

# HOUSING CRISIS

## Labor

*The Labor Party did not provide a response for this forum. Policy information has been collated from the ALP website [www.alp.org.au](http://www.alp.org.au)*

A Rudd Labor Government will establish a National Rental Affordability Scheme that will help create 50,000 new affordable rental properties across Australia. Federal Labor's National Rental Affordability Scheme, costing \$603 million over its first five years, will use tax incentives and financial support to provide rental housing to low and middle income families at 20 per cent below market rents. Within five years, Federal Labor's Scheme will reduce the amount of rent 50,000 Australian families pay by 20 per cent – helping them meet rising cost of living pressures and save to buy their own home.

Federal Labor's National Rental Affordability Scheme will offer institutional investors annual tax incentives and financial support every year for a period of ten years. The two key elements of the scheme are:

- An annual \$6000 Commonwealth tax incentive to investors who construct new affordable rental accommodation.
- At least \$2000 per year in direct or in kind financial support from State Governments for investors who access the tax incentives.

A Rudd Labor Government will consider tax credits for investors who agree to charge below market rents – as an incentive to create affordable rental properties for Australian families.

A Rudd Labor Government will also examine tax credits to a non-profit housing organisation to oversee the calling of tenders to supply affordable housing. The non-profit organisation would:

- Administer and monitor the scheme;
- Deal with inquiries from investors;
- Assess their applications; and
- Ensure that the investor is complying with the conditions of the tax credit.

These tax credits have proven successful in the United States where they are used to stimulate the supply of low cost housing.

Federal Labor is also considering offering families a first home savings account delivering higher returns than an ordinary deposit account and tax advantages to help them save a deposit. In addition to the first home savings account, families may be interested in shared equity schemes where government or a private institution partners them in the purchase of a property, reducing the overall cost of the home.

## Coalition

The Coalition Government takes the issue of homelessness extremely seriously and spent approximately \$231.4 million in the 2006-07 financial year on programmes for homeless persons.

People at risk of homelessness often face a collection of challenges including mental health issues, substance abuse, domestic violence, unemployment and lack of education.

For these reasons, the Coalition focuses on early intervention programs that seek to address people's personal issues before they end up on the streets. Programs that help address homelessness include:

- National Homelessness Strategy - The Coalition Government provided \$10 million over four years in the 2005-06 Budget to fund the National Homelessness Strategy (NHS). The NHS provides leadership in developing innovative approaches for the prevention and reduction of homelessness and breaks new ground in integrated service delivery to people who are vulnerable to homelessness.
- Supported Accommodation Assistance Program (SAAP) - The Coalition Government has allocated \$932 million for SAAP from 2005 to 2010 to assist people who are homeless or at risk of becoming homeless to achieve the maximum possible degree of self-reliance and independence by providing transitional supported accommodation and a range of related support services. \$40 million has also been allocated to an Innovation and Investment Fund. The focus of the Fund is on identifying ways of reducing the high rates of return to SAAP services by improving pre-crisis intervention, post-crisis transition and linkages with other services, including mental health and employment support services.
- Household Organisational Management Expenses (HOME) Advice Program - HOME is designed to prevent family homelessness by giving tailored assistance to individual families who face difficulty in maintaining tenancies or home ownership due to personal or financial circumstances. HOME's early intervention approach prevents families from using crisis accommodation services. This program has been delivering impressive results as a majority of the families that participate have been prevented from becoming homeless.

Youth homelessness is of particular concern to the Coalition which is why one of the first tasks Prime Minister Howard undertook when elected to office in 1996 was to establish the Prime Minister's Youth Homelessness Taskforce.

The Coalition Government funds a number of programs that seek to assist young people that are homeless or at risk of becoming homeless including:

- Reconnect - helping at-risk young people reconnect with their families, education, training, employment and community; YouthLinx - supporting young people and their families build self reliance, strengthen their family relationships and encourage community involvement;
- Transition to Independent Living Allowance - provides one- off financial support to the value of \$1,000, for young people who are about to, or have exited formal state based care and/or informal care such as juvenile justice; out-of-home care and Indigenous kinship care arrangements; and
- Job Placement, Employment and Training Program-
- assisting the disadvantaged, including homeless young people move towards securing employment and sustainable futures.

## Socialist Alliance

The most practical and immediate way to ease the interest rate squeeze and housing shortage is to increase federal funding for the purchase of new quality public housing. We would also pay mortgage assistance to low income earners in difficulty, extend rent to Austudy recipients and provide crises accommodation for all those in need. We would also provide additional funding to community organisations to enable them to provide education, training and housing assistance packages to young homeless people.

## Socialist Equality

This is a major problem here in Western Australia with the resources “boom” pushing up rents, property prices and a major lack of public housing and accommodation. It is a problem throughout the nation.

New, high quality public housing units must be constructed in every state and territory to provide decent and affordable housing for all.

Mortgage repayments and rents must be capped at no more than 20 per cent of household income, and evictions and home repossessions outlawed.

## Greens

The Greens support increased provision of emergency accommodation and transitional housing for people in need (including women and children affected by family violence, people experiencing homelessness, refugees and asylum seekers, migrants, and people released from detention) with sufficient exit options to long term housing. There needs to be greater diversity in housing to meet the accessibility needs of disadvantaged groups and improved legal security of tenure and reduced discrimination.

The Greens have called for a National Anti-Poverty Strategy. We support developing and implementing a plan to eradicate poverty in Australia, and ensuring social welfare outcomes are evaluated against public policy initiatives.

We support:

- Increasing the aged pension by \$60 a fortnight
- Increasing disability support payments, servicers and assistance to family carers
- Simplifying pensions and allowances to provide a universal guaranteed adequate income scheme.

## Australian Democrats

The Australian Democrats propose that a federal portfolio for housing be developed to provide a whole-of-government approach to housing to increase fairness, reduce poverty and financial disadvantage, and provide national leadership and an integrated and consistent affordable housing strategy for what is an integral part of the nation's economic infrastructure.

Development of a national affordable housing strategy involving all levels of government, along with stakeholders at community level, to address the serious and ongoing crisis in housing affordability. Also, tackle the big issues of negative gearing and capital gains tax reform, provide substantial funding for affordable rental housing including public and community housing; spend on the chronically under funded area of indigenous housing and implement a National Indigenous Housing Strategy; adopt a wide range of initiatives

to build more affordable housing; focus on national planning and design standards for sustainable as well as affordable housing.

The Australian Democrats has been the only party to continue to raise housing affordability issues in the Senate. We have asked questions of Ministers and initiated urgency debates on housing affordability. In 2003 we made a submission to the Productivity Commission Inquiry into First Home Ownership and included housing on our pre-budget announcements. After the election, we will continue to push for the major parties to be accountable on housing.

See also [http://www.democrats.org.au/docs/ActionPlans/Housing\\_Housing\\_2007.pdf](http://www.democrats.org.au/docs/ActionPlans/Housing_Housing_2007.pdf) and [www.andrewbartlett.com/faq.php?id=27&category=9](http://www.andrewbartlett.com/faq.php?id=27&category=9) Making Housing Affordable webpage at

## Christian Democrats

A family home is more than a mere asset. It is central to the life of the family and the raising of children.

CDP believes that, in the first instance, the best government housing policy is one which encourages and does not obstruct people providing for their own basic housing needs.

Therefore, as with the provision of basic food, all levels of government are obliged not to burden basic housing with unjust taxes and regulations.

Consequently, CDP asserts that the most efficient way to assist home ownership would be through the abolition of stamp duty and all other taxes on housing. As these taxes are levied by the states, CDP support moves by the Commonwealth Government to insist on redistributing GST to the states only if all taxes on land and housing are removed.

CDP supports making home loan interest payments tax deductible up to a determined level of interest payment for means tested threshold household income levels.