



AFFORDABLE HOUSING FOR RENTERS

HIGHLIGHTS

A Shorten Labor Government will improve housing supply and provide long-term affordable housing for low and middle-income Australians through the construction of 250,000 new affordable homes.

Building on the National Rental Affordability Scheme (NRAS), Labor will drive residential construction activity, through a secure, long-term pipeline of investment, scale up the capacity of the community housing sector, boost employment, and meaningfully address the profound shortage of affordable housing in Australia.

THE ISSUE:

There is a severe shortage of affordable rental housing in Australia and many families are struggling to find and keep a roof over their heads. The number of Australians experiencing rental and mortgage stress is at record levels.

The Australian Housing and Urban Research Institute (AHURI) has estimated that there is a shortfall of more than 525,000 affordable rental properties in Australia, and an additional 727,000 social dwellings will need to be constructed over the next 20 years to meet our emerging need.

The Coalition Government has failed to provide national leadership in housing policy or to invest in the supply of Australia's affordable housing stock. The Abbott-Turnbull-Morrison Government has axed or capped initiatives that were working to address Australia's housing supply and affordability challenges initiated under the previous Labor Government. This included the successful NRAS established in 2008, which attracted private investment of approximately \$12.9 billion and has delivered 37,000 affordable rental dwellings.

Failure to address this will result in growing economic, social and infrastructure challenges in the future.

In addition, residential construction has been through a very strong period of growth, but with the housing market coming off its peaks (primarily in Sydney and Melbourne), now is a good time to put in place a strong Government supported pipeline of new affordable rental housing, a policy that will generate economic growth and new construction jobs.

Support for new residential construction complements Labor's negative gearing policy which allows existing concessions to continue for newly built premises.

LABOR'S PLAN:

A Shorten Labor Government will increase the amount of affordable rental properties by building 250,000 new affordable homes, with at least 20,000 in Labor's first term.

Labor's plan for affordable housing means that:

- key workers like nurses, police and teachers will be able to live closer to where they work
- lower income families will be assisted to create stable homes
- housing will be available to those at risk of falling through the gap, for example for women who have been the victims of family violence or older women who are at risk of homelessness

Building on the National Rental Affordability Scheme, the program will provide annual incentives of \$8,500 per year for 15 years for newly constructed properties that are owned or managed by a registered community housing provider, and will be mandated to provide 20% below market rent for eligible Australian tenants on low and middle incomes. The incentive will be indexed annually to the rent component of the CPI.

Labor will work with the re-established National Housing Supply Council to identify the number, type and general location of dwellings which would be eligible to receive incentives.

The policy will complement the financing available from the *National Housing Finance and Investment Corporation* and is designed to be further supplemented by additional grants, subsidies, land or shared equity arrangements from the States and Territories to meet housing need in their jurisdictions. There will also be opportunities for joint ventures between developers and institutional investors, alongside registered community housing providers, to participate in the scheme.

Labor will ensure that new housing is well serviced by linking the program closely with infrastructure investments, and key services such as schools and hospitals. Planning consideration will be vital, ensuring that new dwellings fit within existing communities.

Dwelling design will need to meet energy efficiency standards to ensure that renters aren't hit with higher energy bills through poor development.

Consistent with Labor's commitment on major infrastructure projects, one in ten jobs during construction and maintenance of NRAS properties will go to an Australian apprentice.

Overseas students, temporary foreign workers, other non-residents will not be eligible tenants. Individual private investors will not be eligible to receive the subsidy, as the program is targeted at creating a sustainable, integrated approach to creating affordable housing for Australian families.

The program will complement our already announced reforms to negative gearing and capital gains tax, which are designed to target those tax concessions to the construction of new housing and put first home buyers on a more level playing field in the housing market.

The policy has been costed by the independent Parliamentary Budget Office to have a budget cost of \$102 million over the forward estimates.