

Chapter 4

A Commonwealth Housing Minister

4.1 A broad range of views were expressed during the inquiry regarding the role of governments in facilitating good housing outcomes, both in terms of the provision of affordable housing and in promoting housing affordability more generally. A common theme in many submissions was that government policies need to be holistic in their design and implementation. Specifically, it was argued that while housing assistance was an important responsibility of government, housing policy should not be regarded as simply an adjunct of welfare policy. Instead, governments should approach housing policy as, at once, social, economic, taxation and infrastructure policy, and more so besides.

4.2 Some witnesses argued that in order to properly reflect and address the cross-portfolio nature of housing policy, the Commonwealth should appoint a dedicated housing minister. A number of these witnesses further argued that a Commonwealth housing minister should not be narrowly cast as a minister for housing assistance or a minister for social housing. Indeed, some suggested that rather than locating the housing portfolio within the Department of Social Services, it would be more appropriate to move the portfolio to one of the central agencies, such as the Treasury or the Department of the Prime Minister and Cabinet.

4.3 This chapter considers these calls for a Commonwealth housing minister, and arguments regarding the location of the housing portfolio within the Australian Government.

A Housing Minister, not a Housing Welfare Minister

4.4 A key idea to emerge from this inquiry was that housing policy should not be viewed exclusively or even predominantly as a welfare issue. National Shelter told the committee that a whole-of-system policy response was required if Australia were to prevent the current housing 'crisis' from becoming a 'catastrophe':

We too frequently talk about affordable housing as just the welfare end of the spectrum. We can never fix it from the welfare end; we have to actually fix the system to make more affordable housing available for people on low incomes and very low incomes. That means looking at how the market operates, looking at the tax treatment of housing, looking at our funding of affordable and social housing, and the very models and approaches that we have to housing affordability in Australia.¹

1 Mr Adrian Pisarski, Executive Officer, National Shelter, *Proof Committee Hansard*, 10 September 2014, p. 33.

4.5 According to a number of witnesses, the design and delivery of holistic housing policies required the appointment of a dedicated Commonwealth housing and homelessness minister. (Whereas the former Labor Government had included a dedicated Minister for Housing and Homelessness,² under the current government the Minister for Social Services now has portfolio responsibility for housing and homelessness policy and programs.) For instance, ACOSS told the committee that it was:

...very disappointed not to have a designated housing minister in this current government. Partly because the issues are so complex and there are multiple policy levers across different portfolio areas, it is a loss not to have a minister who has the capacity to have a fairly single minded focus on those issues.³

4.6 Professor Dalton told the committee that the profile of housing policy had generally waned in recent decades. This decline, he argued, was reflected in the relatively junior status of housing ministers under Labor governments (with some exceptions), and the absence of a dedicated housing minister under both the Coalition government of the Hon John Howard OM AC and the current government.⁴

4.7 The CFRC also expressed concern about the current lack of a dedicated Commonwealth housing minister 'with responsibility both for housing policy and for assessing the impacts of Australian Government policy more broadly on the housing system'. At the same time, it suggested that the 'procession of six short term Housing Ministers' under the former Labor government 'provided limited opportunity for strategic housing policy development'.⁵

4.8 Arguing the need for a coordinated, intergovernmental approach to housing policy, NT Shelter recommended that the Australian Government 'appoint a single Minister for Housing, Homelessness and Urban Development with responsibility to coordinate housing-related policy decisions across agencies'.⁶

4.9 For its part, the HIA argued that states and territories were not held sufficiently accountable by the Commonwealth for the housing-related funding they

2 Ministerial titles included Minister for Housing (3 December 2007 to 14 September 2010), Minister for Social Housing and Homelessness (14 September 2010 to 14 December 2011), Minister for Housing and Minister for Homelessness (14 December 2011 to 25 March 2013), and Minister for Housing and Homelessness (23 March 2013 to 18 September 2013).

3 Ms Jacqueline Phillips, Director of Policy, Australian Council of Social Service, *Proof Committee Hansard*, 10 November 2014, p. 28.

4 Professor Tony Dalton, Professor of Urban and Social Policy, RMIT University, *Proof Committee Hansard*, 9 September 2014, pp. 12–13.

5 City Futures Research Centre, UNSW, *Submission 152*, p. 6.

6 NT Shelter, *Submission 118*, p. 13.

received, and this lack of accountability underlined the need for a Commonwealth housing minister.⁷

4.10 Many of the witnesses arguing the case for a dedicated Commonwealth housing minister also emphasised the importance of defining a housing minister's roles and responsibilities broadly so as to capture issues beyond social housing and housing assistance. For instance, National Shelter stressed that a national housing minister should not act simply as a minister for welfare housing. Rather, a national housing minister should also be engaged with Treasury on tax policy and other relevant economic matters.⁸ Asked where a housing minister might sit in the federal government, ACOSS responded that the housing portfolio would be better placed in one of the central agencies rather than in DSS:

Perhaps in a way you would ultimately want it to sit under the Prime Minister. Certainly Treasury has a key role to play around tax settings, depending on the outcomes of this reform process. I would be concerned about seeing housing sitting as a subsidiary of social services because of the 'welfarisation' of housing. Housing is a mainstream economic issue and relates to employment and economic participation. In that way, it needs to be a central and cross-cutting theme of government, I would argue. So, without fully answering the question, I think the housing minister should be located somewhere centrally.⁹

4.11 The CFRC also suggested that the placement of housing in the social services portfolio or similar since 1996 'has perpetuated the narrow and inadequate framing of housing as a welfare issue'.¹⁰ Referring to its call for the appointment of a Commonwealth housing minister, the HIA said that in the past housing ministers had:

...been captured by the inevitable but understandable call for additional social housing, additional housing at the lower end of the income continuum. Essentially a housing minister at a federal level becomes a minister for payments and writing cheques or instructing cheques to be written. That is not, in our view, an appropriate responsibility or portfolio for a housing minister; a housing minister needs to look at housing supply; it needs to look at housing demand; it needs to look at the issues that are impacting upon housing, including infrastructure, including taxation, including town planning delays. They may not necessarily fit at a federal

7 Mr Graham Wolfe, Chief Executive, Industry Policy and Media Relations, Housing Industry Association, *Proof Committee Hansard*, 30 July 2014, p. 47.

8 Mr Adrian Pisarski, Executive Officer, National Shelter, *Proof Committee Hansard*, 10 September 2014, p. 36.

9 Ms Jacqueline Phillips, Director of Policy, Australian Council of Social Service, *Proof Committee Hansard*, 10 November 2014, p. 28.

10 City Futures Research Centre, UNSW, *Submission 152*, p. 7.

government level but certainly they are matters that impact on housing supply and as such will impact on future government expenditure.¹¹

Committee view

4.12 The committee believes governments, including the Commonwealth, have a legitimate role, and indeed a responsibility, to use policy interventions to improve the efficiency, efficacy and, critically, the affordability of the housing market. As such, the current lack of a dedicated Commonwealth housing minister is a matter of concern for the committee. Housing-specific policies, and policies that shape the housing market more broadly, have direct and in some cases profound effects on the life outcomes of Australians across the socio-economic spectrum and in all tenure types. In this context, the committee believes there is a clear need for a dedicated Commonwealth housing minister able to provide cross-portfolio and national leadership on this important policy issue.

4.13 Housing and homelessness is a particularly complex policy area, and the committee believes addressing housing purely or overwhelmingly as a social policy or 'welfare' issue is problematic. This is particularly true at the Commonwealth level, where taxation and other broad economic settings have a fundamental influence on the housing market. The committee recognises that housing policy will necessarily be cross-portfolio (and, as discussed in the next chapter, intergovernmental) in its design and execution, but believes greater emphasis needs to be given to the economic dimensions of policy settings than has been the case in recent years.

4.14 In order to reflect properly the cross-portfolio nature of housing and homelessness issues and better leverage policy tools and expertise, the committee believes that the housing and homelessness portfolio would be best placed within a central agency of government, such as the Department of the Prime Minister and Cabinet or Treasury. There is ample precedent for such a move: a recent example would be the current government's decision to move Indigenous policy from the Department of Families, Housing, Community Services and Indigenous Affairs (now the Department of Social Services) to the Department of the Prime Minister and Cabinet. The Prime Minister, the Hon Tony Abbott MP, explained that this move would give Indigenous policy 'the full focus of the Prime Minister and across-government implementation'.¹² Alternatively, the housing and homelessness portfolio might be better placed within the Department of Infrastructure, with formal links to the central agencies.

11 Mr Graham Wolfe, Chief Executive, Industry Policy and Media Relations, Housing Industry Association, *Proof Committee Hansard*, 30 July 2014, p. 47.

12 Media release, 'Tony Abbott – Establishment of a Prime Minister's Indigenous Advisory Council, 10 August 2013, <http://www.liberal.org.au/latest-news/2013/08/10/tony-abbott-establishment-prime-ministers-indigenous-advisory-council>.

Recommendation 1

4.15 The committee recommends that the Australian Government appoint a Minister for Housing and Homelessness, with the portfolio to be located in a central agency such as the Department of the Prime Minister and Cabinet or the Treasury, or in the Department of Infrastructure with formal links to the central agencies.

