



Kate Chaney MP
FEDERAL MEMBER FOR CURTIN

Curtin Housing Policy



CURTIN HOUSING POLICY

How can we improve housing affordability in Curtin?

Housing affordability is a huge problem across Australia now.

It has taken 25 years of failed policy from both major parties to get where we are – housing is now half as affordable as it was, when compared to wages.

Homelessness remains a problem in Australia and we need more investment in homelessness services, particularly for young people who cannot live safely at home.

At our Curtin housing forums, residents told me they want politicians and governments to break the gridlock and work together to achieve three housing goals:

- secure, long-term housing achievable for all;
- policies to incentivise appropriate homes; and
- integration of social and affordable housing into communities.

In Curtin, we are lucky to have great amenities and transport. We have a reputation for being 'NIMBYs' (not in my backyard) when it comes to infill, but my sense is that most people are not against development. They just want to be consulted so that we are building communities we still want to live in. The planning decisions we make now will reverberate for decades.

Older residents struggle to find appropriate downsized housing in their area and every week I hear from younger people who are struggling to afford to buy or rent a home. People are being left behind.

We need to acknowledge the social value of a 'home' with the purpose of housing to provide homes, rather than an investment product.

When it comes to particular policy levers, there is no silver bullet and it will take time and coordination. If we can stop the short-term political point-scoring, understand the purpose of housing and focus on working together, we can fix this, so that all Australians have somewhere appropriate to live and more younger Australians can aspire to home ownership like generations before them.

This report is designed to give Curtin residents a snapshot of housing in our community, the solutions being proposed and which solutions I am working to get done. I have also tested public support for these solutions through a community survey, with the results from the 370+ respondents shared throughout the report.



Kate Chaney MP
Independent Member for Curtin

Housing in Curtin

Our 173,000 residents live in 76,000 homes across our 28 suburbs.

We have about 7,000 vacant homes, 29,000 homes with more than two spare bedrooms, 2,000 social housing homes and 1,700 homes used for short stay accommodation.

Houses represent 58% of our dwellings, with 23% being semi-detached and 19% flats. About a third are owned outright, a third mortgaged and a third rented.

Curtin suburbs have substantially higher median house prices and rents than the Perth metro area. While some households are on high incomes and are able to afford these prices, younger households and essential workers are struggling to live close to their families, friends and workplaces.

WHAT ARE GOVERNMENTS DOING NOW ABOUT AFFORDABILITY?

In the short term, it is politically popular for house prices to increase, given that the majority (2/3) of households own their home. But in the long run, ever increasing prices create a growing gap between homeowners and people who can't get 'on the property ladder'. More and more people are realising their children and grandchildren are being left behind.

Current government strategies and policies to improve housing affordability are unambitious and not progressing fast enough. The Housing Accord, announced in October 2022, has not been fully implemented, and we are not on track to meet the targets for home building.

Direct government-funded home building under the Housing Accord is limited. In round 1 of the Housing Accord, there are 13,700 social and affordable homes to be built nationally. Of this, Western Australia will have 2,800 new homes.

The State government has seized most planning authority from local governments to attempt to drive more infill, but many communities (especially in Curtin) are concerned that 20 storey-buildings are a knee-jerk reaction to the housing problem that will not create the vibrant, sustainable communities we want to live in.

Affordability snapshot - Australia

Recent Australian Government research indicates

- 72% disagree that sufficient affordable housing exists
- Only 21% believe there are enough quality homes available for low- and middle-income earners
- Only 18% agree the private rental market has enough suitable housing for low-income essential workers
- 1 in 3 households lack confidence they can afford their housing costs over next 12 months
- 70% renters and mortgage holders spend more than 30% of net household income on housing
- 28% spend over half their income on housing

WHAT AM I DOING ABOUT IT?

Many of the solutions identified in this report are politically difficult because they affect stakeholders in different ways and political parties have ruled out reform when backed into a corner. Implementing these reforms will require cooperation between politicians and between different levels of government.

To address this reform gridlock, we need to give politicians of all stripes permission (and pressure) to consider them.

By publishing this report as a member of the crossbench, I am inviting both sides to re-open the discussion about how to address housing, with the full range of sensible solutions on the table.

Consultation with my community has indicated that people are willing to approach housing policy with an open mind, because they can see the long-term need. I have seen this in a variety of ways:

- At the two Curtin Housing Forums and the Good Infill Forum I hosted to improve the quality of the debate and test community support for many of these ideas.
- In ideas submitted by community members after my call-out via social media and targeted emails.
- In a recent community survey of 350+ people and previous Curtin Housing Surveys.

I have met with relevant Federal and State Ministers to discuss these ideas and used my voice in Parliament to consistently raise many of these reforms. You can listen to my housing speeches on my website.

I have supported legislation about social housing, build to rent and rent to buy and in a way that is consistent with these priorities.

I will keep working to progress reasonable effective reforms, driven by evidence, not by political point scoring.

WHICH POLICIES WORK?

Effective housing policies can address two issues – how many homes are available and who gets them. Policies that increase the supply of available housing should be our highest priority right now.

People will have different views on policies that make it easier for some groups to get into housing than others. Many of these policies (e.g. grants) could make affordability worse overall – if some people have more money to spend, but the number of houses doesn't increase, prices go up.

Based on my discussions with Curtin residents and housing experts, the policies that I think are most worth pursuing are listed below. With some strong political will, we can make substantial inroads into improving housing affordability, both now and for future generations.

POLICIES TO INCREASE HOUSING SUPPLY

1. Boost government investment in social and affordable housing builds

There will always be some people who are unable to afford to buy in the private market. Social housing builds have not kept pace with demand. In WA, there are 18,936 people waitlisted for social housing, with an average wait time of 113.5 months. There is an unmet need of 39,200 social and 19,300 affordable homes across WA.

The current commitment under stage 1 of the Housing Accord is 2,800 new social and affordable housing builds in WA. While this is a start, this is not enough. Any new homes should also be future proofed to use less energy. This delivers a better economic outcome in the long run.

85% of survey respondents **support** this policy

Social housing in Curtin:

- 2021 - 3%
- 2001 - 2.5%

2. Reform planning/zoning restrictions for higher density and infill

We need more infill, done in a sustainable way that builds communities we want to live in. Upzoning and relaxed land-use regulations in Auckland in 2016 saw growth in townhouses and medium density dwellings in the following years. Rents grew more slowly and there was an increase of about 4% to the city's housing stock. An equivalent boost in Curtin's housing stock would be an additional 3,000 dwellings.

52% of survey respondents **support** this policy

Curtin suburbs with the most apartments:

1,866

Apartments in Subiaco

1,584

Apartments in Wembley

3. Attract more workers to the housing construction sector

It's hard to find a tradie! Construction trades should be prioritised in immigration because strong employment conditions make it hard to expand the domestic construction workforce.

73% of survey respondents **support** this policy

4. Slow down infrastructure spending

In recent years, governments from both sides have committed to an ambitious program of infrastructure spending, not all of which is supported as a priority by Infrastructure Australia. Infrastructure construction creates additional competition for skilled workers, so its timing should be planned around housing construction needs. Right now, residential housing construction should take precedence over more marginal infrastructure construction.

This was not included in the survey.

5. Encourage smaller homes to better match population needs

The average house in Curtin has 3 bedrooms, but single person households are growing, with 19,010 in Curtin. This will increase as the population ages. Many older residents say they can't find a suitable downsizer in their area.

67% of survey respondents **support** this policy

6. Encourage better use of vacant homes

There are more than 7,000 vacant homes in Curtin. While some may be used as second homes, or undergoing renovations, others are sitting empty and could add to housing supply quickly. This could be achieved through vacant property taxes or higher council rates.

80% of survey respondents **support** this policy

CURTIN LOCAL GOVERNMENT AUTHORITIES WITH THE MOST VACANT HOMES:



7. Replace stamp duty with a broad-based land tax

Economists recognise that stamp duty is an inefficient tax because it discourages households from moving to more appropriate homes when their circumstances change. While this is a state government responsibility, the Federal government could assist in the transition to a land tax. This would need to be slow but makes sense in the long term.

65% of survey respondents **support** this policy

8. Reduce home building costs through increasing productivity

Australian home building costs are high, partly due to a lack of productivity growth in the sector. Construction sector productivity in Australia has not improved in the past 30 years. Industry and government should be looking for reforms to improve growth and speed up build times.

77% of survey respondents **support** this policy

9. Create a level playing field for home buyers by reforming negative gearing and the CGT discount

Reforming negative gearing and CGT discount would not add to supply, but it could change the mix between owners and renters. At current affordability levels, many young people do not think they will ever own a home. Modelling by Deloitte Australia and Grattan Institute show it could reduce house prices by 2-5% in the long run and increase rents by 0.5%, so it could shift between 2.5% and 4.7% of Australians from renting to owning. This is because renters would be bidding against fewer investors at auctions.

This would be good news for some of Curtin's 20,000 rented households, but less welcome news for the 8,000 Curtin taxpayers who use negative gearing. It would make sense in the context of a broader tax reform package shifting some of the tax burden from income to capital.

76% of survey respondents **support** this policy

POLICIES TO PROTECT RENTERS

The halving in affordability over the last 20 years is unlikely to be reversed suddenly, so unfortunately more Australians are likely to have to rent for life. In this context, it becomes even more important that the third of Curtin households that are renting, experience good conditions and security of tenure and protections enjoyed in other developed countries.

10. Improved security of tenure for renters

As a renter, knowing that you won't lose your home brings better community, health, social and economic outcomes. Banning 'no grounds' evictions and limiting rent increases for existing tenants – in line with local market changes – would add to security of tenure.

71% of survey respondents **support** this policy

11. Encourage institutional investment in build to rent

Building a stronger market for institutional (or build to rent) investors in rental housing would provide more diversity in rental choice and expand the rental stock. Institutional investors currently play a small role in Australia compared to many other countries. The first Build to Rent project in Australia is in Subiaco and some progress has been made recently. But further barriers for institutional investors need to be addressed, including land tax, negative gearing and foreign investment rules.

70% of survey respondents **support** this policy

12. Increase the rate of Commonwealth Rent Assistance

Despite some increases in recent budgets, the rate of CRA has not kept pace with rental price increases over the past few years. CRA should be increased for those in the greatest need while reforming the eligibility rules and improving targeting.

64% of survey respondents **support** this policy

13. Reinstatement of the National Rental Affordability Scheme

The NRAS was a jointly funded scheme between State and Federal Governments, but it is coming to an end. It was a good policy in principle to improve housing affordability and increase supply of rental for low-income households. The scheme was burdened by administrative problems which should be reviewed but consideration should be given to developing a similar scheme.

63% of survey respondents **support** this policy

14. Encourage renting out spare bedrooms

There are more than 12 million spare bedrooms Australia-wide and 29,000 homes in Curtin with two or more spare bedrooms. Encouraging households to rent out spare bedrooms would benefit renters and better utilise existing housing stock. Reviewing tax settings on renting out bedrooms and simplifying administrative arrangements could boost housing supply quickly.

61% of survey respondents **support** this policy

CURTIN SUBURBS WITH THE MOST RENTING HOUSEHOLDS:

3,008

Renters in Scarborough

2,018

Renters in Subiaco

1,774

Renters in Wembley

CURTIN SUBURBS WITH THE MOST HOUSES WITH 2+ SPARE ROOMS:

2,819

In Scarborough

1,896

In Karrinyup

1,843

In Innaloo

15. Increase support for homelessness service

Nearly 300,000 Western Australians were at risk of homelessness in 2022 and we are seeing the increase in street-present homelessness in Curtin. Homelessness services are forced to close their doors and a majority of services are unable to respond to phone calls and emails, let alone provide housing, due to a lack of capacity. Adequately funding homelessness services will address the acute short term need, and must be done in parallel with the reforms suggested above to reduce demand for these services in the long term.

This was not included in the survey.

WHICH POLICIES DON'T WORK?

Many policies put in place in the past, or proposed for the future, do not meaningfully improve housing affordability and in some cases make it worse. This is primarily because they drive up demand for housing, rather than focus on supply. Some less attractive policies are listed below.

1. First-home owner grants

There is strong evidence that grants to first-home owners do little to improve housing affordability and instead drive-up prices, due to increased demand. These grants primarily benefit those who are selling their houses to first homeowners.

17% of survey respondents **support** this policy

2. Use of superannuation

The use of superannuation for home ownership would again contribute to increased demand in the market and drive up prices, as well as put households at risk, by not having appropriate funds to secure their retirement. Based on data from AustralianSuper, only about a third of Curtin members aged 26-40 have \$50,000 in super.

The Kiwi Saver program was introduced in 2010 permitting New Zealanders to access their superannuation. For the past ten years of this scheme prices in New Zealand have risen by 1.5 times the rate as Australia, home ownership rates have not risen across any age group and New Zealanders have been forced to borrow more to buy homes.

12% of survey respondents **support** this policy

3. Rent freezes

While there is benefit to modest limits on rent increases, strict rental price caps or freezes would be likely to reduce rental availability. This would reduce the ability of the sector to respond to market changes and discourage investment in rental housing.

23% of survey respondents **support** this policy

4. Regulating short term rentals

Increases in short term rentals (e.g. AirBnB) have been blamed for taking stock out of the long-term rental sector. Research suggests that short term rentals have an impact in some high demand areas but are not having an impact on rental affordability overall. Restrictions on AirBnBs are unlikely to have a significant impact on affordability, although there may be other arguments for further regulation.

50% of survey respondents **support** this policy

5. Immigration cuts

Reducing the number of international students is a quick way to reduce net migration but is likely to have limited impact on housing markets. Just under half of international students live in private rentals, with the rest living in student residences or with families. International students make up about 6% of the WA rental market and are heavily concentrated in areas near major tertiary institutions.

There has also been discussion of restricting the permanent migration intake. This would be particularly ineffective at improving housing affordability, as nearly 74% of new permanent residents are already in Australia on temporary visas. It could also have significant negative impact on securing much needed workers.

34% of survey respondents **support** this policy

CURTIN LGAs WITH THE MOST SHORT STAY RENTALS:

210

Renters in Scarborough

166

in Subiaco

160

in Cottesloe

6. Freezing review of the National Construction Code (NCC)

Freezing the NCC will reduce innovation and sustainability in new buildings. The NCC sets the minimum standard for buildings in Australia, with requirements for safety, amenity, and energy rating standards. It is essential to update the NCC every 3 years to keep pace with essential standards and maintain homeowners and investors’ confidence in durable, lasting housing.

This was not included in the survey.

7. Fund to expand greenfield housing developments

While constructing new houses in greenfield locations might be relatively affordable, the costs to service new development areas are high. New housing sites need critical community extension utilities such as energy and water as well as setting up new transport and social infrastructure like schools, health clinics and libraries. There is room to develop satellite suburbs, but this cannot be the only solution. We need to ensure there is a balance of new low, medium, and high-density housing options.

This was not included in the survey.

WE NEED TO ACT NOW

Many of these changes will take time to have an impact on housing affordability. We need to prioritise actions that will benefit housing in the short term, while making meaningful progress on longer term reforms.

Short-term priorities	Medium-term priorities	Long-term priorities
<ul style="list-style-type: none">• Encourage renting of spare bedrooms	<ul style="list-style-type: none">• Planning and zoning reform	<ul style="list-style-type: none">• Negative gearing and capital gains tax reform
<ul style="list-style-type: none">• Increase the rate of Commonwealth Rent Assistance	<ul style="list-style-type: none">• Reduce spending on infrastructure	<ul style="list-style-type: none">• Replace stamp duty with land tax
<ul style="list-style-type: none">• Improve conditions for renters	<ul style="list-style-type: none">• Migration pathways for construction sector	<ul style="list-style-type: none">• Vacant property tax
<ul style="list-style-type: none">• Build more social housing		

I will keep working to drive progress on all these ideas.

Thanks to Cassandra Winzar, Senior Economist
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HOW DOES YOUR SUBURB COMPARE?

			DWELLING TYPE			OWNERSHIP TYPE								
			HOUSES	SEMI	APARTMENTS	OWNED	MORTGAGED	RENTED						
SUBURB	HOUSE-HOLDS	HOUSE-HOLD SIZE							HOUSEHOLDS IN HOUSING STRESS	HOUSE PRICE	UNIT PRICE	SOCIAL HOUSING PROPERTIES	VACANT PROPERTIES	PROPERTIES WITH 2+ SPARE ROOMS
Crawley	1,139	2.0	6%	23%	71%	26%	8%	63%	32%	ND	1.08	33	278	253
Glendalough	1,141	2.1	8%	36%	57%	13%	21%	63%	17%	ND	0.35	129	148	136
Mosman Park	3,520	2.4	61%	14%	24%	34%	29%	34%	16%	1.91	0.44	185	413	1,368
Claremont	3,798	2.2	39%	26%	35%	40%	23%	33%	15%	2.45	0.79	83	608	1,416
Subiaco	4,482	2.1	39%	19%	42%	29%	24%	45%	15%	1.70	0.57	236	610	1,249
Jolimont	752	1.8	27%	18%	54%	29%	18%	33%	15%	ND	0.52	7	120	158
Daglish	605	2.4	60%	20%	21%	35%	29%	33%	15%	ND	ND	8	72	231
Innaloo	4,259	2.1	31%	62%	7%	22%	36%	40%	14%	0.80	0.71	332	497	1,843
Scarborough	7,639	2.1	36%	48%	16%	24%	35%	39%	14%	1.12	0.62	130	1,123	2,819
Shenton Park	1,776	2.4	67%	14%	19%	37%	27%	32%	13%	1.77	0.69	76	153	646
Nedlands	3,711	2.7	75%	16%	9%	43%	27%	26%	13%	1.95	0.70	49	291	1,841
West Leederville	1,853	2.2	50%	16%	34%	27%	32%	39%	12%	1.37	0.41	35	186	589
Wembley	4,790	2.4	49%	18%	33%	28%	31%	37%	12%	1.56	0.36	52	476	1,504
Cottesloe	2,892	2.5	69%	12%	19%	45%	26%	27%	12%	3.55	1.30	5	468	1,295
Churchlands	1,337	2.6	63%	8%	28%	37%	35%	26%	12%	1.79	0.49	-	112	628
Doubleview	3,629	2.4	75%	23%	2%	25%	41%	32%	12%	1.06	0.70	339	299	1,579
Peppermint Grove	523	2.7	77%	12%	12%	50%	28%	20%	11%	ND	ND	-	73	318
Dalkeith	1,423	3.0	96%	4%	0%	55%	27%	16%	11%	3.60	ND	-	141	953
Swanbourne	1,519	2.8	81%	8%	11%	41%	31%	25%	10%	2.33	ND	12	130	725
Mount Claremont	1,776	2.7	78%	18%	4%	42%	35%	16%	10%	2.10	ND	110	118	889
Wembley Downs	2,342	2.7	73%	24%	4%	42%	40%	16%	9%	1.63	ND	17	143	1,230
Karrinyup	3,414	2.7	87%	12%	2%	39%	39%	18%	9%	1.20	ND	100	222	1,896
Woodlands	1,657	2.6	69%	20%	11%	47%	32%	18%	9%	1.44	ND	22	133	818
City Beach	2,309	2.8	88%	5%	7%	50%	32%	11%	9%	2.79	ND	5	193	1,417
Floreat	2,846	3.0	90%	3%	8%	46%	40%	12%	7%	1.88	0.85	-	185	1,521
Trigg	1,001	2.7	87%	13%	0%	46%	36%	11%	7%	1.87	ND	3	87	542
TOTAL: CURTIN	66,316	2.4	58%	23%	19%	35%	32%	31%	13%	ND	ND	1,954	7,268	26,285



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