

2007 FEDERAL ELECTION: THE PARTIES' HOUSING POLICIES

(Compiled by Shelter SA- in reverse alphabetical order)

FACT:

2006 Census data showed that over half a million households - or one in three Australian households that rent - are now paying more than 30 per cent of their income in rent payments.

LIBERAL

Hon Mal Brough, MP, Minister for Families, Community Services and Indigenous Affairs
18 October 2007 (complete article)

The key to a strong housing sector and access to affordable housing lies in strong economic conditions, the maintenance of a Budget surplus, low inflation and low unemployment. Should any of these important factors be placed in jeopardy the likelihood of the majority of Australians being able to purchase their own homes would be at risk.

Since 1996 the Howard Government has pursued these objectives to ensure that Australians are in a strong economic position to make decisions about their housing choices.

A number of factors now operate to influence the ability of Australians to purchase or rent their own homes. The cost of borrowing is now lower than it was in the early 1990s. The home mortgage rate is now about half of what it was when the Labor Party gave Australians rates of 17 percent. At the same time, the borrowing capacity of a "typical" household increased from \$135,000 in 1992 to \$305,000 in 2006. This has been associated with a substantial increase in the value of peoples' homes.

Real incomes are now higher with an 11.5 percent increase in real incomes in the last decade meaning that people are in a better position to fund their housing choices. This means that more people are able to contemplate entering the housing market.

The Howard Government recognises, however, that not all Australians are in a position to purchase their own homes. For this reason the Government has sought to support those who rent, in the public sector or in the private market.

The Government provides rental housing assistance in two ways – through Rent Assistance, which is a non-taxable income supplement paid to eligible Australian residents who rent accommodation in the private rental market, and through the Commonwealth State Housing Agreement (CSHA) which provides funds to support public housing.

Rent Assistance is part of the Australian Government's broad welfare housing policy agenda to assist low and moderate income households to access appropriate affordable housing. It represents the largest welfare housing investment by the Australian Government with over one million individuals assisted.

Rent Assistance maintains its effectiveness through regular adjustments to take account of cost of living changes.

While some argue that assistance should not be provided to those who rent in the private market, the simple fact is that, if Rent Assistance was unavailable, thousands more would have to rely on public housing rental stock. This would increase the waiting lists for public housing ensuring that many in these queues would have little prospect of finding suitable accommodation.

An ideological objection to private renting should not cloud anyone's judgment about the need to give people a chance to rent property and provide a home for their families.

Combined Australian Government Rent Assistance (RA) and CSHA outlays in 2006/07 dollars have increased in real terms by \$180 million from \$2.997 billion in 1997-98 to \$3.177 billion in 2006-07. This amounts to a 6 percent increase in real terms over the period and is a valid representation of the Australian Government's commitment to the support of rental housing.

This support for public housing and private rental is critical to ensure that the maximum number of people have the maximum amount of choice in their types of accommodation.

When funding for RA is added to CSHA funding the Australian Government is providing \$4 for every \$1 provided by the states and territories.

We have demonstrated a strong commitment to supporting public housing in the states and territories. However, it is unfortunate that the states and territories have let down the side and have not delivered the goods when it has come to providing housing stock.

Despite our commitment to public housing the Australian Government is concerned that between 1996/97 and 2004/05 the stock of public and community housing fell throughout Australia from 385,457 to 385,444 – 13 fewer dwellings.

This is a tragedy because it makes it so much harder for Australians on low incomes to have access to housing. In view of the failure of the states and territories to meet their obligations the Howard Government announced in July this year that, for the next CSHA from July 2008, expressions of interest will be invited from all parties, including state and territory governments, the non-government sector and the private sector, any other individuals, groups or organisations for their proposals and ideas on new and innovative approaches to using the available funds to increase affordable housing supply. These submissions are now being assessed with a view to seeing whether more housing can be provided more speedily.

Having the states and territories eat up CSHA funds in administrative costs, repaying debt and other costs will do nothing to increase the number of houses available for rental.

The Australian Government wants to see taxpayer funds used to increase social housing supply, which is not being achieved through the current housing agreements. This measure will complement initiatives relating to the availability of Commonwealth land announced by the Treasurer, Mr Costello. It is gratifying to see that this proposal has the support of the Labor Party, albeit with the imposition of typical Labor complexities and administrative complications.

The Australian Government has consistently called on the states and territories to increase the availability of affordable land and housing. It should never be forgotten that the states and territories have access to all GST revenue that is collected. To this should be added the billions that are imposed on property and property transactions.

If a clue is needed as to why the cost of housing is increasing there is no need to look further than the greed of state treasuries. States and territories should cut taxes which increase the costs of housing - \$12.5 billion was levied in stamp duty on property conveyances in 2006-07. This was up from \$5.3 billion in 2000-01. Land tax is a major contributor to the lack of affordable housing with \$4.3 billion collected in 2006-07.

The disturbing thing to remember is that these taxes and charges have a direct impact on the capacity of Australians to buy their own homes. Where the states and territories have imposed taxes and charges the prospect of young Australians, in particular, buying a home has been substantial.

The Housing Industry Association estimates that in Brisbane in 1973 land prices constituted 30 percent of the price of a housing package with the house accounting for 70 percent of the cost. In 2003 the land component was 55 percent while the house component had fallen to 45 percent. In Sydney the land component rose from 33 percent to 73 percent, in Melbourne from 33 percent to 49 percent, in Perth from 35 percent to 54 percent and in Adelaide from 14 percent to 61 percent.

When the impact of state taxes and charges is considered, along with the costs imposed by local authorities, it is not difficult to see why house prices are rising. To go some of the way to overcoming this the Howard Government has introduced the First Home Owners Scheme and uses the taxation system to encourage investors to provide more stock for the rental market.

The Howard Government will take the necessary steps to ensure that access to housing remains a key feature of Australian society. This will be done through a mixture of specifically targeted policies and the maintenance of effective economic policies. Central to our approach to promoting housing affordability is our determination to maintain a strong economy characterised by Budget surpluses and low levels of inflation and unemployment.

LABOR (from Media Release 5/10/07)

Labor is committed to a variety of supply-side policies designed to stimulate construction, to correct the large and widening gap between the number of people who need homes and the number of new homes being built.

A Rudd Labor Government would:

- Invest in a National Rental Affordability Scheme to stimulate the construction of up to 50 000 new affordable rental properties across Australia, for rent to low-income families at 20 per cent below market rates;
- Invest in a Housing Affordability Fund to tackle the dwindling construction rates for new residential housing related to the cost of infrastructure, saving new home buyers up to \$20 000;
- Establish a National Housing Supply Research Council, to analyse the adequacy of land supply across the nation, as well as rates of construction;
- Establish Infrastructure Australia - a statutory authority to oversee reform, planning, development and investment in priority infrastructure;
- Appoint a Cabinet Minister responsible for federal policy on housing (there is no such minister in Mr Howard's government); and
- Invest in Trades Training Centres in secondary schools to help combat the skills shortage, including the shortage in building trades.

FAMILY FIRST (from their website 5/10/07)

Housing

Family First recognises that housing should be affordable and accessible to all Australians and that housing stability and security are crucial to healthy and stable family life and ultimately for the optimal development and education of children. Family First also recognises that home ownership provides a fundamental plank in Australia's Social Security Safety Net and is an important aspect of sound retirement planning.

Specifically

Family First will support the ongoing and improved availability of public housing, particularly to those in the community who are physically, socially and economically disadvantaged.

Family First will seek to identify and promote public policy that provides real incentive and opportunity for home ownership, particularly for first home buyers. The Party will seek to identify and support measures to redress the decline in housing affordability.

GREENS (from their website 5/10/07)

Principles

The Australian Greens believe that:

1. affordable housing is a human right.
2. the housing needs of low income Australians should be met through the provision of a mix of affordable options, including community housing, public housing, shared equity with social housing providers and private rental housing.

3. governments need to provide sufficient public and community housing to meet current need and projected demand.
4. new urban developments should be environmentally sound, public-transport friendly and facilitate community interaction.
5. public participation in the development of public and community housing, (including planning and in the assessment of development proposals) is a right, the exercise of which should be encouraged by planning authorities.
6. the housing needs of Aboriginal and Torres Strait Islander people should be met as a matter of urgency.
7. passive solar design must be encouraged as a building principle.

Goals

The Australian Greens want:

8. the elimination of housing-related poverty.
9. all Australians to have access to adequate, safe, secure and affordable housing.
10. Australians who are unable to provide their own housing to be given housing assistance by the government.
11. minimal waiting times on public housing waiting lists.
12. adequate investment in public and community housing throughout the community to ensure its social and economic viability.
13. participation by tenants and homeless persons in decisions regarding their housing services.
14. a reduction in the environmental impact of housing, both during construction and throughout the life of the building.
15. priority given in town planning to recreational, cultural and social amenities that promote healthy communities.
16. greater diversity in housing to meet the accessibility needs of disadvantaged groups.
17. increased provision of emergency accommodation and transitional housing for people in need (including women and children affected by family violence, people experiencing homelessness, refugees and asylum seekers, migrants, and people released from detention) with sufficient exit options to long term housing.
18. improved legal security of tenure and reduced discrimination.
19. Aboriginal and Torres Strait Islander people to have access to adequate, secure, well-maintained, safe and culturally appropriate long-term housing, wherever they live.
20. people to have access to adequate, secure, well-maintained, safe and culturally appropriate long-term housing, wherever they live.

Measures

The Australian Greens will:

20. develop a national housing plan, and significantly increase funding to public and community housing.
21. provide increased financial assistance to people unable to provide for their own housing.
22. urgently fund sufficient public and community housing, to minimise waiting lists.
23. ensure public housing is accessible, affordable, secure, habitable and in locations that provide reasonable access to employment, health-care, schools and other social facilities.
24. significantly increase funding to address the housing needs of Aboriginal and Torres Strait Islander people.
25. review existing subsidies and incentives for housing and property investment with a view to increasing the number of Australians who can afford to own their

own home.

26. ensure subsidies and concessions for the provision of private rental accommodation are targeted at affordable housing for low-income households.

27. means test the first home owners grant

28. require new buildings and retrofit of old buildings to meet high minimum standards of energy-efficiency, noise insulation and water conservation.

29. develop national planning guidelines for new housing developments that require:

- a social mix of public and private housing with a target of 20% low cost and public housing, and housing that caters for diverse social needs;
- design for maximum energy efficiency;
- privacy and noise controls;
- permeable road networks allowing for bus access;
- segregated bicycle paths and footpaths;
- landscaping, design and infrastructure for rainwater trapping and wastewater recycling; and
- at least 15% to be allocated to public open space in addition to community facilities.

30. develop national building standards that:

- take account of climatic variation across the continent;
- strengthen disability access provisions;
- set high standards for energy and water efficiency; and
- specify minimum standards for non-toxic, low environmental impact construction materials.

31. develop national urban planning standards that provide for:

- the location of high density housing and commercial buildings close to high capacity public transport; and
- the clustering of medium-density housing, community facilities and small-scale businesses around neighbourhood shopping centres and other social facilities (including health care and schooling).

DEMOCRATS (from their website, 5/10/07)

Housing

AUSTRALIAN DEMOCRATS ACTION PLAN HOUSING

The Democrats believe that affordable and accessible housing is a fundamental right of all Australians, but it receives far too little attention as a political issue. The cost, accessibility and adequacy of housing can impact on a person's health, employment and training, access to employment, environment and wealth.

Affordability

Australia has a housing affordability crisis. Despite our nation's prosperity, 1.2 million households are in "housing stress" paying over 30% of their income into housing costs and over 400,000 are in "extreme housing stress", paying over 50% of their income on housing. Figures derived from the 2001 census suggest approximately 100,000 people are homeless on any given night.

Too many Australian households are stuck spending more than a third of their income on housing, putting their families under heavy financial and social pressure. First home buyers are struggling to enter the market, despite relatively low interest rates. Low cost rental properties are disappearing, as are boarding houses. Rising rental costs are an important factor in increasing levels of homelessness.

Private renters on low incomes are among the worst off, with more than half of all private tenants suffering housing stress.

House prices in Australia have doubled over the last decade. This is unsustainable and a significant contributor is the rapid rise in investor activity in the market. The Australian Democrats believe that current personal tax settings - including negative gearing and capital gains tax concessions - have played a significant role in driving this recent housing boom. The total extent and overall impacts of all tax and other financial subsidies affecting housing must be urgently reviewed in an effort to ensure these funds are targeted effectively and fairly.

Indigenous housing

Indigenous communities, both urban and remote, bear the brunt of housing disadvantage with extremely low levels of home ownership, high levels of homelessness and excessive overcrowding. Despite comprising 2% of the population, Indigenous people constitute 16% of the homeless population.

Almost 15% of Indigenous households across Australia live in over crowded housing, including almost 42% in Indigenous managed community housing and over 15% of those in State Government managed housing

“Affordable and accessible housing is an essential component of any policy aiming to address employment, family, community or welfare issues, yet it gets little attention from political parties.” ~ Senator Andrew Bartlett, Spokesperson on Housing

Environment and access

Australia’s existing housing stock is placing unnecessary pressure on the environment. Much of it is sited too far from public transport. Inadequately insulated and poorly designed housing causes households to over-consume water and energy. This unnecessary consumption hurts the environment and also hurts the pockets of lower income earners. Energy use can be reduced by good design and urban planning.

A national housing strategy

Affordable and accessible housing is an essential component of any policy aiming to address employment, family, community or welfare issues, yet it gets little attention from political parties. The Australian Democrats, in common with many community groups, unions and the housing industry have long called for housing issues to be put firmly on the national political agenda.

We believe there must be a whole of Government approach to housing, with the Federal Government providing the impetus for national leadership and a consistent approach. It is imperative that Australia develops an integrated affordable housing strategy, which links housing, urban and regional development, social security and community services policies.

The Democrats propose that:

- A federal portfolio for housing be developed to provide a whole of government approach to housing to increase fairness, reduce poverty and financial disadvantage;
- A national affordable housing strategy be developed, involving all levels of government and parliaments, along with stakeholders at community level, to address the serious and ongoing crisis in housing affordability;

- Spending on the chronically under funded area of Indigenous housing needs to be significantly increased, and spent in the way which has most benefit for Indigenous people, rather than tailored to suit the ideological obsessions of political parties.
- A comprehensive National Indigenous Housing Strategy must be implemented to increase Indigenous home ownership, reduce overcrowding and provide increased rental housing in urban, regional and remote communities;
- Adopting wide-ranging initiatives to build more affordable housing, including a full review of how government spending, concessions and incentives are currently deployed. For example, there is now less than \$1 billion a year spent on public and community housing, while \$2 billion a year (and growing) is spent on private rent assistance, which in many cases is a subsidy for landlords, and there is a further \$2 billion expenditure a year (and growing) in negative gearing concessions for property investors.

Action on housing

- The first home owners grant should be means tested and targeted at greater social and environmental outcomes, including accessibility.
- The Australian Democrats support continued reform and regulation of tenancy databases and the development of consumer protections against the misuse of information.
- We will continue to push for the modification of negative gearing and the phased reduction of capital gains tax concessions for investment properties, while promoting new incentives to invest in affordable housing.
- We will focus on national planning and design standards that balance the need for environmentally sustainable and affordable housing with simplified planning requirements.
- We will address the challenging task of devising a long-term strategy of investment of public monies, to both stimulate the supply of private rental housing affordable to people on low incomes, as well as to increase the stock of public and community housing.
- The Australian Democrats will continue to hold governments accountable for inaction on housing. We believe that government can no longer solely focus on the narrow economic issues and assume that low interest rates will solve housing problems. Housing is an integral part of the nation's economic infrastructure. If the present crisis is left unchecked, the lack of affordable housing will create a permanent wealth divide and bring disruptive social, economic and political consequences to Australia.

The National Tenant Support Network (National TSN) is an independent, unincorporated not-for-profit initiative delivering a range of services to social and affordable rental housing stakeholders throughout Australia and New Zealand. These services have been delivered consistently and without charge since 1988. The National TSN gratefully accepts donations (large & small) and in-kind support. If you would like to make a contribution you can do so, anonymously if you wish, through any St George Bank: **ACCOUNT NAME:** National Tenant Support Network - **BSB 112879** (Bega) - **ACCOUNT NO: 003215120**, or by mail: PO Box 517 Bega NSW Australia 2550. For further information contact the Coordinator, Garry Mallard, on (02) 6492 0355, Mob: 0412 249 218, email: gmallard@thenexus.org.au