
Summary of proposals

1. A New Ministry and Ministerial Council

- The Commonwealth Government should appoint a Minister for Housing and Urban Development at Cabinet level and join with the States in establishing a corresponding National Ministerial Council.
- The severe shortage of affordable housing should be urgently referred for consideration by the Council of Australian Governments (COAG).

2. A National Affordable Housing Agreement

- The Commonwealth and State governments, in consultation with local governments, should adopt a 5-year National Affordable Housing Agreement to substantially increase the supply of affordable housing.
- The Agreement should cover all major forms of government assistance for providers or occupants of affordable housing, including capital grants, rent assistance, fee or debt relief and tax measures.

3. A National Affordable Housing Goal

- The new Agreement should establish a National Affordable Housing Goal of halving by 2025 the proportion of lower-income households who are living in unaffordable housing.
- It should also set specific benchmarks at national, State and regional levels for achieving progress towards the Goal during the period up to 2025.

4. Finance for public and non-profit housing

- The new Agreement should boost the supply of low-rent housing by establishing a new Capital Grants Program which is earmarked solely for building or buying additional government and non-profit housing rather than for operating subsidies.
- It should create a separate Recurrent Subsidies Program under which the Commonwealth makes payments to public housing providers which are equivalent in value to Commonwealth Rent Assistance for each of their dwellings, based on market rents, and also makes appropriate payments to non-profit providers.
- Commonwealth expenditure under these new programs should be matched by the States in an agreed ratio, replacing the current system of matched grants under the Commonwealth-State Housing Agreement (CSHA).

5. A National Affordable Rental Incentive

- The Agreement should create a National Affordable Rental Incentive (NARI) scheme to attract substantially increased private investment in low-rent housing for lower-income households.

- A specified number of NARIs, involving both Commonwealth and State contributions, should be available for allocation each year subject to conditions about rent discounts, household incomes and security of tenure.
- In the scheme's initial years, all or most qualifying dwellings should have to be newly-constructed and managed by non-profit housing organisations. The development of large organisations of this kind should be strongly encouraged.

6. A Residential Infrastructure Fund

- The Commonwealth should create a Residential Infrastructure Fund to help States provide adequate and timely infrastructure for areas in which rapid housing growth is occurring or anticipated.
- Establishment of the Fund should be accompanied by national guidelines for local authorities about ways of implementing improved planning processes to strengthen the supply of appropriate affordable housing and related infrastructure.

7. Commonwealth expenditure

- The Commonwealth should allocate a combined total of at least \$200m to the National Affordable Rental Incentive scheme and the Capital Grants Program in the first year, rising to a total of at least \$500 million per annum by the fifth year.
- Commonwealth funding for the Residential Infrastructure Fund should start with at least \$250 million in the first year and grow to at least \$500 million per annum by the fifth year.
- These costs could readily be met from current Commonwealth revenue. If pressures on that source so required, public borrowing for infrastructure investment of this kind would be entirely appropriate.

8. State expenditure

- Each State should commit to a five-year program of progressive increases in their funding for public and non-profit housing as part of the National Affordable Housing Agreement.
- These commitments should include contributing to the new NARI scheme and Capital Grants Program at least half as much as the Commonwealth contributions proposed above.