NDIS) – the biggest social reform since Medicare. The NDIS is already transforming the lives of people with disability across Australia.

As the NDIS is rolled out over the next few years, demand for accessible housing will increase. While the NDIS will fund specialist disability accommodation for some high-needs participants, most people with disability will continue to need housing in the private, public and community sector markets.

### **Developing an Affordable Housing Industry Plan**

Labor believes that an affordable housing industry is essential if we are to meet the ongoing demand for affordable housing in Australia. Labor believes that this industry should be led by the community housing organisations in partnership with investors.

A Shorten Labor Government will develop an Affordable Housing Industry Plan to promote the development of this industry and to provide the regulatory environment and the certainty required for investors to commit to projects which boost the supply of affordable housing.

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The Council on Federal Financial Relations established an Affordable Housing Working Group in January 2016.

A Shorten Labor Government will continue with this process which will complement the development of the final Industry Plan.

### **Reforming the tax treatment of rental housing**

From 1 July 2017, Labor will limit negative gearing to new property.

This is a significant policy that will provide an incentive for new construction and add thousands of jobs to the building industry.

Australia has the most generous tax concessions for housing in the advanced world.

Negative gearing and existing capital gains tax concessions are making housing affordability worse by providing a large tax subsidy to investors, giving them an unfair advantage over first home buyers.

Negative gearing also largely benefits people on higher incomes, with almost half the benefits going to the top 10 per cent of income earners.

Labor is committed to improving fairness, particularly for first home buyers, and will fully grandfather and preserve the tax offsets that are currently available to existing property owners.

Negative gearing losses for new investments in shares and existing properties can still be used to offset investment income tax liabilities, and losses can continue to be carried forward to offset the final capital gain on the investment.

Labor will also halve the capital gains discount for all assets purchased after 1 July 2017. This will reduce the capital gains tax discount for assets that are held longer than 12 months from the current 50 per cent to 25 per cent.

All investments made before this date will not be affected by this change and will be fully grandfathered.

### **Re-establishing the National Housing Supply Council**

Labor established the National Housing Supply Council in 2008 but it was abolished by the Abbott-Turnbull Government in 2013.

A Shorten Labor Government will re-establish the National Housing Supply Council to monitor housing demand, supply and affordability and to highlight current and potential gaps between housing supply and demand.

The Council will also provide expert advice on the development of an Affordable Housing Industry Plan.

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## Supporting renting households

Too often discussions on affordable housing concentrate on home ownership – yet over 30 per cent of all households are renters.

Renting is becoming increasingly main-stream, with more than 2.7 million households renting. Households that rent are doing so for longer: one third of renters had been doing so for more than 10 years.

It is essential that governments ensure that the needs of renting households are reviewed in light of the changes in the housing market over time.

Almost 50 per cent of all households who rent are lower income households. Many are currently living in rental stress, paying more than 30 per cent of their weekly income on housing costs.

Labor will ensure that the needs of renting households are considered within the national strategy on affordable housing.

The Grattan Institute recommended that reforms to consider are to extend the minimum duration of leases, while still enabling renters to give notice and terminate their tenancy without paying out the entire lease, extending minimum notice periods that apply when landlords terminate a lease, and clearly prescribing grounds for termination. It also noted that there are strong grounds for increasing tenants' freedom to make minor modifications and own pets.

A Shorten Labor Government will work with the States and Territories to reach agreement on a set of national minimum rental standards. Labor will commission work through COAG to examine:

- Rental contract lengths.
- Fair processes where landlords seek termination.
- Ways to provide greater freedom of choice for tenants.

Thank you again for writing with the *Vote Home* campaign and for the opportunity to outline Labor's policy on this important issue.

Sincerely,

### ALP Information Services Unit

Australian Labor Campaign Headquarters

[| www.alp.org.au](http://www.alp.org.au)

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