



Linking the Scottish housing strategy story with the Australian context

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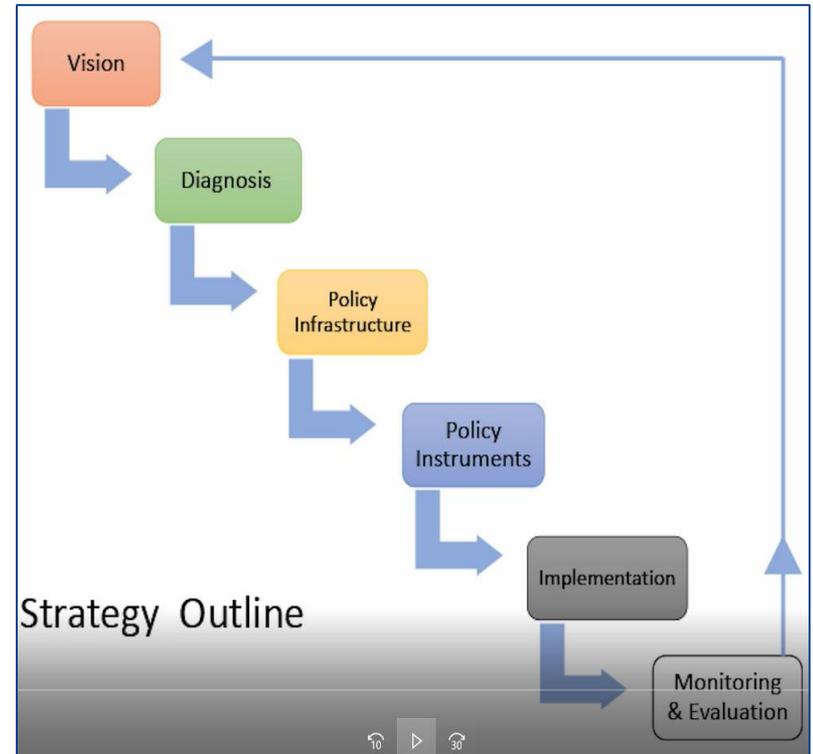
Presentation to: Affordable Housing Conference, Sydney, 27 June 2018

Presentation overview

1. Recapping on the Scottish story
2. Strategic policymaking: principles and preconditions
3. Australian housing strategy precedents

Re-capping on the Scottish example (1 of 3)

- Housing strategy embedded in national social/economic policy priorities
- Overall aim: ‘achieve well-functioning housing system’ – remit extends beyond narrow view of ‘housing policy’ limited to:
 - Homeless, low income groups excluded from good quality market housing, aspirational FHBs
- Central role of system operation and shortcomings ‘**diagnosis**’ – assessment of housing needs unmet by the market

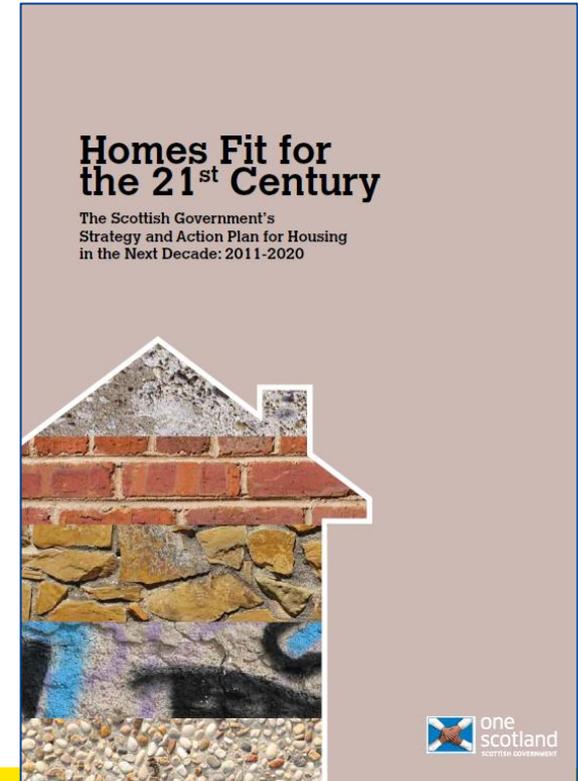


Re-capping on the Scottish example (2 of 3)

- Central focus – direct investment in social, affordable housing via capital grants
 - Social rent (grant approx. 60% of build cost for HAs – rest from reserves; private debt)
 - Mid-market rent
 - Affordable home ownership
- National housebuilding targets for 5-year parliamentary term – 2011-16 program achieved 30k target; current program aspires to 50k
- NSW projecting 27k new S/A homes over **10 years** (only 10k additional)
- Scotland adding up to 10 times as many social/affordable homes to national housing stock as NSW

Re-capping on the Scottish example (3 of 3)

- Wider strategy remit encompasses private housing market
 - Recent reforms on PRS security of tenure and rent control
 - Rental income guarantee scheme to incentivise Build to Rent
 - Homelessness policy review
 - Help to Buy scheme for FHBs – govt. equity loan covers up to 20% of new build home purchase price
- Housing evidently a higher political priority; considered more holistically than in Aus



Strategic policymaking: principles and preconditions (1 of 3)

- Strategy is:
 - ‘Setting goals, determining actions to achieve the goals, and mobilizing resources to execute the actions’ (Wikipedia)*
 - ‘A general plan or set of plans intended to achieve something, especially over a long period’ (Collins Dictionary)*
- Within a ‘rational planning’ framework, strategic ‘goal definition’ requires:
 - Logical, evidence-based approach
 - Reasoned consideration and justification for proposed objectives
- Strategy itself requires internal structure and coherence

Strategic policymaking: principles and preconditions (2 of 3)

Preconditions – drawing on international evidence:

- Housing recognised as integral to economic, social, environmental policy
- Adequate housing expertise ('capacity') within and connected to government
- Long term commitment to assertive govt role to achieve justifiable housing outcomes
- Development of modern institutional framework for delivering defined housing outcomes:
 - Using mix of market and non-market mechanisms
 - Incorporating scope for diversity and local innovation
 - Informed by good quality housing market and needs data

Based on: Lawson, J. & Milligan, V. (2007) *International Trends in Housing and Policy Responses*, AHURI Final Report No 110, Melbourne: AHURI

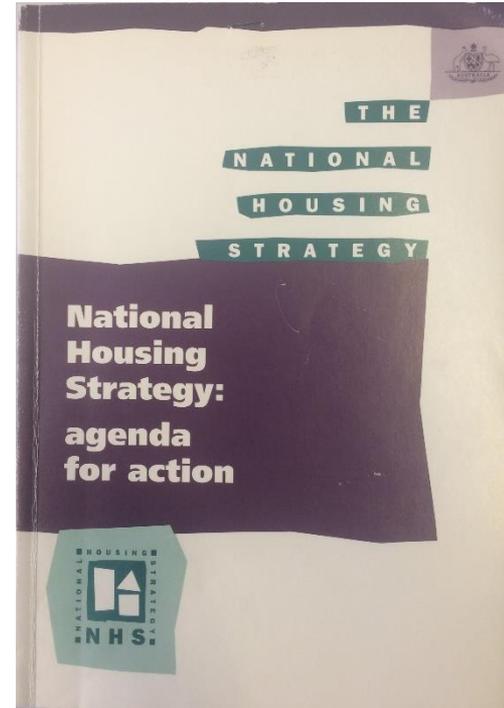
Strategic policymaking: principles and preconditions (3 of 3)



Remit	Likely main themes	Comments
System-wide	<ul style="list-style-type: none"> • New supply constraints – e.g. land supply and planning, infrastructure, construction industry efficiency • Should logically contemplate comprehensive housing tax reform 	Only possible at national scale
Housing for low to moderate income groups	<ul style="list-style-type: none"> • Provision of sub-market rental and (possibly) low cost home ownership products 	Tenable at state level – but limited without Commonwealth buy-in
Social housing	<ul style="list-style-type: none"> • Expanding provision • Renewing/upgrading existing stock • Enhancing housing services to tenants 	

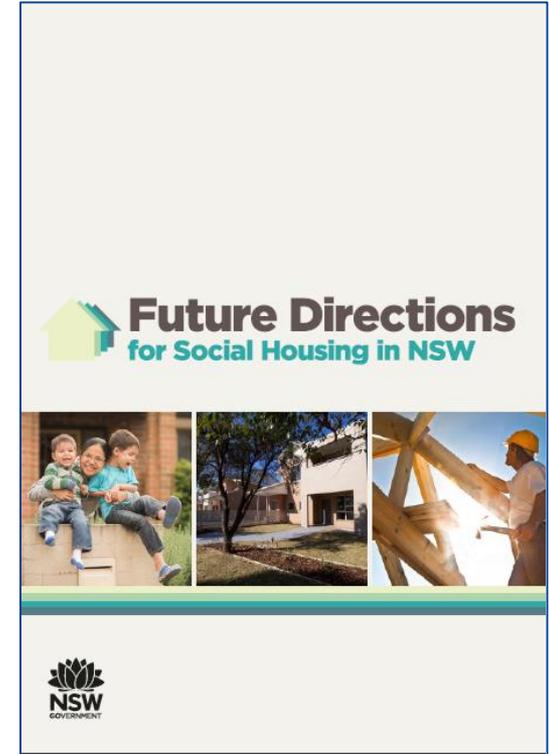
Australian housing strategy precedents (1 of 3)

- 1990 national housing strategy initiative under Minister Howe
 - Arose out of Hawke/Keating govt Social Justice Strategy
 - 2-year program of studies completed 1992 but political commitment faltered; no comprehensive follow-through
- Frenetic housing policy activity 2007-2009 lacked strategic coherence (e.g. in 2009 NAHA) – Momentum quickly ebbed
- Henry Tax Review (2010) provided basis for housing strategy
- Recent efforts to by-pass govt indifference; prompt action:
 - Senate Committee inquiry into Affordable Housing (2014)
 - Compass Housing-initiated 'Towards a National Housing Strategy' (2016)



Australian housing strategy precedents (2 of 3)

- NSW 'Future Directions' (2016) aspires to be treated as a housing strategy
- Clearly stated overarching goals: (a) More social housing; (b) More opportunities, support, incentives for housing independence; (c) A better social housing experience
- Numerous evidence-based policy pledges on proposed micro-measures
- But none of NSW's overarching affordable housing and support needs quantified and none of the solutions clearly costed
- 'Strategic' quality highly restricted by Departmental fragmentation of housing responsibilities



Australian housing strategy precedents (3 of 3)

Institutional reforms needed to underpin meaningful housing strategy:

- Address fragmentation of housing interests and responsibilities within Govt
- Re-conceptualise housing policy as relating to economic as well as welfare goals
- Designate lead housing policy responsibility with strategic/central dept – not service provider dept
- Re-build housing policy capacity within govt
- Create enduring housing dept or arms-length agency – as inspired by CMHC (Canada), HUD (USA), Scottish Homes
- Develop industry stakeholder consultative frameworks

