

What should be in a national Housing and Homelessness Strategy for Australia?



Based on AHURI Final Report No. 401: Towards an Australian Housing and Homelessness Strategy: understanding national approaches in contemporary policy

What this research is about

This research investigates the rationale for an Australian Housing and Homelessness Strategy. Applying contemporary thinking about the role of governments in complex problem-solving, and lessons from other ‘national approaches’ here and internationally, it sets out options for achieving cohesive, co-ordinated action on housing and homelessness in the Australian federation.

The context of this research

In the Australian federation, housing and homelessness policies, powers and responsibilities are shared across federal, state and local levels of government. A meaningful national housing and homelessness strategy would form an authoritative framework for co-ordinating housing and homelessness policy development and action across Australia’s different levels of government and public, private and not-for-profit sectors.

Housing policy is divided within Australian federal and state/territory governments

In the Australian federation, housing and homelessness are within the legislative power of the states, and the Commonwealth must interact with the states to implement policies where it lacks a specific head of power, such as in relation to housing and homelessness. The Australian Government has used these and other constitutional powers – notably its authority to make conditional grants of funds to states (section 96 grants), and even its power in relation to external affairs – expressly to make housing and homelessness policy.

The key findings

UN understanding of good housing policy sets the standard

The landmark UN project *Housing2030* conceives of good housing policy governance deriving from clear strategic frameworks, mission-focused institutions, capable stakeholders, long-term leadership and commitment. It typically requires multi-level governance, based on long-term agreements. It is also open to monitoring and critique, strengthens the voice of marginalised groups, learns from mistakes and adapts when necessary. In this way a national housing strategy can be market-shaping and transformative, addressing causes of well understood challenges, designing relevant policies and programs to ensure adequate housing for all.

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Within the Australian Government, housing policy making is divided. No one agency has overall responsibility for housing outcomes and for forming a strategic view of the housing system. Most intergovernmental activity has been around housing and homelessness conceived of as residualised welfare issues, concerned chiefly with housing services for individuals, rather than the whole system and structure of housing provision. The key instrument in this area of policy, the National Housing and Homelessness Agreement, is deficient, and policy development regarding other levers such as Commonwealth Rent Assistance has languished. The National Housing Finance and Investment Corporation (NHFIC), on the other hand, has been developing a broader housing expertise as its functions are expanded.

There is similar fragmentation of housing responsibilities at the state and territory level, with housing capabilities dispersed through diverse agencies each having narrowly defined roles and priorities. This is at odds with the complex and interdependent nature of the housing system and is a barrier to coherently addressing the full scope of the housing policy challenges.

What should be in a national approach to a housing strategy

While there is no template for creating and maintaining a national approach to a policy area in the Australian federation, there are factors that can elevate and sustain efforts at reform.

A major theme is process: a national approach is necessarily processual and no successful national strategy springs fully formed from the head of a policymaker or advocate. The experts consulted for this research reflected on the general importance of building an informed constituency for policy reform. This constituency is both in the members of the public whose interests are at stake, and in the institutions that effect policy.

Accountability in national approaches to policy reform means more than accounting for the expenditure of public money, or for 'value for money' in outcomes; it is about demonstrating commitment to the objectives of the reform process to the other agencies and stakeholders in the process and to the people it is intended to serve.

International lessons: Canada's National Housing Strategy

Commencing in 2017 for an initial 10-year period, Canada's National Housing Strategy (NHS), represents the re-engagement by the Canadian federal government in the realm of housing policy after an extended period of decentralised withdrawal. The NHS aims to address 'core housing need', build capacity amongst housing providers, and reduce homelessness. The NHS involves federal, provincial and territorial governments co-funding universal programs and tailored bilateral agreements and, more recently, direct federal funding of city governments to address homelessness.

Canada's strategy was driven by strong political commitment at the federal level. Evidence informing the NHS came from assessments of 'core housing need' and the national consultation process led by a Federal-Provincial-Territorial Strategic Working Group. Numerous advocacy hubs were also established to ensure a voice for women, the homeless and vulnerable groups.

The *National Housing Strategy Act 2019* enshrines the obligation to conduct a national strategy in accordance with human rights principles and establishes two new federal housing agencies:

- the National Housing Council, comprising appointed representatives from the public and ex-officio members from Canada Mortgage and Housing Corporation (CMHC) and other agencies, advises on the effectiveness of the strategy, and
- the Federal Housing Advocate, promotes and protects the right to housing and monitors the federal government's progress on strategy timeframes and outcomes.

While the NHS goals and targets were admirable, they lacked evidence and realistic alignment with the causes of unaffordability, and insufficient resources to meet set targets. Factors such as taxation, finance regulation and residential investment flows, all enabled by government settings, have not been acknowledged by the strategy as causally important or addressed in reforms, and for this reason the status quo has remained, and affordability and inequality persist.

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International lessons: Austria's limited-profit housing sector

In Austria, the government has played a longstanding role in housing supply, renewal and repair. This has occurred through conditional subsidisation across a range of tenures and programs which are designed and implemented at the regional level. Local governments also have an active role and use their powers in land acquisition, strategic planning and development approval, as well as municipal housing provision.

Austria's national legislation establishes a transparent operating model for limited-profit housing providers. The Limited Profit Housing Act defines key aspects of rent setting, revolving funds and auditing requirements. This clarity helps to consolidate good business practices amongst affordable housing providers, and fosters contestability and transparency in the allocation and use of subsidies. Furthermore, it promotes cost effectiveness and value for money for tenants. Common Good Building Associations (Gemeinnützige Bauvereinigung or GBVs) are monitored by an Auditing Association, as well as the Regulatory Authority operating in each regional government. Compliant GBVs are exempt from corporation tax in their main and ancillary areas of business.

Austria's limited-profit housing sector highlights the value of clear affordable housing business model, underpinned by a strong regulatory regime, dependable subsidies, high transparency and a 'common good' ethos.

International lessons: Finland - a constitutional right to housing

Finland has enshrined in its constitution the right to housing, and has a national housing agency, intergovernmental agreements on land, transport and housing, as well as purposeful municipal land policy to ensure affordable rental provision.

Finland's Housing Finance and Development Agency (Asumisenrahoitus- ja kehittämiskeskus, or ARA) is a dedicated housing agency with an affordable housing finance function and a role in negotiating long-term intergovernmental agreements encompassing housing, land and transport development. ARA collaborates in making long-term intergovernmental agreements combining contributions of municipal land, with investments in transport infrastructure and affordable and social housing (known as MAL agreements).

International lessons: Scotland's regularly updated local housing strategies

Scottish housing policy has strongly emphasised a strategic approach at both local and national levels. This has included obligations for local authorities to develop widely-scoped and periodically updated local housing strategies. In compliance with nationally devised guidance, these have been required to incorporate rigorous evidence on the scale and profile of unmet housing need and future housing requirements.

Scotland's commitment since the late 1980s to the housing and homelessness strategy process – of public consultation, goal setting, evaluation and revision – is immediately relevant to Australian governments, at both federal and state/territory levels.

What this research means for policy makers

Australia's primary housing and homelessness mission should be that everyone in Australia has adequate housing. Adequate housing is affordable, secure and in a condition and location appropriate to the needs, preferences and cultures of households. Individuals can exercise autonomy in their householding decisions, and in making a home of their dwelling.

Australian legislation should place an obligation on the Housing Minister to make an Australian Housing and Homelessness Strategy, as well as obligations to regularly report on progress and periodically evaluate and review the strategy. It should create two new statutory offices to advise and keep the government to account on the conduct of the Strategy and the pursuit of Australia's housing and homelessness mission:

- an Australian National Housing Consumer Council - representing the interests of home buyers (particularly in the apartment sector and first home buyers), private and social housing tenants, persons with lived experience of homelessness, and representatives of First Nations, people with disability, youth and other groups who face special disadvantage in the housing system - should serve as a consumer voice counterpart to the industry and academic perspectives of the National Housing Supply and Affordability Council.
- an Australian National Housing Advocate, with power to inquire independently into the conduct of the Strategy and other housing and homelessness issues.

International experience shows the vital role played by dedicated housing agencies co-ordinating the development and implementation of strategies. Housing Australia should be Australia's lead housing agency. Building on existing NFHC delivery functions and housing domain knowledge, Housing Australia would have the guidance of an independent board, be answerable to the Housing Minister, resource the discussions of the Ministerial Council on Housing and Homelessness, take the lead on communicating with other Commonwealth and state/territory agencies and present the public face of the Strategy as it progresses.

A genuine National Regulatory Scheme for Social Housing should be an early priority for the Strategy: in particular, bringing public housing landlords within scope, and lifting tenants' voices assessing social housing provider performance.

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The future of the National Housing and Homelessness Agreement

One option would be for the National Housing and Homelessness Agreement to become a medium-term resourcing plan that allocates resources from both levels of government and establishes negotiated priorities and targets for their expenditure in line with the long-term missions of the Strategy. As such, it would specify responsibilities and obligations on all signatories: the Commonwealth and state and territory governments, and, possibly, local government.

Need for better, accurate data

An effective and accountable Australian Housing and Homelessness Strategy needs better housing and homelessness data, with housing data residing in government administrative datasets made available to the Strategy. Independent oversight of this function is crucial, whether through the Productivity Commission or another specialist body accountable to National Cabinet.

Methodology

This research reviewed academic and policy literatures; conducted interviews with domestic and international experts; and conducted a workshop with domestic experts in housing and homelessness and related policy areas.

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