

**Inquiry into housing affordability and supply in Australia**

**Division:** Social Policy Division  
**Topic:** NSW building approvals  
**Reference:** Spoken (14 September 2021)  
**Member:** Jason Falinski

**Question:**

CHAIR: And we did see in New South Wales a drop in building approvals of 10 per cent to September. Is that right?

Ms Ossolinski: I can't tell you about New South Wales off the top of my head, sorry. I'd have to come back to you on that one.

**Answer:**

In New South Wales, the number of dwelling approvals declined by 2.3 per cent in the month of August 2021, to be 38.0 per cent higher than a year ago and 11.3 per cent higher than the monthly average in 2019, prior to the pandemic. These are the latest available data from the Australian Bureau of Statistics as at 13 October 2021.

**Treasury Portfolio**

**Inquiry into housing affordability and supply in Australia**

**Division:** Social Policy Division  
**Topic:** Effectiveness of first home buyer programs  
**Reference:** Spoken (14 September 2021)  
**Senator:** Julie Owens

**Question:**

Mr Devlin: The review was provided to government on 13 August. According to the legislation that was set up when NHFIC was established, the minister has 15 sitting days in which to table that report in parliament.

Ms OWENS: So, for that particular part of the plan, we'll be able to see an outcome. My reason for asking this is that there have been a number of strategies put in place. Before we even consider whether or not we should do something else, we need to consider whether or not they're working and functioning and whether they're the best use of resources. In terms of first home buyers and whether these programs have had an impact on the overall picture, we don't know that or we do?

Dr Swieringa: I could probably ask my colleagues in the macro group to talk a little bit about first home buyer activity, but certainly some of these recent programs have seen the proportion of lending going to first home buyers increase relative to other borrowers, which is usually a pretty good indicator of first home buyer activity. Maybe Crystal or Trevor might want to expand upon that.

Ms OWENS: That's okay. I'll put the general question on notice. If we could have any updates or data that relate to the effectiveness of the housing plan back from 2017-18, that would be great.

**Answer:**

The Government announced a range of measures in the 2017-18 Budget to improve housing affordability. Available data and updates on selected measures are summarised below.

**National Housing Finance and Investment Corporation (NHFIC).** NHFIC commenced operations on 30 June 2018 and administers the National Housing Infrastructure Facility (NHIF), the Affordable Housing Bond Aggregator (AHBA), the First Home Loan Deposit Scheme (FHLDS) and other guarantee programs to support home ownership, and conducts research into housing demand, supply and affordability.

The NHIF provides finance for infrastructure to unlock new housing supply, particularly affordable housing. The NHIF has so far allocated over \$300 million to support the delivery over 5,700 new social, affordable and market dwellings.

The AHBA provides cheaper and longer-term finance for registered Community Housing Providers (CHPs). Over \$2.5 billion in loans have been approved, supporting the delivery of more than 4,600 new social and affordable dwellings and the refinancing of over 8,300 existing dwellings. It is anticipated the loans will collectively save those CHPs around

\$420 million in interest payments over the term of the loans. The Government increased the AHBA's liability cap to \$3 billion in October 2020 to facilitate NHFIC to provide more support to CHPs.

Since commencement (January 2020) to 30 June 2021, the FHLDS and New Home Guarantee have supported approximately 33,000 first home buyers to enter the market sooner.

The **First Home Super Saver Scheme** (FHSSS) assists first home buyers to build a deposit inside their superannuation to save for their first home. Individuals have been able to make contributions since 1 July 2017 and apply to release their savings since 1 July 2018. Over the period from 1 July 2018 to 31 July 2021, the Australian Taxation Office released FHSSS amounts to around 21,400 individuals to the value of around \$289 million – this equates to around \$13,500 released per individual.

**Contributing the proceeds of downsizing to superannuation.** Since 1 July 2018, eligible older Australians wishing to downsize can contribute up to \$300,000 into superannuation from the sale of their home. This measure helps free up larger homes for growing families. Over the period from 1 July 2018 to 31 July 2021, around 27,700 individuals have made downsizer contributions to their superannuation to the value of \$6.6 billion. This equates to an average accumulated contribution per individual of around \$238,000.

A new **National Housing and Homelessness Agreement** (NHHA). Commencing on 1 July 2018, the Commonwealth provides funding on a monthly basis to all states and territories under to improve Australians' access to secure and affordable housing across the housing spectrum. This funding is approximately \$1.6 billion per year and under the NHHA, to receive funding, state and territory governments are required to have publicly available housing and homelessness strategies and contribute to improved data collection and reporting.

**Divestment of Commonwealth land and Commonwealth land registry.** In December 2017, the Government updated the Commonwealth Property Disposal Policy to require affordable housing initiatives to be considered in the disposal of all Commonwealth land that is suitable for housing. The Government has continued to progress announced divestments of a number of properties. For example, on 27 February 2020, the Department of Defence completed the sale of Bulimba Barracks to Australian developer, Shayher Group. In April 2021, Shayher Group submitted its development proposal for the site to Brisbane City Council (Council). Subject to Council approval, future site development is expected to deliver up to 855 dwellings in alignment with the Bulimba Barracks Master Plan. Further divestment projects that are expected to support increased housing supply include Defence properties in Melbourne, Sydney, Adelaide and Perth.

**Review of the National Regulatory Framework for Community Housing Providers.** The Commonwealth provided \$950,000 for the joint Commonwealth-NSW Review of the National Regulatory Framework for Community Housing Providers (NRSCH). The NRSCH data review was completed in December 2019 and the NRSCH Review final report was published in April 2021.

**Social Impact Investment** (SII). In the 2017-18 Budget, the Government provided funding of \$10 million over 10 years to partner with state and territory governments on SII to help young people at risk of homelessness as part of the package to address youth homelessness.

The Department of Social Services has signed a project agreement with states and territories which funds joint social impact investments for youth at risk of homelessness and other priority groups. Additional funding for SII was included in the 2019-20 Budget.

**Expanding tax incentives for investments in affordable housing.** From 1 January 2018, the capital gains tax discount increased from 50 per cent to 60 per cent for qualifying affordable housing.

**Restrict foreign ownership in new developments to no more than 50 per cent.** Since May 2017, foreign investment approvals in new developments have been limited with the implementation of a 50 per cent cap on the total amount of dwellings that a developer can sell to foreign persons under a New Dwelling Exemption Certificate.