Division/Agency: Individuals and Indirect Tax Division
Question No: 279
Topic: Housing Affordability
Reference: Written
Senator: Rhiannon, Lee

Question:

1. What is your definition of affordable housing?
2. How much of a discount on market rent qualifies as 'affordable' and who decides what the market rent for an area is?
3. Will all housing delivered through CGT discount increases or Managed Investment Trusts be managed by Community Housing Providers?
4. Have you investigated comparable examples from other jurisdictions? If so please supply details and to what extent have they informed your decision?
5. When will definitions be in place, e.g. how big of a discount on market rent qualifies as 'affordable' and who decides what the market rent for an area is?
6. Will ALL housing delivered through CGT discount increases or MITs be managed by CHPs?
7. Are there comparable examples from other jurisdictions?

Answer:

1. For the purposes of the 2017-18 Budget measure to introduce an additional 10 per cent Capital Gains Tax discount for affordable housing, affordable housing must be provided at below market rent and made available for eligible tenants on low to moderate incomes while being managed by a registered community housing provider.

2. Investors will need to provide rental housing via a registered community housing provider to eligible tenants at a discount to the private rental market rate. The Government will consult further on the implementation of this measure.

3. In order to be qualifying affordable housing the rental must be provided through and managed by a registered community housing provider.

4. Treasury considered a range of schemes both domestically and internationally.

5. The final policy design will be detailed in the legislation released for public consultation.

6. Please refer to part 3 above.

7. Please refer to part 4 above.