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28 August 2023

Mr Alan Raine
Committee Secretary
Senate Economics Legislation Committee
PO Box 6100
Canberra ACT 2601
Via email: economics.sen@aph.com.au

Dear Mr. Raine

Inquiry into Housing Australia Future Fund 2023 [No. 2], National Housing Supply and Affordability Council Bill 2023 [No. 2] and the Treasury law Amendment (Housing Measures No. 1) Bill 2023 [No. 2]

The Property Council of Australia welcomes the opportunity to comment on the Housing Legislative Package (No. 2).

The Property Council is the peak body for Australia's property industry, which employs 1.4 million Australians and shapes our cities for the better. We represent owners, fund managers, superannuation trusts, developers, and investors across all four quadrants of property investments: debt, equity, public and private. Our members span commercial, retail, industrial, residential, health and education property and pride themselves on their commitment to sustainability.

The Property Council's submission on the first Housing Legislative Package is set out at Attachment A. We repeat our position on the elements of that package.

The change in our position is to amplify the sense of urgency surrounding passage of the Housing Legislative Package (No. 2).

Urgent action is needed

- 1. To commence the pipeline of additional social and key worker housing delivery for a growing and ageing population, accepting that a larger fund is desirable.**
- 2. To establish the National Housing Supply and Affordability Council for the proper governance and accountability of all state and territory housing delivery, social, key worker and at-market.**

Every Australian deserves access to a home.

Affordable home ownership, alongside access to an affordable rental market and appropriate social housing, promotes personal and economic freedom. Affordable home ownership is also the largest investment most people will make in their lives.

The Treasurer's release of the 2023 Intergenerational Report on 24 August shows the task of providing enough homes will only get harder as our population grows and ages.

Reform of unproductive state planning systems, greater supply of appropriately zoned brownfields and green fields land, as well as improved housing choices through emerging asset classes such as Purpose-Built Student Accommodation, Build to Rent housing and Retirement Living Communities must factor in the national housing solutions mix.

Since the providing our initial submission on the Housing Australia Future Fund (HAFF), the Government announced the *Social Housing Accelerator*. National Cabinet also met on 16 August 2023 to discuss housing, migration and planning issues to develop a national approach to supply and affordability issues. The Prime Minister and First Ministers announced sensible and measured reforms including a *New Home Bonus*, *Housing Support Program*, *National Planning Reform Blueprint* and a *Better Deal for Renters*.

This suite of announcements is welcomed by the Property Council and consistent with our advocacy for housing targets, competition-style incentives payments for states and territories, and a clear need to fix broken state planning systems to solve our current housing crisis.

The Property Council's support for National Cabinet's housing package is backed by the Grattan Institute, which suggest that an extra 200,000 homes anticipated to be built under the package could reduce rents from what they otherwise would have been by 4 per cent. This will result in a saving to renters of \$8 billion over the first five years. The Grattan Institute also says that, if those higher rates of construction are sustained for a full decade, rents could fall by 8 per cent, saving renters \$32 billion.

Every day by which the Housing Legislative Package (No. 2) is held back, is another day by which the delivery of much-needed new homes is delayed.

Although, in time, we encourage the expansion of the Housing Australia Future Fund's capital investment from the proposed \$10 billion to \$20 billion, this is no reason to delay or oppose the Housing Legislative Package (No. 2).

The Government, with the support of the Parliament, needs to be bold and take decisive action to deliver a national priority.

We welcome the chance to meet and discuss our views in more detail. Please do not hesitate to coordinate with Sahil Prasad, Acting National Policy Director by email at [REDACTED] or [REDACTED] to arrange a meeting.

Kind regards

[REDACTED]

Mike Zorbas

Chief Executive

Date

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