

# Budget 2021 – Housing

## Housing and homelessness overview

The 2021-22 budget supports home purchasers and eligible owner-occupiers building or renovating a home. Single parents seeking to enter or re-enter home ownership are a new inclusion in this group. Older downsizers may benefit from superannuation contribution changes.

Women living on low incomes and experiencing housing insecurity and homelessness gain little support. State supports through the National Housing and Homelessness Agreement are maintained, however, the absence of funding outside the agreement is a missed opportunity to contribute to the national supply of affordable housing. This is particularly stark in light of the focus on other forms of infrastructure elsewhere in the budget.

Women outside of home ownership will continue to struggle, particularly the growing number heading low-income households or entering retirement without the security of owning their home. Despite evidence to indicate the inadequate funding for CRA, there has been no change to funding.

Further information is also required in relation to how shared custody arrangements interact with the Single Parent Family Home Guarantee. For example, is a parent with a low proportion of care responsibilities eligible for the scheme -- a scenario which may favour the non-custodial, often male, parent.

## Housing and homelessness

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### The Budget

Affordable housing and homelessness

National Housing and Homelessness Agreement

The indexed National Housing and Homelessness Agreement (NHHA) with state and territories is maintained with no increase at approximately \$1.6 billion per annum committed to improve access to affordable housing and prevent and address homelessness (Budget Paper 3, p. 50).

**Social and Community Services Supplementation Funding:** \$124.7 million over two years from 2021-22 (with no commitment after that time) provided to states and territories to “meet wage requirements under the 2011 Fair Work Australia decision on social and community services wages, where that requirement has not already been met”, or increase public housing stocks (Budget Paper 2, p, 183).

**Table 2.7: Payments to support state affordable housing services**

\$million	2020-21	2021-22	2022-23	2023-24	2024-25
<b>National Housing and Homelessness Agreement</b>	1,594.5	1,616.2	1,639.8	1,598.6	1,619.4
<b>National Partnership payments</b>					
HomeBuilder	680.0	1,515.5	459.6	-	-
Northern Territory Remote Aboriginal Investment					
Remote Australia strategies component	3.7	3.7	-	-	-
Remote housing	237.2	185.0	110.0	-	-
Social Impact Investments					
Vulnerable priority groups	0.5	1.1	0.5	0.5	0.5
Youth at risk of homelessness	0.5	1.1	0.5	0.5	0.5
<b>Total National Partnership payments</b>	<b>921.9</b>	<b>1,706.3</b>	<b>570.7</b>	<b>1.1</b>	<b>1.1</b>
<b>Total</b>	<b>2,516.5</b>	<b>3,322.5</b>	<b>2,210.5</b>	<b>1,599.7</b>	<b>1,620.5</b>

**National Housing and Homelessness Agreement (a)(b)**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	488.8	413.6	327.9	171.0	111.3	34.6	27.1	20.3	1,594.5
2021-22	493.2	419.8	333.7	173.8	112.6	35.1	27.5	20.4	1,616.2
2022-23	498.6	427.0	339.7	176.6	113.9	35.6	27.8	20.6	1,639.8
2023-24	495.5	412.0	331.9	169.8	110.0	34.0	26.1	19.3	1,598.6
2024-25	500.8	419.3	336.3	172.0	110.8	34.3	26.4	19.4	1,619.4
<b>Total</b>	<b>2,476.9</b>	<b>2,091.8</b>	<b>1,669.4</b>	<b>863.1</b>	<b>558.6</b>	<b>173.7</b>	<b>135.0</b>	<b>100.0</b>	<b>8,068.6</b>

Source: Modified from Budget Paper No 3, Table 2.7 Payments to support state affordable housing services.

National Partnership payments for affordable housing

\$1.7 billion is allocated to affordable housing over the financial year through:

**Homebuilder:** Part of the COVID-19 Response package, the six-month construction commencement period was extended in April 2021 from six months to 18 months to ensure existing applicants were not denied participation for circumstances outside their control (Budget Paper No 3, p.51.). Payments through the scheme are expected to increase from \$680 million in 2020-2021 to \$774.8 million in 2021-22 (Budget Paper 1, p. 83).

**Remote housing:** \$185.0 million in 2021-22, is allocated to the “delivery of new houses, housing refurbishments and housing-related infrastructure” and incentivise “more sustainable housing

systems” in the Northern Territory (Budget Paper No 3, p52). In addition, as part of the **Remote Australia strategies component**, \$3.7m is allocated to the Northern Territory Remote Aboriginal Investment to improve public housing in remote communities (Budget Paper 3, p. 52)

**Social impact investments:** \$2.2 million has been assigned to trial impact investments to assist vulnerable groups, particularly youths at risk of homelessness (Budget Paper No 3, p. 53).

#### Indigenous Home Ownership Program

The three-year commitment of \$150 million to Indigenous Business Australia for new housing construction loans in regional Australia (announced in the 2020-21 budget) is continued.

#### National Housing Finance and Investment Corporation

The National Housing Finance and Investment Corporation guarantee is unchanged (Budget Paper No 1, p. 256 Table 9.2). NHFIC will administer two schemes designed to support home ownership among first home buyers and single parents entering or re-entering the ownership market.

- **The First Home Loan Deposit Scheme (FHLDS):** Extended by an additional 10,000 places under the New Homes Guarantee in 2021-22. These allow eligible first home buyers to build or purchase a newly constructed home with a 5 per cent deposit (Budget Paper No 1, p. 287). Home price caps vary by capital city and state (for example, \$700,000 NSW capital city and regional centre; \$450,000 rest of state; \$600,000 Vic capital city and regional centre; \$375,000 rest of state).
- **Family Home Guarantee:** New program allowing up to 10,000 “single parents with dependents to enter, or re-enter, the housing market with a deposit of as little as 2 per cent.” (Budget Paper 2, p. 188). Scheduled to commence 1 July 2021, subject to the passage of legislation (Budget Paper No 1, p. 287)

#### First Home Super Saver Scheme (see Superannuation)

The maximum voluntary contribution that can be released under the First Home Super Saver Scheme will be increased from \$30,000 to \$50,000 from 1 July 2022 (Budget Paper 2, p. 17).

#### Commonwealth Rent Assistance

Commonwealth Rent Assistance (CRA) rate is unchanged (Department of Social Services 2021 Budget Statements, pp. 52 and 60). A partial subsidy, based on household composition, it is capped at \$140.80 for singles and \$187.04 for couples with three or more children.

#### Other measures affecting housing

**Downsizer contribution:** The eligible age for downsizer contributions will decrease from 65 to 60 years of age (2021 Budget Paper No. 2, Budget Measures p. 18). This measure allows those downsizing their family home to make a one-off, post-tax contribution to their superannuation of up to \$300,000 per individual from the processed from selling their home, without it counting towards non-concessional contribution caps.

## Gender implications

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### Why is this an issue for women?

Secure, affordable housing is a human right. Housing is also an essential care infrastructure. Without secure housing, access to education and employment are disrupted. It is also more difficult to access Home Care Packages to enable aging in place. 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.

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% of clients accessing specialist homelessness services (despite being only 50.7% of the population), while 17% of clients are children aged under 10 (despite being only 12.7% of the Australian population). Single older women are one of the fastest growing groups of homeless people nationally. 245,000 women aged 55 and over, and 430,000 women aged 45 years and over are at risk of homelessness. 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 1 in 3 women and girls experiencing family violence who approached specialist homelessness services needing accommodation were unable to be housed. Migrant and refugee women are disproportionately affected by domestic family and sexual violence and consequently at greater risk of homelessness. The Women's Budget Statement notes that "in 2016-17, Indigenous women aged 15 and over were 34 times as likely to be hospitalized due to family violence as non-Indigenous women." Housing support is vital for women leaving family violence.

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. In 2016, 4 in 5 Q1 households paid unaffordable levels of rent. The 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.

## What are the 2021 Budget impacts on women?

Women with low incomes and experiencing housing insecurity or homelessness gain little support from the budget, which primarily maintains existing agreements in the NHHA. The large numbers of women requiring secure social housing including older women and single parents on low incomes will continue to face an elevated risk of homelessness. The growing incidence of domestic violence observed during the pandemic heightens these risks. Lack of alternative housing options, including crisis care, may hinder women leaving dangerous domestic contexts.

This budget supports home ownership. Middle- and higher-income women planning to buy a first home, to build or undertake substantial renovations to a home, may benefit from the extension of the First Home Loan Deposit Scheme or HomeBuilder. Single parents with sufficient income to sustain mortgage payments may access home ownership through the new Family Home Guarantee. Significantly, this program supports re-entry to homeownership, providing women who have previously been homeowners with an opportunity to re-enter the housing market if they have sufficient income. The government indicates that 125,000 single parent families would be eligible. However, in practice only a very small number of families are likely to benefit. Analysis suggests that only [7.4 per cent of single parent renters](#) are likely to take advantage of the program and the majority will pay more in repayments than they currently do on rent. Accelerating house prices also mean that these programs may be insufficient, and bring economic risk through encouraging home buyers to become over leveraged.

Further information is also required in regard to shared custody arrangements. For example, is a parent with a low proportion of care responsibilities eligible for the scheme -- a scenario which may favour the non-custodial, often male, parent.

There are also many more single parents who receive income support payments who would be unable, or face substantial barriers, to accessing the program (estimated [340,000 receiving Parenting Payment Single, Jobseeker and Youth Allowance Other](#)). These families would benefit from access to social housing and better support in the private rental market. Housing economists have recently identified the economic benefits of investment in affordable and social housing, suggesting this as a [housing-led economic recovery strategy in response to COVID-19](#).

There is no change to Commonwealth Rent Assistance (CRA). Women now make up over half of CRA recipients nationally. Older renters are especially vulnerable, [with 21 per cent paying more than 60 per cent of their income](#), including CRA, towards rent. [56 per cent of women receiving JobSeeker](#) are aged 45 years and over, and 27 per cent are primary carers of dependent children. The inadequacy of CRA is highlighted in the [2021 Anglicare Rental Affordability Snapshot](#) which found only “just three rentals (0 per cent) ... were affordable for a single person on the JobSeeker payment” and less than one per cent were affordable for a single Aged Pension recipient. Private renters are the [fastest growing part of the Australian housing system](#). The opportunity to support households struggling in this sector was missed in the budget.

## Older women

Older female homeowners seeking to downsize can benefit from changes to the downsizer superannuation contribution. Targeted to with surplus funds after selling their main residence, we expect it to be more accessible to those women in the higher income and asset range.

## Migrant and Refugee Women

The visa and economic situation of migrant and refugee women prevents them from [having equal access to the housing market](#). The budget does not address these structural barriers.

## Aboriginal and Torres Strait Islander Women

Aboriginal and Torres Strait Islander Women and their children continue to experience [acute shortages in housing support and culturally safe service in remote and regional areas](#), despite housing being one socio-economic target established to improve outcomes for Aboriginal and Torres Strait Islander peoples. The budget directs some funding to Indigenous households. However, it geographically limited, short-term and disparate to the scale of the housing gap.

## Recommendations

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- Increase direct investment in social housing to support the growing number of women in need of secure, affordable housing. Investment in social housing has broader economic benefits, supporting employment and income growth. [Every dollar invested in social housing is estimated to boost GDP by \\$1.30](#).
- Raise Commonwealth Rent Assistance rates to immediately support very low-income households to access the rental sector. Single older women who are not homeowners and single mothers and their children will be supported through this measure.
- National funding to address the housing needs of Aboriginal and Torres Strait Islander women through programs that support self-determination and address the known housing gap, in all housing sectors.