



## **Submission National Urban Policy**

### **CHIA and National Shelter**

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Contact:

Emma Greenhalgh

CEO

National Shelter

[Emma.greenhalgh@shelter.org.au](mailto:Emma.greenhalgh@shelter.org.au)



## Introduction

National Shelter and the Community Housing Industry Association (CHIA) welcome the opportunity to make this short response to the Department of Infrastructure, Transport, Regional Development, Communications and the Arts (DITRDCA) on the Draft National Urban Policy (NUP).

CHIA is the peak body representing not-for-profit community housing organisations (CHOs) across Australia. Not-for-profit CHOs are regulated, organisations that develop and manage rental homes for the long-term, primarily to assist low-income households disadvantaged in securing suitable homes in the private market. They invest financial surpluses in building homes, enhancing landlord services, and implementing property improvements instead of shareholder profits. Our 150+ members collectively manage more than 125,000 homes, valued at over \$40 billion for the benefit of our residents and their communities.

National Shelter is a non-government peak organisation that aims to improve housing access, affordability, appropriateness, safety, and security for people on low incomes. National Shelter is supported by the work of State Shelters and members in all jurisdictions, as well as national member organisations, associate members, and sponsors.

Both organisations have a strong interest in a national urban policy, particularly a policy that delivers more equitable outcomes for cities including the stakeholders, members, and cohorts that we represent. Access to secure, affordable, and appropriate housing is foundational to the functioning of cities. This includes the consideration of housing types and locations, housing that is energy efficient, and provides for a range of tenures in both existing urban and growth areas.

It is important that any national urban policy contributes to addressing the current housing crisis by not contributing to spatial inequality and locational disadvantage. There is a key role for the Commonwealth coordination urban policy including planning and housing.

Our response is focused on inclusion of social and affordable housing and governance measures.

## Social and affordable housing

The draft policy is rightfully concerned about the intersection of secure, affordable and accessible housing and its contribution to urban inequality. Objective 1 'No-one and no place left behind' provides a clear overview of some of the current Commonwealth initiatives aimed at increasing housing supply including the National Housing Accord as well as the planning measures to improve housing supply outcomes such as the National Planning Reform Blueprint.

While we welcome the focus of the Commonwealth Government on enhanced housing supply and a clear target of 1.2million well located homes, housing supply itself will not create the supply of social and affordable homes that are needed to respond to the unmet housing need of very low to low-income households<sup>1</sup>. There are a range of housing measures being delivered by the Commonwealth and often in partnership with the states and territories deliver social and affordable housing. These are policies that we have strongly supported.

However, we believe that there is a key mechanism that is missing from this draft urban policy that has the opportunity to create a more effective and simpler delivery mechanism for social and affordable housing in well located areas – mandatory inclusionary zoning.

There are also variations across jurisdictions in the proportion of affordable housing required, and whether the policy applies in specified areas or is applicable to all residential areas<sup>1</sup>.

We propose the introduction of a comprehensive system that places modest 'affordable housing contribution' obligations on all market price residential developments above a minimum threshold

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<sup>1</sup> See [CHIA-housing-need-national-snapshot-v1.0.pdf \(unsw.edu.au\)](#)

size in capital cities and other high land value locations. Such an approach would contribute to reducing urban inequality, and ensure that a proportion of housing delivered in the 'well located areas' through the National Housing Accord is social and affordable housing. If implemented correctly, the cost would be effectively borne by the land value and would not compromise development project feasibility; the affordable housing requirement would be factored into the price paid for the land<sup>2</sup>. It will also ensure a continuous pipeline of social and affordable housing without additional government funding.

We acknowledge that under a federated system that it does appear that the Commonwealth Government appears limited about what it can do with urban policy. However, we believe that the Commonwealth have a significant role in setting both the policy and fiscal agendas and tying deliverables/outcomes to funding. It can also play a leadership role by supporting and incentivising States to introduce inclusionary zoning in the same way that it has committed to providing incentive payments to states and territories for exceeding the original 1 million Housing Accord target.

We also urge the draft policy to include mandated social and affordable housing provisions for the disposal of surplus government land in urban areas that are appropriate for residential development. This can be combined with mandatory inclusionary zoning or be considered a separate measure.

The Commonwealth has prior experience of active engagement and interest in urban programs with social and affordable housing outcomes in states and territories. We draw attention to the Building Better Cities program (1991-1996), specifically the case of Ultimo-Pyrmont. This urban redevelopment precinct included increased housing densities with targeted amounts of social and affordable housing delivered through inclusionary zoning and the not-for-profit housing provider City West<sup>3</sup>. It is an example of how the Commonwealth can be actively engaged in urban policy and programs that 'hardwire'<sup>4</sup> social and affordable housing outcomes.

Additionally, the announcements by the Commonwealth in the 2024/25 Budget on surplus government land should be targeted at projects that deliver at least 30% social and affordable rental housing.

## **Governance**

The draft National Urban Policy articulates the key goals for urban places and objectives for government. However, as it has not yet articulated a shared vision it is difficult to understand how these goals and objectives underpin a vision that currently does not exist.

Objective 1 'No-one and no place left behind' focuses on housing supply. It rightfully references the National Housing Accord and the National Planning Reform Blueprint via National Cabinet. Both of these are important measures to deliver housing and respond to the housing crisis. It acknowledges the role of social and affordable housing. However, there is no reference to how the draft policy connects to the forthcoming National Housing and Homelessness Plan. Equally, the draft policy does not consider a role for the National Housing Supply and Affordability Council, and the relationship with their State of the Housing System Report. This is critical when measuring the success of the draft policy, particularly about how the policy is 'increasing the availability of housing that is well located, well designed, and affordable...'<sup>5</sup>.

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<sup>2</sup> [Constellation Project Submission to the NHHP- MIZ national framework 2023](#).

<sup>3</sup> See [https://www.fishermansbend.vic.gov.au/\\_data/assets/pdf\\_file/0019/33166/Footnote-8-to-Marcus-Spiller-Evidence.PDF](https://www.fishermansbend.vic.gov.au/_data/assets/pdf_file/0019/33166/Footnote-8-to-Marcus-Spiller-Evidence.PDF) and [Publications – The affordable housing beacon we sailed past \(sgsep.com.au\)](#)

<sup>4</sup> Marcus Spiller in [12. Role of the Commonwealth \(2\) – Parliament of Australia \(aph.gov.au\)](#)

<sup>5</sup> See page 22 [draft-national-urban-policy.pdf \(infrastructure.gov.au\)](#)

Further, the draft policy does not include targets or indicators to measure success of the goals. We urge the Commonwealth to consider aligning the measures to the Commonwealth Government's Wellbeing Framework 'Measuring What Matters' where possible.

Finally, we recommend that the National Policy Forum include a representative that can appropriately speak to the issues raised in Objective 1 and the cohorts it is concerned with. It is a matter of concern that there is no organisation currently represented on the Forum that is currently focused on low income households.