



THE IMPACT OF SOCIAL POLICY  
- **A HOUSING PERSPECTIVE**

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# **Why Housing Policy is Important - way more than bricks and mortar**

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- ▶ It satisfies the basic human need for shelter security and privacy (recognised in the 1948 Universal Declaration of Human Rights)
  - ▶ Provides a strong relationship between stable housing and workforce participation, and individual and family well being
  - ▶ It accounts for almost 5% of Australia's Gross Domestic Product (2012/13) and an important source of employment
  - ▶ It costs Governments around \$10b pa in direct housing assistance - approx 55% from the Commonwealth and 45% from States and Territories
  - ▶ Home ownership acts as a savings and wealth building vehicle
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# Direct and indirect government influences on housing

## Current government responsibilities that *directly* affect housing

Public housing  
Community housing

Commonwealth  
Rent Assistance

Tax settings  
(incl stamp duty,  
land tax, rates)

Land release  
and zoning

Planning and  
development  
regulation (incl  
developer and  
infrastructure  
charges)

Homelessness  
services

Remote  
Indigenous  
housing

Regulation of  
building and  
construction

First Home  
Owner Grants

State rental  
assistance schemes

## Current government responsibilities that *indirectly* affect housing

Infrastructure  
development

Fiscal policy

Immigration  
policy (incl  
international  
students)

Regulation of  
not-for-profit  
organisations

Tax settings (incl  
capital gains tax,  
negative gearing,  
GST,  
superannuation)

Public transport

Regulation of  
foreign  
investment

Financial  
regulation (incl  
superannuation)

Social security  
income and  
assets testing

# Government's role in the housing system

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- \* Most Australians are well housed and possibly unaware of the policy settings which allow for and encourage this
  - \* Developing mechanisms which facilitate and respond to supply and demand factors
    - Home ownership
    - Incentives for private investment in the housing market
    - Tax settings
    - Lands and Planning
  - \* Initiating Agreements between the Commonwealth and the States to provide equitable access to housing for low income and disadvantaged households
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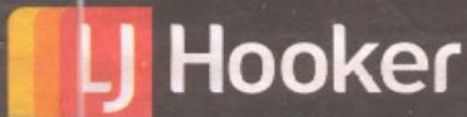
# Current Commonwealth Housing Role

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- ▶ Direct government housing assistance and homelessness services are intended to help people who have difficulty securing housing in the private market to access and maintain appropriate housing.
- ▶ Assistance is particularly directed at low-income renters and those at risk of homelessness.
- ▶ Additional government assistance is provided through specific remote Indigenous housing programmes.



# NT News Saturday 30/5/15



ljhooker.com.au



Investors take note!

## Receive a minimum of \$270,400\*# over 10 years.

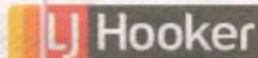


### Guaranteed with a Government Head Lease.

That's right. Buy a new investment unit and receive a minimum of \$270,400 over the next 10 years, even if the property is vacant. With no maintenance for 10 years.

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Brett Wagner 0499 998 182    Mei Davenport 0456 311 614    Rob Higgins 0418 184 754

## Farrar Villages



\*Minimum rent paid for the 10 year lease period is \$520/week. As market rent increases, the higher amount will be paid. #Less management fee that includes maintenance. Rent cannot fall below \$520/week guaranteed. Images are conceptual and reflect the developers current intentions.

# Why negative gearing is Australia's biggest policy failure-

[Callam Pickering](http://www.businessspectator.com.au) 9 Jul 2014, [www.businessspectator.com.au](http://www.businessspectator.com.au)

“It is difficult to find a government policy that has been **less** successful at meeting its objectives than negative gearing on residential property. But unfortunately that is the nature of housing policy in Australia, where sound policies are ignored in favour of policies that encourage **speculation, reduce home ownership and redistribute wealth towards the already affluent.**

Of all the short-sighted housing policies plaguing Australia, negative gearing receives the greatest criticism. Its original purpose was to boost the housing supply by encouraging greater investment into housing construction. By that metric, it has been an unmitigated disaster.

Based on the latest data, new construction accounted for just 7.1 per cent of the total value of investor loan approvals. The trend has ticked up modestly recently but the long-term trend could not be clearer: Australian investors have little interest in newly constructed properties.





# More information

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- ▶ Reform of the Federation; Roles and Responsibilities in Housing and Homelessness Issues Paper
- ▶ McClure 's Review of Australia's Welfare System
- ▶ Rethink ; Better Tax system, Better Australia
  
- ▶ ACOSS "Fuel on the Fire; Negative gearing, capital gains tax and housing affordability"

