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**Submission to the  
Draft National Urban  
Policy**

July 2024

*[www.anglicare.asn.au](http://www.anglicare.asn.au)*

## About Anglicare Australia

Anglicare Australia is a network of independent local, state, national and international organisations that are linked to the Anglican Church and are joined by values of service, innovation, leadership and the Christian faith that every individual has intrinsic value. Our services are delivered in partnership with people, the communities in which they live, and other like-minded organisations in those areas. With a combined income of \$2.19 billion, a workforce of over 20,000 staff and 5,600 volunteers, the Network delivers more than 50 service areas in the Australian community. Our services are delivered to over 500,000 people and reach close to 1.17 million Australians in total. In all, Anglicare services reach almost one in every twenty Australians.

As part of its mission the Anglicare Australia Network partners with people, families and communities to provide services and advocacy and build resilience, inclusion and justice. Our first strategic goal charges us with reaching this by influencing social and economic policy across Australia with a strong prophetic voice; informed by research and the practical experience of the Network.

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## Introduction

Anglicare Australia welcomes the opportunity to provide input to the Australian Government Draft National Urban Policy (Draft Policy). As Australia continues to grow and our urban areas continue to expand, it will become increasingly important to take a holistic view of our communities, how we live, and what our quality of life continues to look like. Anglicare Australia believes that the Draft Policy can be a foundational document in achieving this.

Anglicare Australia supports the goals that have been included within the Draft Policy, to build communities that are inclusive, that are healthy, that are sustainable, and that are productive. However more work is required to ensure this Policy provides a framework that will enable us to make positive change that supports every person. The Draft Policy fails to address the relationship between the issues we are facing and the priorities for action, leading to the absence of the necessary and ambitious solutions needed to address the issues it identifies and innovations it seeks to make.

If governments want to create meaningful change through this Policy, it must include a more explicit understanding of how the challenges we're facing have been created and how existing policies have contributed to these challenges. This is particularly true of housing, which is a major focus of Anglicare Australia's submission. The Draft Policy acknowledges a need for better housing availability and affordability. What it doesn't lay out is an understanding that the housing market is inaccessible for first time buyers and unaffordable for renters because of taxation settings that incentivise housing as a means of wealth creation rather than provision of an essential service.

Australia's urban areas are not currently liveable, equitable, productive, sustainable and resilient, and this Policy will not enable change if it does not identify the policy failures that have and continue to work against these goals.

## The right framing matters

Although the Draft Policy contains many good elements, it lacks cohesion. This is most notable when comparing the Policy's purpose with the details of its objectives. This Policy is intended to support the achievement of various United Nations Sustainable Development Goals, and this clear in the Policy's aim "to facilitate a national lift in the quality of life in our cities and urban areas."<sup>1</sup> However, the Draft Policy goes on to contradict this by placing greater emphasis creating urban areas that improve productivity, framing opportunities to participate in the community as a means of achieving this.

This Policy is intended to be a framework that represents a shared commitment to enhancing and improving the lives of every Australian, not a guide to improving economic productivity. The wrong goal is being centred and the value of the objectives is being misunderstood. Whilst productivity is important, this Policy must recognise that better economic productivity comes as a result of healthier, happier, better integrated communities, but it is not the driving reason to improve quality of life.

Such a world view reduces the value placed on human life for sake of humanity, and only values it for the sake of economy. A relentless focus on improving economic outcomes, instead of bettering human outcomes will only lead to the wrong choices being made. The Government's own *Measuring What Matters Statement* recognises that the wellbeing of the country cannot be judged only through economic indicators, it must include measures of social cohesion, health and wellbeing, security, and sustainability. Many of the Draft Policy's objectives are centred around improving access to paid employment and support economic growth, but this will not ensure that nobody has been left behind.

Instead, the Draft Policy should be reframed to ensure that the quality and value of human life is the priority. Tackling the pervasive challenge of homelessness and rough sleeping, for example, will not be achieved by focusing on economic impacts or perceived safety risks. The most effective solutions emerge when Governments value and believe in the importance of housing as a human right. The Draft Policy should centre the wellbeing of people and communities, not just to align with other policies, but because it is the only way it can genuinely improve outcomes.

## Using the National Urban Policy to drive affordability

Current challenges regarding housing availability and affordability are addressed under *Objective 1: No-one and no place left behind*, where access to housing is recognised as essential to ensuring people feel safe and secure. However, the Draft Policy draws on a limited definition of access which assumes housing supply determines accessibility. Whilst shortages have contributed to challenges in availability and affordability, the current housing crisis is not merely the product of supply shortages. Australia has never had more homes per person, and the ratio has grown considerably over recent decades.<sup>ii</sup> In spite of these trends, housing has never been less affordable.<sup>iii</sup> Anglicare Australia's Rental Affordability Snapshot further illustrates these trends. The 2024 Snapshot found that despite a 20 percent increase in rental listings in Tasmania, there was little to no discernible increase in affordability.<sup>iv</sup> This is because simply adding more supply to an unaffordable market, without making deliberate efforts to fairly distribute housing, only adds to the problem.

The Government touts the National Housing Accord as a plan to help the private sector deliver 1.2 million new homes by 2029, expecting this increase in supply to address the crisis. However, home building statistics show that between 165,000 and 240,000 new dwellings are completed every year.<sup>v</sup> As recently as 2018, Australia was actually oversupplied compared to its needs and demographics.<sup>vi</sup> The problem is not as simple as Australia lacks the housing supply. It is that Australia's homes are unfairly distributed.

As governments are increasingly turning to an ineffective private market and expecting it to provide and distribute housing, there has been a marked decline in public and community housing. It used to be that the Government took a direct interest in the provision of housing, through spending on the Commonwealth-State Housing Agreements (CSHA). In 1945, the Government was directly responsible for funding the construction of one in every four new homes built.<sup>vii</sup> Since the 1980s, Governments have slowly walked away from direct spending on housing, opting instead to increase the Commonwealth Rent Assistance (CRA) payment. In 1981-82, the CRA accounted for merely \$80 million of Federal Government spending, compared to the \$2.5 billion it spent on the CSHA. The CRA is now the single largest piece of ongoing Federal Government housing expenditure, surpassing \$5 billion a year in recent Budgets.

Spending priorities are clearly wrong when it comes to providing affordable housing. If Governments wants to provide new, affordable housing, it must redirect its spending into building them. Waiting lists for social housing are at record levels. As governments have walked away from directly providing housing, they have come to see it as a social security policy rather than a housing policy. As a result, public and community housing has attracted negative connotations, and pressure on waiting lists has meant that often people with the most complex needs are prioritised. It doesn't have to be this way. Public and community housing can and should be a mainstream housing solution for everyone, especially Australians on low incomes who would otherwise struggle in the private market. This is a key lesson when exploring the international experience – countries with genuinely affordable housing markets are those where governments are a major supplier of housing.<sup>viii</sup>

In order to address the housing crisis, the Government must take an active role in building new social and affordable homes once more. While they may point to the Housing Australia Future Fund (HAFF) as a means of doing this, the reality is that an off-budget investment fund will not meet the scale required to make any meaningful difference. On current numbers, simply maintaining the current ratio of social housing in the overall stock would require 15,000 new properties every year.<sup>ix</sup> With the rate of construction before any homes built under the HAFF come into play, only 3,000 dwellings are built each year.<sup>x</sup>

Governments must make a sustained capital investment in delivering new social and affordable dwellings into the market. Half-baked measures that tinker around the edges don't meet the scale or urgency that many Australians are feeling. Anglicare Australia has long advocated for a two-pronged approach to deliver this outcome. Firstly, reforming the generous tax breaks afforded to property investors, Australia could generate billions of dollars in otherwise forgone revenue. Secondly, reinvesting that revenue into building 25,000 new social and affordable homes every year for the next 20 years. This is where supply is genuinely needed. State and local governments can play a key role in achieving this goal through measures such as mandatory inclusionary zoning, requiring developers to contribute to social housing stock and return a benefit to the public.

The policy levers to make renting more affordable exist at all levels of government, but most of the key ones lay with state and territory governments. Action can be taken to restrict unfair rental increases, require minimum standards, and ensure fair practice by investors and agents. Despite the fearmongering of the property industry, the rental market will not collapse if additional regulations and requirements are placed on investors to ensure more favourable conditions for renters. When these misleading and distracting claims are made, it is important to remember the purpose the rental market should serve. It should aim to provide a basic human right to people who need it, not line the pockets of wealthy speculative investors.

**Recommendation: Using the Draft Policy to improve housing affordability**

Anglicare Australia recommends:

- The inclusion of an additional goal focused explicitly on affordability in Part 3 of the Draft Policy
- The development of a Commonwealth program to build 25,000 new social homes every year over the next 20 years. This could be integrated with other Australian Government objectives in Part 4 of the Draft Policy.
- Using the Draft Policy to explore specific actions that can drive affordability, such as mandatory inclusionary zoning and requirements for private developers to contribute to efforts to improve affordability.

**Recommendations: Rental reforms**

Anglicare Australia recommends that the Draft Policy explores the development of nationally consistent minimum rental standards with State and Territory Governments, including:

- Banning no-cause evictions
- Limiting the amount and frequency of rental increases
- Proactively enforcing renters' rights, rather than relying on tenants to take action against their landlord.

This should be added to the actions under Objective 1: No-one and no place left behind.

**Age-friendly housing**

The Draft Policy lays out a desire to consider how our urban spaces can become more accessible and aware of the needs of Australians as they age. Anglicare Australia's *Ageing in Place* report examined this idea, and what older Australians need to ensure a happy, healthy and fulfil life after they retire. Our report found that 87 percent of older Australians wanted to remain at home.<sup>xi</sup> However achieving this is becoming increasingly difficult. The report found that as Australia's population ages, more people will be renting for longer, especially Australians on low- and middle-incomes. It is expected that the number of retirees who own their homes will drop from 80 percent today down to two-thirds over the next thirty years.<sup>xii</sup>

The current rental market is unsuitable for older people and as the number of older people in the private rental market increases, as does the number people at risk. Anglicare Australia's 2024 Rental Affordability Snapshot found that only 0.2 percent of rental properties would be affordable for a person on the Age Pension.<sup>xiii</sup> That number also does not account for the fact that many properties on the private market would be unsuitable for an older person. In reality, nearly half of older renters live in poverty.<sup>xiv</sup> This creates massive inequity between those who own their homes and those who do not. A typical homeowner over the age of 65 spends just five percent of their income on housing, while that number is nearly 30 percent for a renter.<sup>xv</sup>

Where older people do have secure housing there is assurance that the housing will support their needs as they age. Home modifications can be vital in keeping people independent for longer as they age which works to empower the individual whilst also reducing care costs. However, home modifications can be expensive and where the aged care system subsidise the costs, people can be waiting over a year after assessment before receiving the necessary support to make modifications and this is in situations where they own their home. Private rentals have notoriously strict rules around changes to the rental property which do not suit the reality of an older person with increasing support needs. Where these needs cannot be accommodated within the home environment people will prematurely entire residential aged care.

Ensuring our communities are accessible for older Australians begins with making housing safer and more secure. This means increasing rental protections, giving older Australians more freedom to



make sensible modifications, investing in social and affordable housing, and ensuring equitable access to home care so older people are supported to remain in their own homes.

**Recommendation: Enabling older people to remain in their communities**

Anglicare Australia recommends that the Draft Policy:

- Include an action under Objective 1 to introduce increased rental protections allowing older people to make sensible modifications that support them to continue living at home.
- Fund additional Home Care Packages (HCPs) to reduce the average wait time for older people to access a package to at most three months. This relates to both Objectives 1 and 2.

### Climate-safe homes

Whilst housing affordability and accessibility continues to be a major issue, the Draft Policy provides opportunity to not just respond to existing challenges, but to future proof-urban areas. Access to sustainable housing can play a huge role in improving wellbeing whilst also reducing costs in the long run.

The Draft Policy acknowledges these links, but it is important to ensure that improving the quality and efficiency of Australia’s housing stock doesn’t become something only accessible to those with means. In the current housing stock, an estimated 9.5 million homes were built before the introduction of energy efficiency standards.<sup>xvi</sup> As a result, it is important to ensure that all communities are brought up to scratch.

Australia faces the challenge that one in three households are renters, placing many Australians at the whim of their landlords when it comes to efficiency and sustainability of their homes. The split incentive challenge must be tackled, but it cannot come through a sole solution of providing tax breaks, incentives and subsidies to wealthy property investors. Nationally consistent minimum rental standards that require a property to have a basic level of energy efficiency would act as a ‘stick’.

Sustainable homes are not only important for addressing climate change, but there are significant health benefits to be gained from energy efficient homes. Research from Swinburne University suggests that heat-related deaths could be reduced by up to 90 percent by upgrading existing housing stock to a minimum energy rating of 5.4 stars.<sup>xvii</sup> Given up-front upgrade costs often make these retrofits out of reach for Australians on low-incomes, Government initiatives to hasten these upgrades are important. Many state governments operate schemes, and the federal government has been rolling out a household energy upgrades program as well.

As our cities continue to grow, they will also have to adapt to new climate challenges. As the urban footprint pushes outwards, but also urban cores continue to densify, it will become increasingly important to ensure adequate climate disaster management and abatement into new homes. According to the Climate Council, four of the top ten federal electorates most vulnerable to extreme weather events are based in urban areas, all with extreme risk of riverine flooding.<sup>xviii</sup> Additionally, it notes a high risk of bushfires in one federal electorate that sits at the urban fringe of Brisbane and the

Gold Coast. The future of our cities and urban communities must be alive to an increasing risk of extreme weather and natural disasters that will not just make life difficult but make homes uninsurable. The Climate Council estimates that over half a million homes will be totally uninsurable by 2030 as a result of extreme weather.<sup>xix</sup>

**Recommendation: Climate-safe homes and communities**

Anglicare Australia recommends the inclusion of the following actions under Objectives 4 and 5:

- Mandating minimum energy efficiency performance standards and minimum insulation standards for all rental properties.
- Building all new social housing properties to meet seven-star ratings.
- Upgrading existing social housing properties to at least five-star rating.

## Conclusion

The Draft National Urban Policy sets a broad goal and seeks to imagine what a stronger and better Australia could look like. The issues it seeks to address are worth tackling, and it identifies a number of existing challenges that governments have to take action on. This is a step in the right direction and has a vital role in our journey of building a roadmap to a better Australia.

However, there is room for improvement. The Draft Policy can be strengthened by making stronger links between its bold ideas and the policies needed to make them reality, particularly in the area of housing. The challenges that face Australian cities are vast and complex, so therefore our approach to them will need to be similarly bold. Australians are feeling the pressure of an uncertain housing market, a changing climate, and an aged care system under stress. Despite the angst and uncertainty, there are bold solutions to our problems. The Draft Policy can guide the way.

Anglicare Australia believes that the Draft Policy has the potential to be a guiding document, that takes seriously the challenges we face as a country and as communities. It can only serve that goal if it is strengthened to ensure that its goals and ambitions meet the scale of the challenges we face.

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<sup>i</sup> Australian Government (2024) [Draft National Urban Policy](#).

<sup>ii</sup> Australian Bureau of Statistics, as cited in [Australia: Population and Dwellings](#).

<sup>iii</sup> Thomas, M. and Hall, A. (2016) [Housing affordability in Australia](#).

<sup>iv</sup> Anglicare Australia (2024) [Rental Affordability Snapshot 2024](#).

<sup>v</sup> Australian Bureau of Statistics (2022) Building Activity, Australia.

<sup>vi</sup> Centre for Social Research and Methods (2017) [Regional housing supply and demand in Australia](#), Australian National University.

<sup>vii</sup> P Troy (2011) [The rise and fall of public housing in Australia](#), Australian National University.

<sup>viii</sup> Australian Housing and Urban Research Institute (2022) [Private sector involvement in social and affordable housing](#).

<sup>ix</sup> Australian Institute of Health and Welfare (2018) Housing Assistance in Australia 2018.

<sup>x</sup> Ibid.

<sup>xi</sup> Anglicare Australia (2022) [Ageing in Place](#).

<sup>xii</sup> Grattan Institute (2020) [Unaffordable Housing is the biggest threat to a comfortable retirement](#).

<sup>xiii</sup> Op cit: Anglicare Australia (2024)

<sup>xiv</sup> Ibid.

<sup>xv</sup> Ibid.

<sup>xvi</sup> Climate Council (2022) [Climate Policies for a Sensible Government](#)

<sup>xvii</sup> Alam, M. et al. (2016) [Modelling the correlation between building energy rates and heat-related mortality and morbidity](#), Swinburne University of Technology.

<sup>xviii</sup> Climate Council (2022) [Uninsurable Nation: Australia's Most Climate-Vulnerable Places](#).

<sup>xix</sup> Ibid.