



Australian Government

Australian Government Response to the Senate Economics Legislation Committee Report

Housing Australia Future Fund Bill 2023 [Provisions]
and related bills

January 2024

Introduction

The 3 Bills that form the Housing Legislative Package will support improved access to safe, secure and affordable housing for all Australians.

The Housing Australia Future Fund Bill 2023 (HAFF Bill) establishes the Housing Australia Future Fund (HAFF). Disbursements from the HAFF will support the delivery of 30,000 new social and affordable dwellings over its first 5 years of operation, as well as help address acute housing needs for some of the most vulnerable in our society.

The National Housing Supply and Affordability Council Bill 2023 will establish the National Housing Supply and Affordability Council (Council) as an independent statutory advisory body, with independence a central feature of its operation. The Council will inform the Commonwealth's approach to housing policy by delivering independent advice to the Government on housing supply and affordability. Establishing the Council will help ensure that the Commonwealth can play a leadership role in improving housing supply and affordability.

The Treasury Laws Amendment (Housing Measures No. 1) Bill 2023 will rename the National Housing Finance and Investment Corporation as Housing Australia and expand its activities to support the delivery of social and affordable dwellings under the HAFF. It will also establish an annual review mechanism for the National Housing Infrastructure Facility and provide certainty to the community housing sector by extending Housing Australia's legislated Commonwealth guarantee until at least 30 June 2028.

The Government thanks the Senate Economics Legislation Committee for its inquiry into these bills, and thanks those organisations and individuals who made submissions to the inquiry and participated in the public hearing.

The Government's responses to the recommendations made in the Committee's final report are provided below. In line with the guidelines on Government responses, recommendations that a bill or bills be passed, rejected, or amended have not been responded to. This includes the Committee recommendations, the Coalition Dissenting Report recommendations, and recommendation 14 in the Australian Greens Dissenting Report. The only recommendations in the main Report are that the Senate pass the bills.

The statutory reviews provisioned for in the *HAFF Act 2023* will provide additional opportunities to consider possible future changes to improve the outcomes achieved through the HAFF, noting that the Government has agreed to bring forward the first statutory review of the HAFF from 31 December 2028 to 31 December 2026.

Response to the recommendations

Australian Greens Dissenting Report recommendations

Recommendation 1

Rather than making funding conditional on uncertain Future Fund returns, the HAFF bill should be amended to guarantee an ongoing minimum level of housing funding, indexed to the consumer price index.

Australian Government response

The Government **supports** this recommendation.

Disbursements from the HAFF are not conditional on investment returns from the HAFF in any given year. The Government has agreed that the HAFF will disburse a fixed amount of \$500 million in each financial year from 2024–25, indexed by the annual growth in CPI from 2029–30.

In addition, the Government agreed to amend the HAFF Bill to allow the annual disbursement amount from the HAFF to be increased in the future by the Treasurer and Minister for Finance through a disallowable legislative instrument.

Recommendation 2

The Housing Australia Future Fund should be used to invest directly in social and affordable housing, rather than invested via the Future Fund.

Australian Government response

The Government **does not support** this recommendation.

The policy intent of establishing the HAFF is to provide a legislated funding source, protected from the whims of future governments, to support social and affordable housing delivery over the long term. The Government will enter into contracts with housing providers to deliver social and affordable homes under the HAFF. This approach will provide the certainty the sector needs to attract and make long-term investments and increase new supply. This approach is in addition to direct funding and investment through states and territories, and leverages greater investment than direct funding alone can provide.

In addition to the HAFF, the Commonwealth is working with States and Territories to increase housing supply for Australians. This includes:

- The Social Housing Accelerator, \$2 billion in funding for states and territories to deliver thousands of new social homes across Australia
- A new national target to build 1.2 million well-located new homes over 5 years, from 1 July 2024
- The New Homes Bonus, \$3 billion of performance-based funding for states and territories who achieve more than their National Housing Accord targets and undertake reforms to boost housing supply and improve housing affordability
- The Housing Support Program, a \$500 million competitive funding program for local and state governments to kick-start housing supply
- Increasing Housing Australia's liability cap by \$2 billion to support more social and affordable rental homes
- The National Housing Infrastructure Facility, which has been expanded to permit investment in social and affordable housing and which will also receive an additional \$1 billion for social housing.

Recommendation 3

Given the current shortfall of 640 000 social and affordable homes nationwide—forecast to grow by 75 000 over the next 5 years—and the National Housing Finance and Investment Corporation’s estimate that \$15 billion per year of social and affordable investment is required over the next 20 years, the quantum of housing funding delivered through this package should be significantly increased to a minimum of \$5 billion per year in real terms.

Australian Government response

The Government **does not support** this recommendation.

In addition to the HAFF and the National Housing Accord, the Commonwealth is working with States and Territories to increase housing supply for Australians. This includes:

- The Social Housing Accelerator, \$2 billion in funding for states and territories to deliver thousands of new social homes across Australia
- A new national target to build 1.2 million well-located new homes over 5 years, from 1 July 2024
- The New Homes Bonus, \$3 billion of performance-based funding for states and territories who achieve more than their National Housing Accord targets and undertake reforms to boost housing supply and improve housing affordability
- The Housing Support Program, a \$500 million competitive funding program for local and state governments to kick-start housing supply
- \$1.7 billion one-year extension of the National Housing and Homelessness Agreement with States and Territories
- Increasing Housing Australia’s liability cap by \$2 billion to support more social and affordable rental homes
- The National Housing Infrastructure Facility, which has been expanded to permit investment in social and affordable housing and which will also receive an additional \$1 billion for social housing.

Recommendation 4

To address the declining proportion of social housing in historical terms, the legislative package should include an aim for the Housing Australia Future Fund and the National Housing Supply and Affordability Council to reach a target of 10 per cent of all Australian housing being social housing by 2050.

Australian Government response

The Government **notes** this recommendation.

There is currently no consensus on what proportion of the total housing stock should be accounted for by social and affordable housing. The Government has committed to deliver 30,000 new social and affordable housing dwellings over the first 5 years of the HAFF's operation and an additional 10,000 affordable houses through the National Housing Accord.

In addition, the Commonwealth is working with States and Territories to increase housing supply for Australians, including:

- The Social Housing Accelerator, \$2 billion in funding for states and territories to deliver thousands of new social homes across Australia
- A new national target to build 1.2 million well-located new homes over 5 years, from 1 July 2024
- The New Homes Bonus, \$3 billion of performance-based funding for states and territories who achieve more than their National Housing Accord targets and undertake reforms to boost housing supply and improve housing affordability
- The Housing Support Program, a \$500 million competitive funding program for local and state governments to kick-start housing supply
- \$1.7 billion one-year extension of the National Housing and Homelessness Agreement with States and Territories
- Increasing Housing Australia's liability cap by \$2 billion to support more social and affordable rental homes
- The National Housing Infrastructure Facility, which has been expanded to permit investment in social and affordable housing and which will also receive an additional \$1 billion for social housing.

Recommendation 5

Given the current rental affordability crisis, this package should be amended to include concrete measures for the millions of households in rental stress, such as doubling the rate of Commonwealth Rent Assistance and instituting nationwide rent controls.

Australian Government response

The Government **does not support** this recommendation.

These proposals are beyond the scope of the legislative package. The 2023–24 Budget delivered the largest increase to Commonwealth Rent Assistance maximum rates in more than 30 years, with a 15 per cent increase at an ongoing cost of around \$700 million per year.

The regulation of residential tenancies, including rental agreements and pricing, is a matter for state and territory governments. On 16 August 2023, National Cabinet agreed to A Better Deal for Renters, which includes developing a nationally consistent policy to require genuine reasonable grounds for eviction, moving towards limiting rental increases to once a year and phasing in minimum rental standards.

In addition, where other jurisdictions have made a number of attempts to regulate rent prices, the evidence suggests that they would likely have a range of unintended consequences and lead to a reduction in rental supply and increase in rental costs in the long term.

Ultimately, the best way to improve rental affordability is to increase supply, which is what the Government is helping to do through its housing agenda, including the HAFF.

Recommendation 6

To address the chronic shortfall of adequate housing for First Nations peoples, the legislative package should be amended to include a minimum investment of \$1 billion over 5 years for First Nations housing in urban, regional and remote areas and upgrades and repairs in remote Indigenous communities.

Australian Government response

The Government **notes** this recommendation.

The HAFF and other major housing programs, such as the National Housing and Homelessness Agreement, will benefit First Nations people. The HAFF includes a commitment to provide \$200 million for the repair, maintenance and improvements of housing to meet the specific needs of remote Indigenous communities. The Government recognises the need for housing in remote areas and provides support for Indigenous housing through the National Partnership for Remote Housing Northern Territory, which has provided \$1.1 billion over 5 years. The Government is also providing \$111.7 million for a new one-year partnership with the Northern Territory (NT) Government in 2023, and funding of \$100 million for NT Homelands. In parallel, the Government is also considering future arrangements to improve housing in remote NT communities and homelands.

The Government is working in partnership with the National Aboriginal and Torres Strait Islander Housing Association, state and territory governments, the Coalition of Peaks and independent First Nations representatives through the Housing Policy Partnership under the National Agreement on Closing the Gap to improve First Nations housing outcomes.

The Australian Government has committed \$9.2 million over 3 years from 2022–23 to 2024–25 to establish the Housing Policy Partnership (the Partnership) under Priority Reform 1 of the National Agreement. The Partnership is providing a forum for Aboriginal and Torres Strait Islander people to have a genuine say in the design and delivery of Aboriginal and Torres Strait Islander housing services.

Recommendation 7

The Housing Australia Future Fund Investment Mandate and updated Housing Australia (NHFIC) Investment Mandate should be made available for scrutiny immediately.

Australian Government response

The Government **supports in principle** this recommendation.

The *Housing Australia Future Fund Investment Mandate Direction 2023* was made by the Treasurer and the Minister for Finance on 1 November 2023 and is available on the Federal Register of Legislation.

A draft of the Housing Australia Investment Mandate Direction was released for a period of public consultation. As with the draft Bill, interested stakeholders were provided an opportunity to make submissions to that consultation.

Recommendation 8

To maintain the real value of housing investment and increase the likelihood of the Housing Australia Future Fund (HAFF) meeting its target, the HAFF bills should be amended so that any cap of annual housing spending is indexed to inflation.

Australian Government response

The Government **supports** this recommendation.

To help maintain the real value of disbursements from the HAFF, the Government amended the HAFF Bill such that the annual disbursement amount will be indexed by the annual growth in CPI from 2029–30.

In addition, the Government amended the HAFF Bill to allow the annual disbursement amount from the HAFF to be increased in the future by the Treasurer and Minister for Finance through a disallowable legislative instrument.

Recommendation 9

Given the uncertainty about how many homes Housing Australia Future Fund (HAFF) funding can support, and the urgent nature of the housing crisis, the review of the Housing Australia Future Fund should be brought forward to occur within 2 years of the commencement of the Housing Australia Future Fund Act 2023, and every subsequent 2 years. The review should include evaluation of the adequacy of HAFF funding to make progress in decreasing the shortfall of social and affordable housing.

Australian Government response

the Government **partially** supports this recommendation.

The Government has agreed to bring forward the first statutory review of the HAFF from 31 December 2028 to 31 December 2026. This will provide an earlier opportunity to assess whether the HAFF is delivering on its objectives and to recommend any improvements.

Recommendation 10

The legislative package should be amended to define affordable housing as rental housing, provided in perpetuity, which costs no more than 30 per cent of income for the bottom 40 per cent of households, by income, to ensure that all housing supported by the HAFF is genuinely affordable for those in need.

Australian Government response

The Government **notes** this recommendation.

There is no commonly accepted definition of affordable housing, including between the states and territories. Affordable housing is accordingly not defined in the HAFF Bill. The term is explained – along with other key terms – in the Explanatory Memorandum. Adopting a single definition of affordable housing in the HAFF Bill would risk unnecessarily precluding the ability of the HAFF to operate in partnership with state and territory affordable housing initiatives.

The Government will work with states and territories with a view to developing a consistent definition of affordable housing across jurisdictions.

Recommendation 11

The legislative package should be amended to require the Boards of the National Supply and Affordability Council and Housing Australia to include a representative from the social housing and homelessness sectors, a First Nations representative, and representatives from low-income households, persons with lived experience of homelessness and social housing residence, and persons with disabilities, to ensure that decision making includes those most in need of social and affordable housing. Additionally, the Boards should exclude individuals who have significant links to property development or the banking sector, to ensure that the industries that have fuelled Australia's housing crisis do not have undue influence over housing policy.

Australian Government response

The Government **notes** this recommendation.

Under the National Housing Supply and Affordability Council Bill 2023, the Minister must be satisfied that each appointee has substantial experience, expertise or qualifications and significant standing in at least one of the following fields:

- economics
- development
- planning
- residential construction
- demography
- social housing
- social policy
- housing and homelessness policy
- regional, rural and remote housing policy
- the housing needs of Aboriginal persons and Torres Strait Islanders
- regulation, taxation or government policy relating to housing.

The Government agreed to an amendment to add “accessibility for people with disability” to this list.

As well as drawing on their individual experience, the Council will be able to undertake stakeholder engagement with groups across the community.

Regarding the Board of Housing Australia, Schedule 1 of the Treasury Laws Amendment (Housing Measures) Bill expands the field of qualifications, skills or experience of potential Housing Australia Board members to include housing for Aboriginal or Torres Strait Islander people.

Recommendation 12

The legislative package should be amended to limit the recipients of Housing Australia Future Fund grants to governments or non-profit organisations, to ensure that private developers and property investors do not profit from public housing funding.

Australian Government response

The Government **notes** this recommendation.

Details on proposed project proponents that will be eligible for funding from the HAFF will be contained in the Housing Australia Investment Mandate Direction, which was released for public consultation.

Recommendation 13

To ensure the housing built under the Housing Australia Future Fund (HAFF) meets the needs of all residents, the legislative package should be amended to ensure that all social and affordable housing funded by the HAFF must meet minimum energy efficiency (8-star energy rating) and accessibility standards (LHA silver standard).

Australian Government response

The Government **supports in principle** this recommendation.

The Government is committed to ensuring new social and affordable housing under the HAFF will meet the Livable Housing Design requirements of the National Construction Code 2022, which are based on the LHA silver standard. The Government will also ensure that new social and affordable housing under the HAFF will meet the energy efficiency standards of the Code (7-star energy efficiency rating) or, where this would not be practical, the highest energy efficiency rating possible for the project. These standards were incorporated in the Housing Australia Investment Mandate Direction following public consultation.

Senator David Pocock Dissenting Report recommendations

Recommendation 1

The initial capital investment in the HAFF be increased to \$20 billion to arrest the net decline in social housing supply and ensure a more adequate policy response to Australia's worsening housing crisis.

Australian Government response

The Government **does not support** this recommendation.

In addition to the HAFF and the National Housing Accord, the Commonwealth is working with States and Territories to increase housing supply for Australians. This includes:

- The Social Housing Accelerator, \$2 billion in funding for states and territories to deliver thousands of new social homes across Australia
- A new national target to build 1.2 million well-located new homes over 5 years, from 1 July 2024
- The New Homes Bonus, \$3 billion of performance-based funding for states and territories who achieve more than their National Housing Accord targets and undertake reforms to boost housing supply and improve housing affordability
- The Housing Support Program, a \$500 million competitive funding program for local and state governments to kick-start housing supply
- \$1.7 billion one-year extension of the National Housing and Homelessness Agreement with states and territories
- Increasing Housing Australia's liability cap by \$2 billion to support more social and affordable rental homes
- The National Housing Infrastructure Facility, which has been expanded to permit investment in social and affordable housing and which will also receive an additional \$1 billion for social housing.

Recommendation 2

An explicit provision be included in the Housing Australia Future Fund (HAFF) Bill 2023 enabling the federal government to scale up the fund as required.

Australian Government response

The Government **supports in principle** this recommendation.

Subclause 11(2) of the HAFF Bill will allow the Government to credit additional specified amounts to the HAFF in the future.

In addition, the Government amended the HAFF Bill to allow the annual disbursement amount from the HAFF to be increased in the future by the Treasurer and Minister for Finance through a disallowable legislative instrument.

Recommendation 3

A provision is introduced into the Housing Australia Future Fund (HAFF) Bill 2023 that commits the federal government to maintaining the real capital value of the fund over time and underwrites availability payments to give investors the certainty they need to participate fully in the HAFF.

Australian Government response

The Government **supports in principle** this recommendation.

To help maintain the real value of disbursements from the HAFF, the Government amended the HAFF Bill such that the annual disbursement amount is indexed by the annual growth in CPI from 2029–30 and can be increased in the future by the Treasurer and Minister for Finance through a disallowable legislative instrument.

The Government will actively monitor the HAFF's balance and trajectory to ensure it remains well-placed to deliver on its objectives, noting that subclause 11(2) of the HAFF Bill allows the Government to credit additional specified amounts to the HAFF in the future.

Recommendation 4

The \$500m annual disbursement cap from the fund be removed, or, failing that, that the cap is indexed annually on 1 July by the housing group of the consumer price index for each year subsequent to the financial year beginning 1 July 2028.

Australian Government response

The Government **supports in principle** this recommendation.

The Government amended the HAFF Bill to require that the HAFF will disburse \$500 million per year from 2024–25, indexed from 2029–30. The Government also amended the HAFF Bill to allow the annual disbursement amount from the HAFF to be increased in the future by the Treasurer and Minister for Finance through a disallowable legislative instrument.

Recommendation 5

The initial review period for the HAFF be brought forward to align with the first review of the Housing Supply and Affordability Council to be undertaken as soon as possible after 1 July 2026.

Australian Government response

The Government **supports** this recommendation.

The Government has agreed to bring forward the first statutory review of the HAFF from 31 December 2028 to 31 December 2026. This will provide an earlier opportunity to assess whether the HAFF is delivering on its objectives and to make recommendations for any improvements.

Recommendation 6

At least one member of the National Housing Supply and Affordability Council be Aboriginal or Torres Strait Islander and, at least one member has expertise in specialist disability accommodation, social housing and homelessness.

Australian Government response

The Government **partially supports** this recommendation.

Under the National Housing Supply and Affordability Council Bill 2023, the Minister must be satisfied that each appointee has substantial experience, expertise or qualifications and significant standing in at least one of the following fields:

- economics
- development
- planning
- residential construction
- demography
- social housing
- social policy
- housing and homelessness policy
- regional, rural and remote housing policy
- the housing needs of Aboriginal persons and Torres Strait Islanders
- regulation, taxation or government policy relating to housing.

The Government agreed to an amendment to add “accessibility for people with disability” to this list.

As well as drawing on their individual experience, the Council will be able to undertake stakeholder engagement with groups across the community.

Recommendation 7

A portion of the new social and affordable housing supply is quarantined for Aboriginal or Torres Strait Islander people.

Australian Government response

The Government **notes** this recommendation.

The Government notes that tenancy allocation for social dwellings is decided by the policy settings of individual states and community housing organisations.

The HAFF and other major housing programs, such as the National Housing and Homelessness Agreement, will benefit First Nations people. The HAFF also includes a commitment to provide \$200 million for the repair, maintenance and improvements of housing to meet the specific needs of remote Indigenous communities. The Government also provides support for Indigenous housing in partnership with the Northern Territory government.

The Government is working in partnership with the National Aboriginal and Torres Strait Islander Housing Association, state and territory governments, the Coalition of Peaks and independent First Nations representatives through the Housing Policy Partnership under the National Agreement on Closing the Gap to improve First Nations housing outcomes.

Recommendation 8

Division 3, section 31 of the bill is amended to remove the restriction that the 'staff assisting' the Council be 'APS employees in the Department'.

Australian Government response

the Government **does not support** this recommendation.

The staff assisting the Council are in the Department of the Treasury to simplify the Council's administrative arrangements and allow the Department to handle all relevant human resources and payroll activities. If the Council employed staff directly, it would need to establish its own processes to ensure these activities are appropriately performed and risks are managed. This would distract from the Council's core purpose of providing policy advice, and would increase administrative costs.

Recommendation 9

Section 9 of the National Housing Supply and Affordability Council Bill 2023 be revised to require the Housing Supply and Affordability Council to advise the Minister on the National Housing and Homelessness Plan, as well as the annual report for the Council reporting achievements relating to the national plan.

Australian Government response

The Government **notes** this recommendation.

The development of a National Housing and Homelessness Plan is an election commitment of the Government. Part of that commitment was that the Council would help guide development of the Plan.

The Bill enables the Minister to commission advice or reports from the Council, which may include advice in respect of the National Housing and Homelessness Plan.

The development of the National Housing and Homelessness Plan is not a statutory process and it would be inappropriate to include a statutory requirement for the Council to advise the Government on its development or achievements

Recommendation 10

The approval process for payments by the Minister from the HAFF in section 33 Part 4 of the HAFF Bill should occur on the explicit advice of Housing Australia after it assesses its requirements and commitments under its legislated functions and investment mandates for current and future years.

Australian Government response

The Government **notes** this recommendation.

As outlined in the Explanatory Memorandum to the HAFF Bill, any disbursements from the HAFF will require formal government approval through the annual budget process. It is expected that the Housing Minister consider advice from the other designated Ministers (Indigenous Australians Minister, Social Services Minister, or Veterans' Affairs Minister) as well as Housing Australia before bringing forward proposals.

Recommendation 11

The National Housing Finance Investment Corporation's (NHFIC) research function is reinstated under section 8 by inserting section 1(d): 'Housing Australia's research support function is to undertake research to assist it in the performance of its functions and in response to requests from the National Housing Supply and Affordability Council'.

Australian Government response

The Government **does not support** this recommendation.

The National Housing Supply and Affordability Council will now undertake the bulk of national research on housing supply and affordability matters necessary to advise the Government. Housing Australia's research will be focussed on matters that assist in the performance of its functions, as already permissible.

Recommendation 12

The matters identified by the Scrutiny of Bills Committee in sections 1.18 to 1.20 in Chapter 1 of this report are addressed.

Australian Government response

The Government **notes** this recommendation.

The Government provided a response to the Scrutiny of Bills Committee on 20 March 2023, responding to each of the Committee's concerns.

The Government does not consider that the bills need to be amended in response to these matters. The Government's full response to the Committee is published under Ministerial responses alongside Scrutiny Digest 4 of 2023, available at www.aph.gov.au/senate_scrutiny_digest.

Senator Lidia Thorpe Dissenting Report recommendations

Recommendation 1

The government should amend the Housing Australia Future Fund bills to ensure a minimum of \$5 billion is invested in social and affordable housing through the fund every year (indexed to inflation).

Australian Government response

The Government **does not support** this recommendation.

In addition to the HAFF and the National Housing Accord, the Commonwealth is working with States and Territories to increase housing supply for Australians. This includes:

- The Social Housing Accelerator, \$2 billion in funding for states and territories to deliver thousands of new social homes across Australia
- A new national target to build 1.2 million well-located new homes over 5 years, from 1 July 2024
- The New Homes Bonus, \$3 billion of performance-based funding for states and territories who achieve more than their National Housing Accord targets and undertake reforms to boost housing supply and improve housing affordability
- The Housing Support Program, a \$500 million competitive funding program for local and state governments to kick-start housing supply
- \$1.7 billion one-year extension of the National Housing and Homelessness Agreement with states and territories
- Increasing Housing Australia's liability cap by \$2 billion to support more social and affordable rental homes

The National Housing Infrastructure Facility, which has been expanded to permit investment in social and affordable housing and which will also receive an additional \$1 billion for social housing.

Recommendation 2

The bills should be amended to remove the \$500 million annual cap and ensure that all returns go towards housing.

Australian Government response

The Government **supports** this recommendation.

The Government amended the HAFF Bill to require that the HAFF will disburse \$500 million per year from 2024–25, indexed from 2029–30. The Government also amended the HAFF Bill to allow the annual disbursement amount from the HAFF to be increased in the future by the Treasurer and Minister for Finance through a disallowable legislative instrument. Disbursements from the HAFF must only be for the purposes specified in the legislation, being acute housing needs, social housing or affordable housing.

Recommendation 3

A commitment of \$1 billion be invested annually (indexed to inflation) in First Nations housing in urban, regional and remote areas, with a preference for housing to be owned and maintained by First Nations housing organisations where feasible. This funding commitment should be not only for new housing, but also for repairs and maintenance of existing housing, and in addition to the \$200 million promised over 5 years for repairs and upgrades in remote First Nations communities.

Australian Government response

The Government **notes** this recommendation.

The HAFF and other major housing programs, such as the National Housing and Homelessness Agreement, will benefit First Nations people. The HAFF includes a commitment to provide \$200 million for the repair, maintenance and improvements of housing to meet the specific needs of remote Indigenous communities.

The Government also supports the role of ATSICCHOs and is working in partnership with the National Aboriginal and Torres Strait Islander Housing Association, state and territory governments, the Coalition of Peaks and independent First Nations representatives through the Housing Policy Partnership under the National Agreement on Closing the Gap to improve First Nations housing outcomes, including in relation to community controlled housing.

In addition, the Treasury Laws Amendment (Housing Measures No. 1) Bill 2023 will amend Housing Australia's financing functions to enable it to provide grants or loans to entities that expressly address and support the unmet housing needs of Aboriginal and Torres Strait Islander people.

The Government also provides support for Indigenous housing in partnership with the Northern Territory government.

Recommendation 4

There should be a prioritisation for all new dwellings under the First Nations funding commitment to be owned and maintained by Aboriginal and Torres Strait Islander Community-Controlled Housing Organisations (ATSICCHO). Decisions around whether or not a First Nations housing organisation is capable of owning and maintaining properties must be co-decided with national, state and/or territory peak First Nations housing organisations, and not by the government alone.

Australian Government response

The Government **notes** this recommendation.

As outlined in the response to Recommendation 3, the Government supports the role of ATSICCHOs and is working in partnership with the National Aboriginal and Torres Strait Islander Housing Association, state and territory governments, the Coalition of Peaks and independent First Nations representatives through the Housing Policy Partnership under the National Agreement on Closing the Gap to improve First Nations housing outcomes, including in relation to community controlled housing.

This includes providing \$9.2 million over 3 years from 2022–23 to 2024–25 to establish the Housing Policy Partnership (the Partnership) under Priority Reform 1 of the National Agreement. The Partnership is providing a forum for Aboriginal and Torres Strait Islander people to have a genuine say in the design and delivery of Aboriginal and Torres Strait Islander housing services.

Recommendation 5

The Government must commit to meaningful action for renters, including the delivery of culturally safe tenancy support programs for First Nations tenants in all states and territories (such as expanding the ‘More than a Landlord’ program in Victoria). This would also include putting rent controls on the agenda for National Cabinet and/or as a goal in the National Housing and Homelessness Agreement negotiations, as well as moratoriums on no grounds evictions.

Australian Government response

The Government **notes** this recommendation.

This recommendation is beyond the scope of the legislative package.

The regulation of residential tenancies, including rental agreements and pricing, is a matter for state and territory governments. On 16 August 2023, National Cabinet agreed to A Better Deal for Renters, which includes developing a nationally consistent policy to require genuine reasonable grounds for eviction, moving towards limiting rental increases to once a year and phasing in minimum rental standards.

Recommendation 6

The delivery of housing to First Nations communities must be coupled with measures to build the capacity of the ATSICCHO sector, in line with Closing the Gap priority reform 2 around building the community-controlled sector. This should also include training and employment programs as well as a funded ongoing maintenance that will equip communities with skills and resources to ensure housing remains at a high standard. This ought to be done in partnership with First Nations communities, with the specific needs of communities being determined by the communities themselves (not just land councils and prescribed body corporates).

Australian Government response

The Government **notes** this recommendation.

As outlined in the response to Recommendation 3, the Government supports the role of ATSICCHOs and is working in partnership with the National Aboriginal and Torres Strait Islander Housing Association, state and territory governments, the Coalition of Peaks and independent First Nations representatives through the Housing Policy Partnership and Sector Strengthening Plan under the National Agreement on Closing the Gap to improve First Nations housing outcomes, including in relation to community-controlled housing and capability.

Under Priority Reform 2 of the National Agreement on Closing the Gap, a Housing Sector Strengthening Plan (SSP) was endorsed by Joint Council on 26 August 2022. The Housing SSP contains 14 key actions to strengthen the Aboriginal and Torres Strait Islander community-controlled housing sector and was developed in partnership with the National Aboriginal and Torres Strait Islander Housing Association and the sector. The Housing SSP can be viewed online at <https://www.niaa.gov.au/indigenous-affairs/closing-gap/implementation-measures/housing-sector-strengthening-plan-partnership-action>.

The Australian Government has also committed \$9.2 million over 3 years from 2022–23 to 2024–25 to establish the Housing Policy Partnership (the Partnership) under Priority Reform 1 of the National Agreement. The Partnership is providing a forum for Aboriginal and Torres Strait Islander people to have a genuine say in the design and delivery of Aboriginal and Torres Strait Islander housing services.

Recommendation 7

Develop a specific Aboriginal and Torres Strait Islander housing schedule of works to track, monitor and evaluate the impacts and outcomes of investments in First Nations housing. This should be overseen by the National Aboriginal and Torres Strait Islander Housing Association (NATSIHA), who will establish a First Nations advisory group and ensure adherence to the principles of self-determination and data sovereignty, which is in line with Closing the Gap priority reforms around shared access to data and information.

Australian Government response

The Government **notes** this recommendation.

This recommendation is beyond the scope of the legislative package.

The Government is working in partnership with NATSIHA, state and territory governments, the Coalition of Peaks and independent First Nations representatives through the Housing Policy Partnership under the National Agreement on Closing the Gap to improve First Nations housing outcomes. This will include implementing the Closing the Gap priority reforms on access to data and information.

The Australian Government has committed \$9.2 million over 3 years from 2022–23 to 2024–25 to establish the Housing Policy Partnership (the Partnership) under Priority Reform One of the National Agreement. The Partnership is providing a forum for Aboriginal and Torres Strait Islander people to have a genuine say in the design and delivery of Aboriginal and Torres Strait Islander housing services.

Recommendation 8

Increase funding for social housing maintenance and retrofitting to a level sufficient to ensure all dwellings comply with Liveable Housing Design Guidelines (LHDG) silver standard, and ensure all new social housing dwellings comply with the LHDG silver standard (as well as a specified number that are platinum standard). Similar provisions should be made in regard to minimum energy efficiency standards, with funding allocated for retrofitting and all new dwellings to meet 7-star rating under National Construction Code 2022.

Australian Government response

The Government **notes** this recommendation.

The Government is committed to ensuring new social and affordable housing that under the HAFF will meet the Livable Housing Design requirements of the National Construction Code 2022, which are based on the LHA silver standard. The Government will also ensure that new social and affordable housing under the HAFF will meet the energy efficiency standards of the Code (7-star energy efficiency rating) or, where this would not be practical, the highest energy efficiency rating possible for the project. These standards were incorporated in the Housing Australia Investment Mandate Direction following public consultation.

Recommendation 9

Increase funding commitment to culturally safe homelessness support services (this is not covered in this legislation and instead by the National Housing and Homelessness Agreement, but we should still put it forward as a priority).

Australian Government response

The Government **notes** this recommendation.

This recommendation is beyond the scope of the legislative package.

The National Housing and Homelessness Agreement (NHHA) contributes to improving access to affordable, safe and sustainable housing, including to prevent and address homelessness, and to support social and economic participation.

The Government has provided states and territories (states) with around \$1.7 billion through a one-year extension of the NHHA to 30 June 2024, to assist states in delivering social housing and homelessness services. This includes an additional \$67.5 million to assist the sector in tackling the homelessness challenges revealed in the 2021 Census. The 12-month extension provides further time to work with states and key stakeholders to implement the Government's housing agenda.

States and territories make funding decisions and are responsible for delivery of housing and homelessness services. Aboriginal and Torres Strait Islander people are a priority homelessness cohort under the current NHHA. Each state and territory is required to report how much funding is attributed to each priority homelessness cohort each year, where the disaggregation of data is possible.

The Government is working in collaboration with state and territory governments to develop a National Housing and Homelessness Plan (the Plan) to help more Australians access safe and affordable housing. It will set out a shared vision to inform future housing and homelessness policy in Australia. The Plan will set out the key short, medium and longer term reforms needed to address housing challenges, including the specific housing and homelessness challenges faced by First Nations people.

Recommendation 10

Urgently review the narrow scope of the Closing the Gap target of reducing overcrowding to capture the diverse housing challenges of First Nations people.

Australian Government response

The Government **notes** this recommendation.

This recommendation is beyond the scope of the legislative package.

The Government is working in partnership with the National Aboriginal and Torres Strait Islander Housing Association, state and territory governments, the Coalition of Peaks and independent First Nations representatives through the Housing Policy Partnership under the National Agreement on Closing the Gap to improve First Nations housing outcomes.

Closing the Gap Target 9(a) aims to ensure, by 2031, that the proportion of Aboriginal and Torres Strait Islander people living in appropriately sized (not overcrowded) housing has increased to 88 per cent. The proportion of First Nations people living in appropriately sized housing has increased nationally from 78.9 per cent (2016 Census) to 81.4 per cent (2021 Census).

Targets under Closing the Gap have a broad scope which considers a range of indicators/drivers. For Target 9(a) these include: home ownership rates; homelessness rates; structural problems including functional health hardware; low income households experiencing rental stress/mortgage stress; social housing dwellings by location; rate of Rheumatic Heart Disease (RHD) diagnoses; hospitalisation rates for environmentally based diseases; and mortality rates for diseases associated with poor environmental health.

Recommendation 11

Ensure that no money under the National Housing and Homelessness Agreement is cut (especially homelessness services), and link the Housing Australia Future Fund package to a new National Housing and Homelessness Agreement that expands on the limited scope of the Closing the Gap target to reflect diverse housing experiences of First Nations people.

Australian Government response

The Government **does not support** this recommendation.

The Government has provided states and territories (states) with around \$1.7 billion through a one-year extension of the NHHA to 30 June 2024, to assist states in delivering social housing and homelessness services. This includes an additional \$67.5 million to assist the sector in tackling the homelessness challenges revealed in the 2021 Census. The 12-month extension provides further time to work with states and key stakeholders to implement the Government's housing agenda.

The Government is also working in collaboration with state and territory governments to develop a National Housing and Homelessness Plan (the Plan) to help more Australians access safe and affordable housing. The Plan will set out a shared vision to inform future housing and homelessness policy in Australia. The Plan will set out the key short, medium and longer term reforms needed to improve outcomes across the housing spectrum. It will also consider the specific housing and homelessness challenges faced by First Nations peoples.

The Government is a signatory to the National Agreement on Closing the Gap and is committed to the priority reforms and the targets under the Agreement. The Government has also established the Housing Policy Partnership under Priority Reform 1 of the National Agreement on Closing the Gap to provide a forum for Aboriginal and Torres Strait Islander people to have a genuine say in the design and delivery of Aboriginal and Torres Strait Islander housing services.

Recommendation 12

The Government must commence urgent negotiations with state and territory governments in relation to the implementation of key rental reforms. These include a moratorium on no grounds evictions for tenants who cannot pay rent; the expansion of culturally safe tenancy support programs for First Nations people in all states and territories, modelled on Aboriginal Housing Victoria's 'More Than a Landlord' program; and a moratorium on the sale of public housing.

Australian Government response

The Government **notes** this recommendation.

This recommendation is beyond the scope of the legislative package.

The regulation of residential tenancies, including rental agreements and pricing, is a matter for state and territory governments. On 16 August 2023, National Cabinet agreed to A Better Deal for Renters, which includes developing a nationally consistent policy to require genuine reasonable grounds for eviction, moving towards limiting rental increases to once a year and phasing in minimum rental standards.

Recommendation 13

The Housing Supply and Affordability Council should be significantly restructured so that more people with lived experience of housing stress, including First Nations representatives, can have input. The council should be represented by a minimum of 2 First Nations members. These people should be selected in consultation with the National Aboriginal and Torres Strait Islander Housing Association, the National Family Violence Prevention Legal Services, and the First Peoples Disability Network.

Australian Government response

The Government **does not support** this recommendation.

Under the National Housing Supply and Affordability Council Bill 2023, the Minister must be satisfied that each appointee has substantial experience, expertise or qualifications and significant standing in at least one of the following fields:

- economics
- development
- planning
- residential construction
- demography
- social housing
- social policy
- housing and homelessness policy
- regional, rural and remote housing policy
- the housing needs of Aboriginal persons and Torres Strait Islanders
- regulation, taxation or government policy relating to housing.

The Government has agreed to an amendment to add “accessibility for people with disability” to this list.

As well as drawing on their individual experience, the Council will be able to undertake stakeholder engagement with groups across the community.

Recommendation 14

There should also be the establishment of a First Nations advisory group, overseen by National Aboriginal and Torres Strait Islander Housing Association, with representation also from the National Family Violence Prevention Legal Services and the First Peoples Disability Network, to undergo nationwide consultations in all states and territories and advise the council on the diverse housing challenges faced by First Nations people.

Australian Government response

The Government **notes** this recommendation.

The Government further notes that the Council intends to consult widely with a broad range of stakeholders in order to fulfil its duties.

In addition, one of the factors the Council may have regard to in performing its functions is “the need to improve housing outcomes for groups of people in need of housing”, which includes First Nations people as well as those impacted by domestic violence, those living with disability and older women.

Additionally, the Australian Government committed \$9.2 million over 3 years from 2022–23 to 2024–25 to establish the Housing Policy Partnership (the Partnership) under Priority Reform One of the National Agreement. The Partnership is providing a forum for Aboriginal and Torres Strait Islander people to have a genuine say in the design and delivery of Aboriginal and Torres Strait Islander housing services.

The Government will not pre-empt decisions made by the Partnership, however, the Partnership is able to make recommendations to the Council.

Recommendation 15

Acquire (through a buyback scheme) and build quality public housing to enable universal access to public housing over the long term.

Australian Government response

The Government **notes** this recommendation.

The provision of public housing is a matter for state and territory governments.

In addition to the HAFF and the National Housing Accord, the Commonwealth is working with States and Territories to increase social and affordable housing. This includes:

- The Social Housing Accelerator, \$2 billion in funding for states and territories to deliver thousands of new social homes across Australia
- A new national target to build 1.2 million well-located new homes over 5 years, from 1 July 2024
- The New Homes Bonus, \$3 billion of performance-based funding for states and territories who achieve more than their National Housing Accord targets and undertake reforms to boost housing supply and improve housing affordability
- The Housing Support Program, a \$500 million competitive funding program for local and state governments to kick-start housing supply
- \$1.7 billion one-year extension of the National Housing and Homelessness Agreement with States and Territories
- Increasing Housing Australia's liability cap by \$2 billion to support more social and affordable rental homes
- The National Housing Infrastructure Facility, which has been expanded to permit investment in social and affordable housing and which will also receive an additional \$1 billion for social housing.

Recommendation 16

Establish a mechanism to support democratically controlled co-operative housing, including direct funding to assist people in acquiring or building housing under a co-operative model (this is not just in relation to Aboriginal housing co-ops, but more generally).

Australian Government response

The Government **notes** this recommendation.

As a general principle, the Government has designed the legislative framework for the HAFF to enable it to support a range of housing modalities and housing providers, including those specialised in Indigenous housing.

Recommendation 17

Establish a co-investment scheme for community housing tenants to have the option of taking over ownership, possibly through the co-operative scheme, to convert community housing to supported co-op housing, giving tenants the option to select an alternative.

Australian Government response

The Government **notes** this recommendation.

As a general principle, the Government has designed the legislative framework for the HAFF to enable it to support a range of housing modalities and housing providers, including those specialised in Indigenous housing.

Recommendation 18

A moratorium on the sale of Crown land until a Treaty with First Nations peoples has been negotiated and agreed to.

Australian Government response

The Government **notes** this recommendation.

The Government further notes that Crown land policy is primarily the responsibility of the states and territories.

