

Key Policy in discussion	Housing
Portfolio and or agency	Treasury, National Indigenous Australians Agency, Climate Change, Environment and Water, Defence, Social Services
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Key authors	Associate Professor Emma Power, University of Western Sydney, Associate Professor Amity James, Australian Housing and Urban Research Institute – Curtin Research Centre

Key Portfolio Issues

The 2023-24 Budget shows some acknowledgement of the cost-of-living crisis via modest increases to Commonwealth Rent Assistance and changes to some income support payments. While this is a pleasing first step, there is no sign of the structural changes required to address the poverty that many Australian women face as housing costs escalate across the country. A key impression given by this Budget is of a government focused on market responses to housing poverty, despite the failure of these mechanisms in recent decades. Deepened commitment to lift the most disadvantaged households out of poverty via investment in income support and commitment to build social and affordable housing to address the national social housing wait list of nearly 200,000 households is needed moving forward.

Budget Measures

The **National Housing and Homelessness Agreement (NHHA)** with state and territories has received a one-year extension to 30 June 2024 ([2023-24 Budget Paper No 2](#), p.201). This long-standing indexed program will receive \$1.6 billion to improve access to affordable housing and homelessness support via the states ([2023-24 Budget Paper No 3](#), p.56). The program will receive an additional \$67.5 million in 2023–24 to support the transition to the Federal Government’s housing agenda and develop a new National Housing and Homelessness Plan (2023-24 Budget Paper No 2, p. 201).

In addition, the Australian Government is providing \$8m funding to state governments to trial social impact investments which aim to help people at risk of homelessness (2023-24 Budget Paper No 3, p. 58).

Commonwealth Rent Assistance: A modest increase of 15 per cent is proposed to the maximum rate, at a cost of \$2.7 billion over 5 years from 2022-23. It is estimated that this will benefit around 1.1 million households ([2023-24 Budget Paper No 1](#), p.14).

Social and affordable housing: The National Housing Finance and Investment Corporation’s (NHFIC) liability cap will be increased by \$2 billion to \$7.5 billion. NHFIC supports low-cost loans to community housing providers (2023-24 Budget Paper No 1, p.14). A change to the Investment Mandate will require NHFIC to support the delivery of 1,200 homes in each state and territory within 5 years of the Housing Australia Future Fund commencing operation (2023-24 Budget Paper No 2, p. 212).

The Government proposes to establish the **Housing Australia Future Fund (HAFF)** to create an ongoing funding stream to increase the supply of, and private investment into social and affordable housing. Legislation to establish the HAFF was introduced into Parliament in 2022–23 (2023-24 Budget Paper No 1, p. 398). Managed by NHFIC, the investment returns from HAFF would fund in the first 5 years:

- 30,000 new social and affordable dwellings, and
- \$300million for acute housing needs (2023-24 Budget Paper No 1, p. 114).

In addition, \$2.7 million in 2023–24 has been allocated to the Treasury to support delivery of priority housing measures (2023-24 Budget Paper No 2, p. 212).

The measures associated with the HAFF expand upon the *Safer and More Affordable Housing* budget measure deliver in 2022-23.

Access to home ownership: The Australian Government provides a guarantee of up to 15 per cent of property purchase price for eligible participants to support access to home ownership. Lenders claim against the guarantees, which NHFIC then claims. Three programs have been continued from the 2022-23 Budget in October: the First Home Guarantee, the Regional First Home Buyer and the Home Guarantee Scheme. The New Home Guarantee Scheme from the 2021-22 Budget closed in June 2022; however, guarantees previously issued remain active (2023-24 Budget Paper No 1, p. 325).

In this Budget, eligibility for the **First Home Guarantee** and **Regional First Home Buyer Guarantee** is expanded. Previously two borrowers using the Guarantee had to be a de facto couple or spouse; moving forward any two borrowers jointly applying will be eligible. In addition, the **Family Home Guarantee** will be accessible “to single legal guardians of dependents, in addition to natural and adoptive parents” (2023-24 Budget Paper No 1, p. 14). The **Home Guarantee Scheme** (2023-24 Budget Paper No 2, p. 212) will now be available to permanent residents (2023-24 Budget Paper No 1, p. 14), and non-first home buyers who have not owned a property in Australia for at least 10 years will be able to access to First Home Guarantee and Regional Home Guarantee (2023-24 Budget Paper No 2, p. 212).

Investment in housing for First Nations Communities: The Budget commits funds to support a number of programs which are designed to improve the housing outcomes of Indigenous Australians:

- A one-year grant extension of \$21.6 million to the Indigenous Boarding Providers for rural and remote First Nations students (2023-24 Budget Paper No 2, p. 191)

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- \$20.8 million, over two years, to Aboriginal Hostels Limited for urgent repairs and capital works to the service (2023-24 Budget Paper No 2, p. 191)
- \$23.3 million for the improvement of residential housing in the Wreck Bay Village. (2023-24 Budget Paper No 2, p. 191), and
- “\$111.7 million in 2023-24 for a new one-year partnership with the Northern Territory Government to accelerate building of new remote housing to reduce overcrowding.” (2023-24 Budget Paper No 2, p. 190).

As part of the Northern Territory Remote Aboriginal Investment Children and Schooling Implementation Plan, funds are allocated to support teacher housing in remote and very remote schools (2023-24 Budget Paper No 3, p. 42).

In 2019, the Australian Government, the Northern Territory Government, and Energy Resources Australia (ERA) signed a Memorandum of Understanding in regard to the transfer of ownership of Jabiru to the Traditional Owners. As part of the transfer of ownership of Jabiru to the Traditional Owners the Government is committed to rehabilitation work, which includes improving housing stock (2023-24 Budget Paper No 1, p. 292).

One hundred million dollars has been allocated for critical housing and essential infrastructure on Northern Territory Homelands (\$25 in 2022-23 and \$75 in the current budget year), and funding targeted toward addressing “homelessness, poor housing conditions and severe housing shortages” in remote NT communities (\$323.7 in 2022-23 and \$111.7m in the current budget year (2023-24 Budget Paper No 3, p. 58)).

Build-to-rent (BTR) housing: The withholding tax rate for newly constructed BTR developments on eligible fund payments from managed investment trusts will be reduced from 30 to 15 per cent (to apply from 1 July 2024). In addition, there will be an increase to the capital works tax deduction (depreciation) rate, from 2.5 to 4 per cent per year. These are to support development of build-to-rent housing (2023-24 Budget Paper No 1, p.4). Eligibility includes construction commencing after 7:30PM (AEST) on 9 May 2023. Eligible developments will include 50 or more apartments or dwellings for rent by the general public. They must be retained by a single owner for at 10 years, and landlords must offer lease terms of at least 3 years for each dwelling. Consultation on further details, including affordability tenancies and minimum length of single ownership will be undertaken (2023-24 Budget Paper No 2, pp. 19-20).

The Budget commits \$2.0m to **Defence Housing** in 2023-24. Funding is allocated to conduct a review of Defence Housing to reduce housing burdens and encourage home ownership among ADF personnel (2023-24 Budget Paper No 2, p. 96). Funding commitments represent a decrease which reflects a change in the property investment strategy by Defence Housing Australia to better meet the housing needs of the Australian Defence Force (2023-24 Budget Paper No 1, p. 233).

Overall, expenditure for housing and community amenities, which includes the Government’s contribution to the National Housing and Homelessness Agreement and other Australian

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Government housing programs is expected to decrease by 26.1 per cent in nominal terms and by 31.8 per cent in real terms over the period 2023–24 to 2026–27 (2023-24 Budget Paper No 1, p. 217). This is largely due to the decrease in payments under the National Rental Affordability Scheme which is now closed to new applicants (2023-24 Budget Paper No 1, p. 217). Partial offset is anticipated by additional expenses related to the Housing Australia Future Fund and Defence Housing Australia.

Energy efficient housing: A Household Energy Upgrades Fund will be established. The Fund will provide \$1.0 billion to the Clean Energy Finance Corporation. Funds will be used to support “more than 110,000 low-interest loans for energy-saving home upgrades, in partnership with private lenders” (2023-24 Budget Paper No 1, p. 10). An additional \$300.0 million will support energy performance upgrades in social housing, in partnership with states and territories (2023-24 Budget Paper No 1, p. 11).

Over \$36 million will support energy ratings programs, including expanding the Nationwide House Energy Rating Scheme so that it covers “existing homes as well as new builds”, an energy efficiency star rating system is proposed that would overlap the rental, renovations and home buyer sectors (2023-24 Budget Paper No 1, p. 11). (See **Climate Change and Energy.**)

JobSeeker, Youth Allowance and Parenting Payment changes: While not within the housing portfolio, a proposed increase to JobSeeker and Youth Allowance payments (\$40 per fortnight) and extension of Parenting Payment (single) to include single parent carers whose youngest child is under 14 years (from the current 8 years, giving this group an additional \$176.90 income per fortnight) will bring modest cost of living benefits to these groups, including supporting housing access (2023-24 Budget Paper No 1, p. 12 – and see **Social Security**).

Younger People in Residential Aged Care: The budget delivers \$7.3 million over 3 years from 2023–24 to deliver a suite of schemes to reduce the number of people under the age of 65 living in residential aged care (2023-24 Budget Paper No 2, p. 207); however, there is no mention of additional resources to provide accommodation.

Background: current circumstances of women in this portfolio

Women experience housing disadvantage. Lower average incomes, and less savings and superannuation than men construct barriers to achieving housing security via the private housing market. Government commitment to ensure affordability *across* the housing system, including via enumerated commitments to address the social housing shortfall, is a necessary first step to gender equity.

The [2023-24 Women’s Budget Statement](#) recognizes that “stable and affordable housing is a key enabler of meaningful economic and social participation” (p.17). Women in low-income households, including those who are essential workers, often struggle to meet this benchmark – particularly in large cities and regions. [Research conducted by the Australian Housing and Research Institute](#) (pp. 30 ff.) has found that in Sydney, for example, twenty per cent of key

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workers are in housing stress, while in Melbourne the figure is seventeen percent. Female dominated industries are at particular risk. 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.” In turn these households are more likely to live further from work, completing long commutes that have consequences for workforce stability and home and community life.

Homelessness amongst women is increasing. The [2021 Census](#) showed a 10 per cent increase in the number of women who are homelessness, compared to a 2 per cent increase in the number of men who are homeless since 2016. Homelessness amongst younger women aged 18-24 “increased from 68 out of every 10,000 in 2016 up to 70 out of every 10,000 in 2021”. In contrast the rate of homelessness amongst men in this age group dropped from 77 to 71 per 10,000.

Single parent families face significant challenges. There were 1 million single parent families in Australia in June 2022, and [nearly 80 per cent of these were single mothers](#). Single parent families are overrepresented amongst those seeking homelessness support, representing [33% of clients](#), despite being only [15.9% of the population](#). Women seeking homelessness support are more likely than men to be single parents with one or more children ([41% of female clients, compared to 25% of males](#)).

Income support payments that put single parent families under the poverty line help to explain some of this housing insecurity. The [2023 Anglicare Rental Affordability Snapshot](#) shows that in March 2023 only 40 rental properties nationally were affordable to a single parent with two young children who received the parenting payment. Those with children over the age of 8 years who receive JobSeeker, could afford only eight properties across the country.

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 of these Budget measures

The 2023-24 Budget represents a modest step toward addressing women’s needs for safe and secure housing.

Commonwealth Rent Assistance and income support recipients: Modest increases to the JobSeeker and Youth Allowance payments and the proposal that people aged 55 and over will receive the higher single rate of JobSeeker if they receive payment for nine continuous months or more, will provide a small boost to those who receive the payments. The Government particularly flags benefits for the 49 per cent of Commonwealth Rent Assistance recipients that are single women (compared to 30 per cent that are single males) (2023-24 Women’s Budget

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Statement, p.17). However, while it is pleasing to see recognition of the cost of living crisis amongst these groups, the increase will not lift these groups out of poverty or make them competitive in what is already an expensive housing market across the country. Housing insecurity amongst low-income households – many of whom are women and single parent families headed by women – is likely to continue to worsen.

Build-to-rent: Changed tax rates for build-to-rent developers may stimulate development in this sector, but with average rents in the sector sitting well above market prices this measure will not support low-income households. The Government proposes consultation on inclusive zoning of affordable housing within build-to-rent developments. Provision of affordable housing in perpetuity should be a condition of receiving tax benefits.

Social housing commitments: The Government makes no new commitment to build social housing. 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. With a national social housing wait list of nearly 200,000 households, the 40,000 social housing dwellings promised in the October 2022-23 Budget is inadequate, and it is disappointing that the Government makes no further commitment to increase the number of dwellings delivered in this Budget.

Energy efficient housing: Loans for households making energy-saving home upgrades may offer some cost-of-living relief for households who can afford to take up this measure. The allocation of \$300.0 million to support energy-saving home upgrades in social housing is pleasing and will bring benefit to the women in housing that are part of this program (noting that in 2019-20 women represented 55 per cent of occupants of social housing) (2023-24 Women's Budget Statement, p.17). It is unlikely that this program will support households in the private rental sector, and subsequent increases in utility costs are likely to continue adding to housing stress. Like many of the proposals in this Budget, this is a modest one and more is needed to ensure that Australia's social housing stock meets current standards for energy efficiency.

Recommendations

It is recommended that:

- the 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 raised to lift these households out of poverty. Commonwealth Rent Assistance should be indexed to recognize regional variability in housing costs

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- 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 are designed to withstand climate stresses, including urban heat
- taxation settings that stimulate the cost of housing in Australia are removed, including negative gearing and capital gains tax discounts, and that
- where housing development attracts a tax benefit recipients should provide social benefit in the form of social and affordable housing.

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