

Standing Committee on Tax and Revenue

Honourable Members,

The City of Salisbury, South Australia, thanks you for the opportunity to make a submission on the issue of housing affordability and supply in Australia.

A Snapshot of the City is in the Affordable Housing Implementation Plan 2020, which can be found through the following link :

<https://www.salisbury.sa.gov.au/council/council-plans-and-documents/city-management-plans/affordable-housing-implementation-plan>

and a Policy to Develop Surplus Council Owned Land for Affordable and Council Housing can be found through the link:

[ECM_4712013_v1 Affordable and Community Housing Policy - Surplus Council Owned Land \(salisbury.sa.gov.au\)](https://www.salisbury.sa.gov.au/ECM_4712013_v1_Affordable_and_Community_Housing_Policy_-_Surplus_Council_Owned_Land)

Our comments relate to the second and third TOR.

Terms of Reference

The House of Representatives Standing Committee on Tax and Revenue will inquire into and report on the contribution of tax and regulation on housing affordability and supply, that is:

- *Examine the impact of current taxes, charges and regulatory settings at a Federal, State and Local Government level on housing supply;*
- *Identify and assess the factors that promote or impede responsive housing supply at the Federal, State and Local Government level; and*
- *Examine the effectiveness of initiatives to improve housing supply in other jurisdictions and their appropriateness in an Australian context.*

Noting that the terms of reference for the Inquiry focus largely on supply side issues, Council strongly indicates that the issue should not be considered in isolation. There are well documented affordability issues facing people on very low incomes – particularly those on various forms of income support. For these groups of people there is an extremely limited supply of affordable rental accommodation outside of the social housing system, as reflected in the Rental Affordability Index December 2020 report (SGS Economics and Planning). This shows Greater Adelaide is the second least affordable capital city, as incomes in Greater Adelaide have failed to keep pace with rising rents. Raising the basic levels of income support payments should be considered alongside any measures taken to increase the supply of affordable housing.

It should also be recognised that there is an overall shortfall in rental availability within the Adelaide metropolitan region. This shortage has driven up the cost of rental accommodation (a predictable consequence of high demand vs low supply), which has significantly reduced the availability of affordable rental supply. The City of Salisbury notes its commitment to providing affordable housing through its own strategic development projects and has endorsed its *Affordable and Community Housing Policy – Development of Surplus Council Owned Land* policy committing to a minimum of

15% affordable housing when developing surplus Council owned land for residential purposes, where the site is considered appropriate (i.e. good proximity to public transport, activity centres and community services).

In addition, Council has developed an Affordable Housing Implementation Plan to reinforce the delivery of affordable housing to the community. However, opportunities for Councils to further provide appropriate land for the potential development of affordable housing needs to be considered in the context of reductions in available open space and other community land uses, which may have unintended and detrimental impacts on the community.

I wish you well in your Inquiry.

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