

Key Policy in discussion	HOUSING
Portfolio and or agency	Portfolio area AND OR AGENCY
Date Issued	5 November 2022
Key author/s of this budget analysis:	Associate Professor Emma Power and Associate Professor Amity James
Chair, Social Policy Committee NFAW:	Prof. Helen Hodgson: h.hodgson@tpg.com.au

Key Portfolio Issues

Budget 2022-23 delivers a long-term strategy for the housing system and supply in Australia and represents a small step toward addressing women’s needs for safe and secure housing. However, in the context of a national housing crisis, with growing rents and record low vacancy rates in the private rental sector, and a national social housing wait list of nearly 200,000 households, the 40,000 social housing and 10,000 affordable dwellings committed to in this budget are severely inadequate. We call those involved in drafting the new *National Housing and Homelessness Plan* (BP1, p.10) to be ambitious in developing a strategy that continues to recognise women’s unequal access to secure housing, centres housing as a critical social and care infrastructure and human right and tackles affordability across the housing system. This is a necessary foundation for a gender equitable nation.

Budget Measures

A commitment to improving housing supply and affordability in this Budget is centred on a new **National Housing Accord**. \$350,000 million has been committed to deliver 10,000 affordable and energy efficient homes which will be matched by state and territories over five years from 2024 ([Budget Paper No 1](#), p. 9). The **Housing Accord** sets an ‘aspirational target’ to deliver 1,000,000 ‘new, well-located’ homes, including some that are social and affordable, in the five years from 2024. It provides the [architecture for all levels of government as well as institutional investors and the not-for-profit sector to deliver a longer term solution to the national housing crisis](#).

The Housing Accord specifies the need for state and territory governments to support this building via [‘expedited zoning planning and land release’](#), including on state land. It also requires states and territories to commit to working with local government to enable development via [planning and land-use reforms](#).

The **Housing Accord** also seeks to boost [private sector investment in social and affordable housing](#). This goal is dependent on institutional investment, such as from superannuation funds. Payments via the Housing Australia Future Fund (HAFF) and/ or the National Housing Infrastructure Facility (NHFI), as below, are mooted to facilitate this investment.

The liability cap of the **National Housing Finance and Infrastructure Corporation** (NHFI), [to be renamed Housing Australia](#), remains at \$5.5billion to support loans, including for affordable housing under the

Affordable Housing Bond Aggregator (Budget Paper No 1, p. 295). While this may support building more affordable housing, [National Shelter](#) pointed out in March that ‘this is not a grant provided directly to community housing providers. Providers will still be required to source funding to build housing.’ Administered by NHFIC, the **National Housing Infrastructure Facility** will have the flexibility to deploy up to \$575 million to increase housing supply, including over 5,500 new homes, as well as attract more institutional capital to the affordable housing sector (Budget Paper No 1, p. 10).

The budget commits \$10 billion to the **Housing Australia Future Fund** to be established for the purpose of supplying a sustainable funding source through which the investment returns in the first 5 years will, through NHFIC, fund:

- 20,000 new social dwellings, 4,000 of which will be allocated to women and children impacted by family and domestic violence and older women at risk of homelessness. (Budget Paper No 1, p. 10; [Budget Paper No 2](#), p. 191)
- 10,000 new affordable housing dwellings targeted at key workers. (Budget Paper No 1, p.10)
- \$200 million to improve existing housing in remote Indigenous communities (Budget Paper No 2, p. 191)
- \$30 million to deliver housing and specialist services for veterans experiencing or at-risk of homelessness (Budget Paper No 2, p2. 191)

The pipeline generated by the Housing Australia Future Fund will attract investments from state and territory governments and private capital providers ([Australian Government, 2022-23 October Budget Factsheet](#), p. 3).

The Budget also noted future actions including the establishment of a **National Housing and Homelessness Plan** and the provision of \$15.2 million over 4 years to establish a **National Housing Supply and Affordability Council** to advise the Australian Government on housing policy (Australian Government, 2022-23 October Budget Factsheet, p. 3).

The above measures underpin a combined commitment to direct new building of social and affordable housing of: 30,000 new social dwellings (10,000 via the Accord and 20,000 via the HAAF) and 10,000 affordable dwellings (HAAF). In addition, states have committed to 10,000 new social dwellings.

The indexed **National Housing and Homelessness Agreement** (NHHA) with state and territories is maintained with no increase. Valued at approximately \$1.6 billion per annum the NHHA is committed to improve access to affordable housing and homelessness supports ([Budget Paper No 3](#), p. 51). The National Housing and Homelessness Agreement is scheduled to conclude on 30 June 2023. There is no change to Social Impact Investments which include vulnerable priority groups and youth at risk of homelessness (Budget Paper No 3, p. 51, Table 2.7).

Several budget measures support existing and aspiring homeowners. The **Help to Buy shared equity scheme** will deliver \$324.6 million over 4 years from 2022–23 to support homebuyers to purchase a new or existing home with an equity contribution from the Australian Government (Budget Paper No 2, p. 191). Ten thousand eligible purchasers per year will receive an ‘equity contribution from the Federal Government of up to a maximum of 40 per cent of the purchase price of a new home and up to a maximum of 30 per cent of the purchase price for an existing home’ ([Helping More Australians Into Home Ownership](#)), which, combined with a minimum deposit of 2 per cent, will support them to enter home ownership. In addition, the **Regional First Home Buyers Guarantee** will provide 10,000 places annually to support eligible regional first homebuyers to purchase new or existing homes with a 5 per cent deposit (Budget Paper No 2, p. 192; [Labor’s Regional First Home Buyer Support Scheme](#)).

First home buyers and single parents re-entering the housing market continue to benefit through the **Home Guarantee Scheme** developed in the May Budget which provides a guarantee to participating lenders for up

to 15 percent of the property purchase price of a new build home with a 5 per cent deposit. The **First Home Guarantee Scheme** has been maintained to support 35,000 first home buyers (Budget Paper No 1, p. 296), and the provision of 5,000 places under the **Family Home Guarantee** for single parents with dependents seeking to enter, or re-enter, the housing market has been continued (Budget Paper No 1, p. 297). The **New Home Guarantee** concluded on 30 June 2022 and the Home Builder Scheme has ceased (Budget Paper No 1, p. 193). The **Rural Home Guarantee** component of the previous budget has been re-directed to the newly established **Regional First Home Buyers Guarantee**.

The National Partnership payments includes \$323.7 million in 2022-23 for **Remote Housing** to 'help address overcrowding, homelessness, poor housing conditions and severe housing shortages' in the Northern Territory (Budget Paper No 3, p. 53). First Nation Australians also benefit from targeted budget measures through a new **Federal financial agreement** with the Northern Territory: the Budget includes \$100 million over two years from 2022-23 for housing and essential infrastructure in the Territory as part Labor's Plan for a Better Future (Budget Paper No 2, p. 73) and \$9.2 million over three years for the establishment of the **Closing the Gap Housing Policy Partnership** (Budget Paper No 2, p. 178), both of which will delivery housing solutions in the long term.

Changes to the assets test exemptions for principal homes will reduce financial pressures on residentially mobile older Australians (Budget Paper No 2, p. 180). Access to **downsizer superannuation contributions** for people aged 55 to 59 are also expanded under this budget (Budget Paper No 1, p. 10). Combined, these measures are designed to encourage more older households to downsize from family homes.

Policy issues and indicators

Women are amongst the most vulnerable in the housing system, with lower average incomes and less savings and superannuation than men, making it difficult for many to achieve secure housing through the private housing market. Government emphasis should prioritise affordability across the housing system as a first step to gender equity.

Women in low-income households, including women who are essential workers, have particular need for affordable housing supply. There is an affordability crisis amongst key workers, particularly in larger cities and regions, with one recent study finding that 'twenty per cent of key workers across Sydney and 17 per cent across Melbourne' are in housing stress. Female dominated industries show particular crisis. In Sydney, 'close to 8,000 teachers are in households experiencing housing stress' and 'approximately 4,5000 registered nurses and midwives are living in overcrowded homes.' Essential workers are also more likely to endure long commutes, with consequences for workforce stability and home and community life.

Nationally, homelessness is increasing faster amongst women compared to men and women and children aged under 10 are overrepresented amongst people seeking homelessness support. Women account for 60 per cent of clients accessing specialist homelessness services (despite being only 50.7 per cent of the population), while 17 per cent of clients are children aged under 10 (despite being only 12.7 per cent of the Australian population). Single older women are one of the fastest growing groups of homeless people nationally. Women aged 45-55 have nearly double the risk of homelessness compared to men and older women who rent have more than two times the risk of homelessness as those with a mortgage. Women are also at higher risk of losing their housing due to domestic violence, rates of which have increased since COVID-19.

In 2020-21 nearly a third of households seeking homelessness assistance were unable to be assisted. Sixty-seven per cent of unassisted requests were from women (and in the case of single adults with children seeking support, 88 per cent of unassisted households were headed by women). The majority of these cases

involved requests for accommodation, which were not met ‘because there was no accommodation available at the time of the request’.

Single parent families face particular challenges. They are overrepresented in homelessness data, representing 34 per cent of clients (91,700) seeking homelessness support despite being only 15.8 per cent of families in Australia. Women head 82.4 per cent of single parent families. 38.4 per cent of single parent households are in the lowest income quintile (Q1) and 31.2 per cent in the second quintile (Q2). There is a national shortage of affordable and available rental housing for Q1 and Q2 households. The 2022 Anglicare Rental Affordability Snapshot found only 7 properties nationally affordable to a single JobSeeker recipient, and 20 for a single parent with two young children. The private rental market does not generate housing affordable to Q1 households and homeownership is out of reach.

Specialist Homelessness Services play a critical role in managing homelessness risks. However, to be sustainable, they must be supported by affordable, suitable housing across the housing system to enable women to prosper longer-term. Assistance and access to affordable and appropriate housing along the housing continuum - from crisis care to social housing, from the private rental sector through to home ownership – is essential to mitigate the risk of homelessness.

Gender implications

‘Access to safe and secure housing is critical for social and economic equality and good health outcomes. Unaffordable housing disproportionately impacts women as they have average lower incomes and wealth and are significantly more likely to be driven from their homes by violence’ (Australian Government 2022a, Women’s Budget Statement, p. 2).

This Budget represents a small step toward addressing women’s needs for safe and secure housing. However, in the context of a national housing crisis, with growing rents and record low vacancy rates in the private rental sector, and a national social housing wait list of nearly 200,000 households, the 40,000 social housing dwellings promised and committed to in this budget are severely inadequate. Housing insecurity and homelessness can be rapidly resolved through a proactive commitment to direct funding of sufficient social housing to meet the needs of low-income households before they experience housing crisis. With women and children overrepresented amongst those seeking homelessness support, a commitment to fund sufficient social housing is a critical step toward gender equity in Australia.

While providing a framework to address future housing supply, the Budget does nothing to support renters in housing stress in the private rental sector. Women who receive income support payments such as JobSeeker, Parenting Payment Single or the Aged Pension have been largely forgotten. Investment to ensure that JobSeeker recipients receive payment above the poverty line and an increase in Commonwealth Rent Assistance that recognises high rents and regional variability in property costs is an essential immediate step that should be taken to support this group.

Essential workers: Women represent a significant proportion of essential workers and stand to benefit from well-located affordable housing. The funded 10,000 affordable housing units guaranteed in the budget will, however, do little to address *current* need. It is also not clear what proportion of the 1,000,000 aspirational target for ‘well-located’ housing will be affordable, meaning that this housing may not meet the needs of women in lower income households or who are essential workers. Supply will also take a long time to come online, with no direct funding and building only mooted to commence from 2024 due to supply chain issues.

Queries also remain over the location of this housing. It is essential that planning decisions are approached holistically. In Sydney, for instance, current state planning prioritises housing development in critical food bowls, flood plains, and areas projected to be severely impacted by heat as a consequence of climate change. Building housing in these regions primes future social risks around food security and health and well-being that will unequally impact low-income households, many of whom are headed by women. As part of the

Housing Accord it is critical that government work closely with state and local government to mitigate such risks and avoid exacerbating social and environmental crisis as this building program picks up pace. It is especially important that any new communities created through this build are able to withstand future climate pressures, including heat. 7-star housing is a good start, but communities and the infrastructures that they depend on, including schools, public transport and walking networks, must also be accessible and liveable into the future.

Women buying their first home: It is pleasing that the government has moved away from First Home Buyer grants, which are connected with housing price inflation. The Help to Buy shared equity scheme, Regional First Home Buyer Guarantee and Family Home Guarantee may support women in eligible households to achieve first homeownership. At a time of house price uncertainty there are, however, risks built into any program that supports access to low-deposit home loans, including the possibility that housing values drop below the mortgage value.

Energy efficiency in housing: A commitment that housing built through the Accord will be 7-star or greater is an important step toward increasing the energy efficiency of new housing in Australia, and is likely to improve energy affordability for low-income earners who gain access to social and affordable housing built within this program. The Community Solar Banks program is projected to extend access to rooftop solar to social housing and rental accommodation and may support lower energy bills for households able to access the scheme (Budget Paper No 2, p. 73).

It is time to revalue housing in Australia: The housing crisis in Australia is underpinned by a view that housing is an investment, rather a human right and critical social infrastructure. When housing is seen as an investment there is a focus on profits from housing, rather than ensuring equal housing outcomes across society. Social housing is an important intervention. This budget's investment in social housing is, however, too small. Moreover, the budget reinforces the worrying view that housing is an investment, doing little to ensure affordability across the housing system, supporting first home buyers to access an already unaffordable market, while encouraging superannuation and other institutional investors to see housing as a place to grow wealth. We encourage those involved in drafting the new *National Housing and Homelessness Plan* (BP1, p.10) to take a more ambitious view, one that is organised around the universal need for housing and the role of housing as a [critical social and care infrastructure](#). All households require housing that is affordable, and housing that is affordable benefits the nation. Ensuring women's housing security is an essential first step toward a gender equal society.

Recommendations

It is recommended that:

- universal need for housing and the role of housing as an essential social and care infrastructure are placed at the centre of the forthcoming *National Housing and Homelessness Plan*
- JobSeeker and Commonwealth Rent Assistance Rates are immediately raised to support low and very low-income households to access the rental sector and lift these households out of poverty. Commonwealth Rent Assistance should be indexed to recognise regional variability in housing costs
- Government commits to directly funding sufficient social housing units to address the current waitlist and projected need
- new social and affordable housing and associated communities should be designed to withstand climate stresses, including urban heat, and

- taxation settings that stimulate the cost of housing in Australia should be removed, including negative gearing and capital gains tax discounts.

References

Australian Government (2022) Budget October 2022-23: Improving Housing Supply and Affordability. Commonwealth of Australian, Canberra [Budget October 2022-23 - Improving Housing Supply and Affordability](#)

Australian Government (2022a) Budget October 2022-23: Women's Budget Statement. Commonwealth of Australian, Canberra. [Women's Budget Statement](#)