



THE HON MICHAEL SUKKAR MP
Minister for Housing and Assistant Treasurer

Ref: MC20-020471

06 NOV 2020

Mayor David O'Loughlin
Australian Local Government Association
Australian Local Government Centre

alga@alga.asn.au

Dear Mayor O'Loughlin

Thank you for your correspondence of 21 August 2020 concerning housing, in particular the motions you have referred to me for consideration, covering the issues of homelessness, social housing and the National Rental Affordability Scheme.

The Australian Government remains committed to improving housing supply and affordability. We understand that if a family or an individual has a roof over their head, then all of life's other challenges become more manageable. Access to secure and affordable housing has significant economic and social benefits.

State and territory governments are primarily responsible for housing and homelessness. However, the Government provides substantial support to states and territories so they can fund important initiatives to improve housing outcomes. This includes around \$1.6 billion per year through the National Housing and Homelessness Agreement (NHHA) to states and territories, which includes \$129 million in dedicated homelessness funding that must be matched by states and territories.

Under the NHHA, state and territory governments are responsible for determining priorities and the type and locations of services funded. State and territory governments also make decisions about social housing, including the building, location and all other tenancy matters.

The housing priority policy areas to be addressed under the NHHA include affordable housing, social housing, encouraging growth and supporting the viability of the community housing sector, tenancy reform, home ownership and planning and zoning reform initiatives.

Under the NHHA, states and territories are required to have a homelessness strategy that identifies reforms and initiatives that will contribute to a reduction in the incidence of homelessness, which includes: women and children affected by family and domestic violence, children and young people, Indigenous Australians, people experiencing repeat homelessness, people exiting institutions and care into homelessness, and older people.

The NHHA improves accountability as states and territories are required to have publicly available housing and homelessness strategies and contribute to improved data collection and reporting.

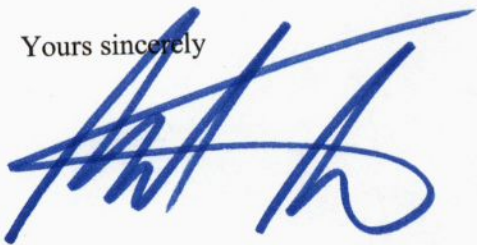
The Government also provides around \$5.5 billion per year in Government Rent Assistance to help eligible Australians pay their rent. Commonwealth Rent Assistance is a supplement payment for those Australians receiving income support payments.

The Government's establishment of the National Housing Finance and Investment Corporation (NHFIC) in June 2018 is also helping to improve housing outcomes. NHFIC administers several programs, including: the Affordable Housing Bond Aggregator (AHBA), which provides cheaper, long-term finance for community housing providers; the \$1 billion National Housing Infrastructure Facility, which provides finance for critical infrastructure underpinning housing supply, particularly affordable housing; and the First Home Loan Deposit Scheme, which provides up to 20,000 guarantees in 2020-21 and 10,000 per financial year ongoing to allow eligible first home buyers to purchase a modest home sooner with a deposit of as little as 5 per cent. To date, NHFIC's AHBA has already increased the supply of social and affordable housing in Australia by supporting the delivery of more than 2,200 new and the refinancing of 6,300 existing social and affordable dwellings.

Finally, with regard to the motion to extent the National Rental Affordability Scheme (NRAS) – as you would be aware, NRAS was intended to provide incentives for 10 years. It will not be extended beyond this timeframe. Instead, and as outlined above, the Government is making significant investments alongside and through states to support housing and homelessness outcomes nationally.

I trust this information will be of assistance to you.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Michael Sukkar', written over a horizontal line.

The Hon Michael Sukkar MP