



## CHIA WA Member Briefing

### Six “Housing Takeaways” from the Federal Election results

The Liberal- National Government will embark on its third successive term of government following Saturday’s General Election led by Prime Minister, Scott Morrison. Here are six key takeaways:

1. The Labor party pre-election platform included a plan to incentivise the construction of 250,000 new affordable dwellings nationally during the next 15 years to be managed exclusively by community housing providers. Dubbed NRAS 2.0, the proposal died with Labor’s election hopes and represents a significant blow to our sector’s hope for greater Federal Government investment in affordable rental housing. The Liberal party’s housing policy platform pledged no new money for social and affordable rental housing.
2. The Liberal Party’s marquee housing policy came during the last week in the campaign in the form of promised additional support for aspiring first home buyers. Full details of the scheme have yet to be announced but it will:
  - Be available to singles on an income of up to \$125,000 per annum and \$200,000 for couples;
  - Will enable aspiring buyers who only have 5% of the purchase cost (deposit) to borrow the remaining 15% from the National Housing Finance and Investment Corporation (NHFIC) thus avoiding Lenders Mortgage Insurance costs.
  - Will likely ‘go live’ in January 2020
3. Although when first announced the number of first-time buyers to be assisted by the scheme was to be capped at 10,000 per year (at a cost of \$500 million), the Prime Minister subsequently conceded that additional funds could be provided for the program should demand exceed the 10,000 loans cap.
4. The first-time buyer plan fundamentally alters the remit of NHFIC. It remains to be seen how this will affect the organisation’s existing remit: providing loans to increase affordable housing supply particularly through loans to CHPs. It is certain, however, that the organisation will need to realign and capacity build to implement the new First Home Buyers plan.
5. The election result means that policy settings in respect of Negative Gearing and Capital Gains tax will remain unaltered. Given that reforms to the tax treatment of investment housing was a key policy of the defeated Labor Party, it will likely be many years, if ever, before similar changes are proposed by any party in advance of a general election.
6. There is broad agreement that the new Federal Government is managing an economy that is in danger of slipping into recession. Falling house prices, depressed consumer spending, and rising unemployment may compel the Government to employ fiscal stimulus. Particularly, if interest rates cuts, should they eventuate as expected, fail to sufficiently stimulate demand. This may present an opportunity to the community housing sector should that stimulus come in the form of social housing construction as it did in the wake of the Global Financial Crisis.



Against this backdrop, the CHIA Board met yesterday to begin the development of our new three-year strategy. The objectives for CHIA remain much as before. These are to:

- Represent members, and to work with government and other stakeholders to shape legislation, regulation, and funding frameworks to enable our members to function as strong, resilient, and independent enterprises.
- Develop and deliver cost-effective, relevant, and responsive assistance to CHIA members.
- Enhance the community housing industry contribution to social justice and inclusive growth. We remain committed to playing a lead role in shaping a new vision for social and affordable housing in Australia, as an integral and essential component of a well-functioning housing system. To this end we will collaborate with counterpart industry bodies, with relevant government players, and with a range of other civil society organisations and academic institutions.

As we develop and finalise the strategy, we need to ensure that our priorities accord with those of our membership and we will be consulting with our members in this regard over the next few weeks.