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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

Property Council response to consultation on Housing Legislative Package

The Property Council of Australia welcomes the opportunity to comment on the Housing Legislative Package and looks forward to continued engagement on the Housing Australia Future Fund (HAFF) and the National Housing Supply and Affordability Council.

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 believes 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 the largest investment most people will make in their lives.

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

Enabling these changes at a national and state level will apply downward pressure on the cost of at market and key worker housing, whether to rent or to buy as well as the provision of social housing.

We welcome the Australian Government's policy decision to establish the HAFF and create a National Housing Supply and Affordability Council (Council) to begin to address this fundamental challenge to the liveability and opportunity of our cities. Our key points in response to the consultation are as follows:

National Housing Supply and Affordability Council Bill 2023

- 1. Create the Council as a statutory authority providing independent advice to Government**

We strongly support the establishment of the Council as an independent statutory authority and welcome the high calibre and diverse experience of the inaugural members. It is important that the broad scope and functions of the Council are protected so that it can capably assess the performance of the housing system, as well as state, territory, and local government capacity to meet demand across the spectrum.

2. Establish an industry reference group as vehicle for engagement with the Council

Engagement, consultation, and collaboration with industry is crucial to the success of the council and the Government's broader housing agenda. We believe that an industry reference group should be established to engage with the Council on key housing matters. We note there is already provision for engagement with governments through the Council's functions, as well as academia through AHURI.

3. Ensure housing policy remains within the Treasury portfolio

In line with our long-held view, we support the positioning of Housing Supply and Affordability Council and Housing Australia in the Treasury portfolio, rather than the Department of Social Services. We also support the Government's intent for Housing Australia to continue to operate as a corporate Commonwealth entity governed by an independent board.

Housing Australia Future Fund Bill 2023

4. Increase the ambition and scope of investment in line with recommendations from the National Affordable Housing Alliance¹, including:

- expanding the size of Housing Australia Future Fund capital investment from \$10 billion to \$20 billion
- activate affordable Build to Rent housing as a vehicle to deliver additional affordable housing. Tax incentives are required to overcome barriers to institutional investment in housing, including by creating a level playing field for at-market Build to Rent, and
- commitment from all levels of government to redirect one per cent of development taxes and charges to social and affordable housing.

5. Conduct an interim review of the HAFF alongside the review of the Council in 2026

We note that the Housing Australia Future Fund legislation including fund disbursements will be periodically reviewed with the first review to be completed by 31 December 2028. The Property Council recommends the first review occur at the same time as the review for the Council which is to be undertaken as soon as possible after 1 July 2026.

6. Ensure the HAFF Payments Special Account is able to make grants in relation to acute housing needs, social housing or affordable housing

Section 18(1) of the draft Housing Australia Future Fund Bill 2023 provides the avenue for grants to be made to a person or body but only in relation to 'acute housing needs'. It is recommended that this section be expanded in line with section 18(3) to allow grants for social and affordable housing to be accessed by community housing providers and private housing providers.

Treasury Laws Amendment (Housing Measures No.1) Bill 2023

7. Clarify the research roles of Housing Australia and the Council to ensure alignment

¹ Increasing the supply of social and affordable housing at scale and in perpetuity, National Affordable Housing Alliance, January 2022

Currently both Housing Australia and the Council will have a mandate to undertake research into housing supply and affordability but there has been no clear articulation of the scope covered by each organisation. We believe that this scope should be more clearly defined and both agencies should liaise closely to ensure no duplication. Further, we believe it is imperative to ensure the independence of the research function established to service the Council, consistent with the independent and highly valued research undertaken by NHFIC in recent years.

8. Retain 'investment' in the functions of Housing Australia

We are seeking clarity on a proposed amendment in transitioning NHFIC to Housing Australia which proposes to remove "investment" from its functions. This change could constrain Housing Australia's ability to partner with the private sector for the delivery of housing and limits the financing solutions of the fund to only loans and grants. We continue to believe that all options should be on the table to achieve the Government's goal of increasing the supply of social and affordable housing.

We commend our recent report, *'A Stark Reality: Part one in a thought leadership series on housing choice and affordability for a growing Australia'* (Attachment A) to the committee for its consideration.

The report explores three compelling drivers for policy makers to respond to in addressing the housing crisis: the need for more **choice** in housing types to suit the needs of diverse Australians, the need to improve **affordability** whether you rent or own and the need to plan for **growth** in our cities as Australia's population expands.

The Government, with the support of the Parliament, needs to be bold and take decisive action to deliver on policies most kindly described as unfinished business. We would welcome the chance to meet and discuss our views in more detail. Please do not hesitate to coordinate with Shane Martin – National Government Relations Manager at [REDACTED].

Yours faithfully

[REDACTED]
Mike Zorbas
Chief Executive