

## Senate Estimates – Housing Opening Statement

- The Commonwealth understands that housing is fundamental to the well-being of all Australians. Housing is a driver of social and economic participation and promotes better employment, education and health outcomes.
- As part of the 2017-18 Budget, the Government announced a comprehensive housing affordability plan designed to improve housing outcomes for Australians through unlocking supply, creating the right incentives and improving outcomes for those most in need.
- The Government's measures are intended to:
  - make more homes available for Australians by collaborating across all levels of government to increase the supply of housing; and
  - make housing more affordable for Australians in all parts of the housing market – from first home buyers and renters to those in need of crisis accommodation and at risk of homelessness – to improve the access of Australians to secure, stable and more affordable housing.
- The overall aim is to see a more responsive housing market.
- As part of this plan, the Commonwealth will invest more than \$870 million in additional housing and homelessness funding over the next four years.
- The measures announced by the Government will be progressed across a number of portfolios.
- The ones I appreciate you are likely to be most interested in today, given their impact on the social services portfolio, include:
  - A new National Housing and Homelessness Agreement;
  - A Bond Aggregator through a new National Housing Finance and Investment Incorporation
  - Support for the Homes for Homes Initiative; and
  - Social Impact Investments.
- The Government has been really clear that we want better outcomes for housing and homelessness funding than is currently being achieved through the National Affordable Housing Agreement.
- I have spoken before at Senate Estimates about how states, territories, and stakeholders have all expressed a desire to see better outcomes from this agreement and that it has failed to meet its expectations



- It's important to remember that according to the 2016 COAG Report on Performance, three out of the four NAHA objectives were not being met:
  - Instead of a 10% reduction in the proportion of low-income renter households experiencing rental stress there has been a 7% increase.
  - Instead of a 7% reduction in homelessness there has been a 17% increase.
  - And there is no evidence of a 10% increase in the proportion of Indigenous Australians who own their own home.
- The Government therefore announced that it will work with the States and Territories to reform the National Affordable Housing Agreement and provide ongoing, indexed funding for a new National Housing and Homelessness Agreement (NHHA) from 2018-19.
- The NHHA will combine funding currently provisioned under the National Affordable Housing Specific Purpose Payment (NAHSPP) and the National Partnership Agreement on Homelessness (NPAH).
- In the Housing and Homelessness Ministers meeting last November, state and territory ministers said they wanted the NPAH extended to five years. Well, we have done better than that: it will now be part of the in-perpetuity housing agreement and will be indexed.
- So that means the Government will provide an additional \$375.3 million over the forward estimates from 2018-19 to fund ongoing homelessness support services, with funding to be matched by the State and Territory Governments.
- The Government will also provide \$6.5 million over four years from 2017-18 to the National Competition Council to assist with the implementation and ongoing assessment of performance under the NHHA.

#### Bond Aggregator

- The Government will establish the National Housing Finance and Investment Corporation to operate an affordable housing bond aggregator to encourage greater private and institutional investment and provide cheaper and longer-term finance to registered providers of affordable housing.
- The bond aggregator will provide this finance for community housing providers by aggregating their borrowing requirements and issuing bonds into the wholesale market at a lower cost and longer-term than traditional bank finance.

Committee: CA Leg. Committee

**Tabled Document**

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Witness: Senator Seselja

Organisation: