

# ACLTN

## Australian Community Land Trust Network

20th October 2023

Dear Department team,

We are delighted to provide the attached submission to the Housing and Homelessness Issues Paper and commend the department for enabling this consultation. We are the Australian Community Land Trust Network (ACLTN), which has formed to provide a national platform, resource base, network, and advocacy base for the country's emerging Community Land Trusts (CLTs). The Network currently represents close to 200 community, government, and other stakeholders and the website is under development at [australiancltnetwork.org.au](http://australiancltnetwork.org.au).

Community Land Trusts are a proven mechanism for channelling community needs and aspirations into diverse housing forms that provide permanent affordability and community benefit. Their basis in community means they provide everything from affordable rental through to resale-restricted options. Given the nature of the housing crisis in Australia, CLTs are ideal vehicles for addressing the growing gap between renting and owning via resale-restricted models.

CLTs also have demonstrated resonance with Aboriginal housing aspirations, and so may also have relevance for Torres Strait Islander communities. CLTs are proven to deliver high quality design outcomes, reduce environmental impacts, and build healthy homes that are easy to heat and cool.

Our attached submission explores our recommendations in greater detail. We look forward to Government engagement with the CLTs sector to support and enable CLTs in the Australia context. As a stable and long-term mechanism for the delivery of housing security, stability, and dignity for more Australians we hope to see the sector flourish.

Regards,

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ACLTN

# ACLTN

## Australian Community Land Trust Network

Submission in response to the  
**Issues Paper on Housing and Homelessness in Australia**

The Australian Community Land Trust Network (ACLTN) is the peak national body advocating for the recognition of Community Land Trusts (CLT) as a scalable, mainstream and proven solution to secure and affordable housing supply for low to middle income households into perpetuity.

While delivering on important social, environmental and wellbeing measures CLTs also work to embed affordability and place-based responses into the housing system into perpetuity. CLTs steward land for community benefit, locking land away from speculative market pressures while delivering better design and sustainability outcomes, and supporting and enabling cohesive and resilient communities. Due to their basis in community objectives and understanding of permanent stewardship, CLTs can also deliver housing on a smaller footprint, with greater density of housing, and with better environmental outcomes.

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### **Community Land Trusts:**

- **Provide secure and affordable housing options for low to moderate income earners excluded from the housing market.**
- **Embed more models of perpetually affordable housing into the system**
- **Provide pathways out of subsidized housing models for low income earners**
- **Address the speculative pressures impacting housing affordability**
- **Provide an ownership model that locks any government subsidies in to housing more people over time**

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With the housing sector under unprecedented pressure, secure and affordable housing options for low and middle income workers are at a critical shortage. Australia has not witnessed a housing crisis at this scale and depth for many decades. Policy settings and recommendations currently focus on existing models of social (public and community) housing, private rental, or private, market-rate home ownership. Interest is growing in various shared equity models. However, without consideration of permanent

affordability, such models ultimately act as inflationary pressures and gradually leak any subsidies.<sup>1</sup>

Greater innovation is required to respond effectively to the depth and scale of Australia's housing crisis and must, we argue, look to long term solutions that embed affordability and security of tenure into the housing system into perpetuity. This requires that a greater range of housing options be supported and enabled that can span the increasing gap between renting and owning a home and that hold affordability in perpetuity. This includes shared equity models that include asset locks that can retain affordability while allowing modest equity gains. We therefore call on Government to investigate and support Community Land Trusts as a critical part of the housing sector into the future.

In Australia there are currently CLTs working toward housing solutions for their communities, but, with a planning and financial system designed for a speculative, for-profit and market led housing sector, they face significant hurdles. The CLT movement in Europe has grown significantly with support from the Sustainable Housing for Inclusive and Cohesive Cities (SHICC) programme funded by the European Union growing from 33 CLTs in 2017 to over 300 in 2022. We call on the Government to enable funding for permanently affordable shared-equity housing models through NHFIC and to invest in understanding and facilitating planning and strategic pathways to support the burgeoning CLT sector.

Not only will the investment provide secure, affordable housing into perpetuity, but internationally the model has proven to deliver on other measures difficult to tackle in the conventional housing sector. The majority of surveyed Community Land Trusts:

- Have 89% sustainably designed buildings
- Have 71% reductions in resource extraction.
- Have 75% less greenhouse gas emissions
- Have enhanced biodiversity by 61%
- Have 75% more efficient use of land,
- Stimulate sustainable innovation by 82%
- Create an 86% increase in support for environmental sustainability
- Witness increased environmental awareness among residents (64%) and among policy makers (82%)<sup>2</sup>

As a model of best practice in the delivery of more than just housing our goal is for Community Land Trusts to be recognised as a mainstream option for affordable,

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<sup>1</sup> Jacobus, R., & Lubell, J. (2007). *Preservation of Affordable Homeownership: A Continuum of Strategies*. Washington, DC: Center for Housing Policy.

<sup>2</sup> [Social & Environmental Sustainability of CLT's, European Community Land Trust Network, 2022](#)

community-led, and sustainable housing delivery in Australia. In this submission we outline the key principles of CLTs and our recommendations in response to the Issues Paper on Housing & Homelessness. We hope this will enable growth in the sector and build awareness of the CLT sector in Government, community and in housing policy advisory and advocacy organisations.

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**The ACLTN is working with the sector to define and regulate CLT's in the Australian context. We welcome Government collaboration in this process as diversification of the housing system requires clear definitions of the range of options available to tailor appropriate policy responses.**

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## Key Drivers

### Land and speculation

Land, and speculation on it, is a key driver of housing prices with the 'enduring honey-pot of land speculation'<sup>3</sup> pushing land value to increase at twice the rate of construction. Land-banking practices and developer-led delays are symptomatic of a for-profit housing sector that puts upward pressure on prices and controls supply.

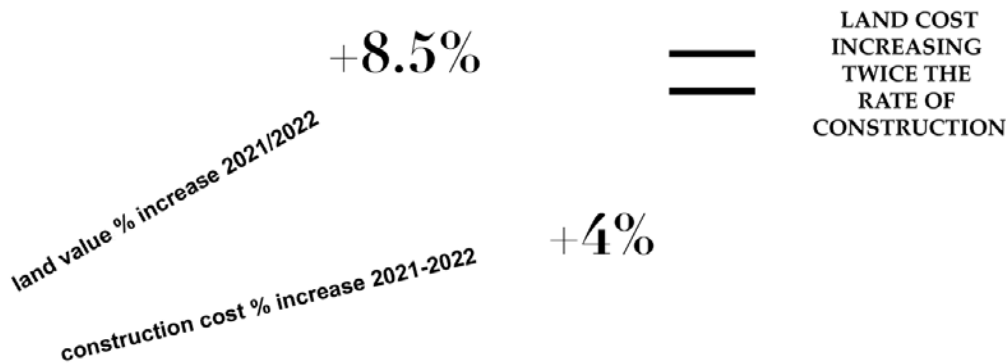


FIG.1 [Corelogic Residential Land Report 2020/2021](#)

The speculative market-driven housing sector and the subsequent commodification of housing has a number of proven impacts. Firstly, colonisation led to histories of dispossession and displacement which have excluded Aboriginal and Torres Strait

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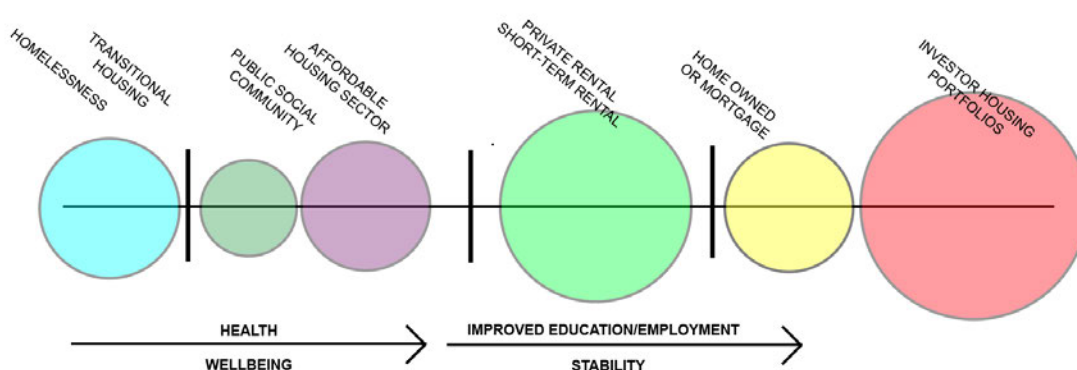
<sup>3</sup> [Spiller.M, 'An economic fix for planning scandals', SGS Planning & Economics, 2020](#)

Islander peoples from being able to access secure affordable housing and the benefits of inherited housing and land assets. For many communities, speculative housing is also at odds with longer-standing and ongoing obligations to Country and community. Secondly, Government subsidised housing – public, community, and ‘affordable’ housing – is, in effect, Government subsidy into a broader system that is not designed (or intended) to deliver affordability.

Addressing land speculation, and speculation more broadly, is a key access point to embed affordability, not as a quota in conventional developer-led solutions but at a structural level in ways that work to address the underlying conditions contributing to the housing crisis. Even in instances where land is not a key driver of unaffordability, resale restrictions such as those upheld by CLTs have proven to both increase access and then maintain access and stability over time, across both hot and cold markets.<sup>4</sup>

## Government Subsidy into a system not delivering affordability

What was once a housing trajectory with clear and attainable pathways to home ownership, is now a series of siloed sectors that deliver profit and uplift at one end and precarity and increased reliance on Government intervention at the other. Caught in the middle is an increasing number of people entering the private rental market without sufficient long-term rental protections and no realistic option for home ownership.



CLTs provide a range of permanently affordable tenure options according to local needs and incomes, ranging from rental, through limited equity co-op models, to

<sup>4</sup> Davis, J. E. (2008) ‘Homes that last: the case for counter- cyclical stewardship’, in Davis, J. E. (ed) *The Community Land Trust Reader*. Boston, MA: Lincoln Institute of Land Policy, pp.562-570.

resale-restricted ownership models. Across Australia, home buyers with modest resources are increasingly unable to access secure housing; this represents a key gap that CLTs are ideally placed to address. Only 11 percent of potential first home buyers can afford to purchase property in Australia, meaning 89% of first home buyers will struggle to save a deposit, service a mortgage, or both.<sup>5</sup>

Resale-restricted CLT ownership models provide a secure housing option for moderate or middle income households and/or people with modest resources, e.g. superannuation payouts or property settlements, who are unable to enter the home ownership market in their own right. Government support to facilitate CLTs and other perpetually affordable options through existing mechanisms is critical to ensure increased housing diversity and responsiveness for this rapidly increasing cohort.

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**We recommend that resale restricted housing options are able to access funding through NFHIC. This will enable diversity in the tenure options available for housing.**

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For people experiencing homelessness and those in transitional housing, the pressure on public and community housing and the competitiveness of the private rental market leaves them with few options of security of tenure into perpetuity, let alone equity-based home ownership. Those in the private rental market are increasingly locked out of buying a home due to inflation, stagnation in wages, rising costs of living, and higher rents and house prices.

For these individuals, CLTs can provide rental homes with far greater stability and agency than private rental and, arguably, social housing. Such options can include long-term and inheritable leases, and limited-equity housing co-operatives in partnership with CLTs. In the latter model, co-operative membership confers many of the rights of ownership without requiring significant capital outlay from the resident. Some limited equity housing co-operatives in partnership with CLTs also enable residents to make a small investment that can act as a 'nest egg'.

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**Community Land Trusts offer a viable pathway out of social, community, and 'affordable' housing, and a pathway for those in the**

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<sup>5</sup> Ong Viforj, et al. (2023) *Financing first home ownership: modelling policy impacts at market and individual levels. Final Report No. 398*. Melbourne: AHURI.

**private rental market. Being a model that has shared equity options available, CLTs can offer a stepped range of secure long term housing including home ownership models that are secure, affordable, and appropriate for people's needs.**

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## Rural Communities

Until recently Australia hasn't had a significant affordability problem in rural and remote areas, yet policy makers are behaving as if that's still the case. In many parts of Australia there is an affordability crisis similar to the major urban centres, with an affordability gap greater in rural towns but a dearth of policy directed towards solutions for rural communities. The shortage of affordable worker housing has created critical staff shortages for businesses and essential services in rural towns and where tourism is prevalent the short-term rental market is further compounding the issue.

## How do CLTs Deliver Perpetual Affordability?

CLTs typically remove the cost of land from the cost of housing<sup>6</sup> with ownership or stewardship of property being held collectively by a community-run not-for-profit organisation. Occupants of CLT properties - whether residential, commercial, community, or other - enter into an agreement with the CLT that spells out the rights and responsibilities of both the occupant and the CLT. That agreement includes: the nature and extent of repairs, maintenance, and improvement that occupants can undertake; inheritability; and, the treatment of any equity component invested by the occupant. Crucially, CLTs do not allow short-term for-profit sub-leases of their properties.

The inherent flexibility of CLTs on their permanent non-profit basis means that anything you can do on land, you can do on a CLT, as their programs and developments respond to local needs as decided by the membership. This includes housing of all physical kinds – such as freestanding homes, townhouses, apartments, cohousing, and other forms. It also enables a diversity of tenures including affordable rentals, co-operative housing, rent-to-buy, and resale-restricted ownership. Many CLTs also enable a range of community, non-profit and commercial uses such as social enterprise farming, community gardens, shops, childcare, aged care, and many others – whatever the community wants or needs is possible and able to be supported in perpetuity..

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<sup>6</sup> In instances where land is low cost but housing is still expensive, CLTs use other indices to allocate equity, such as pricing homes in proportion to local incomes.

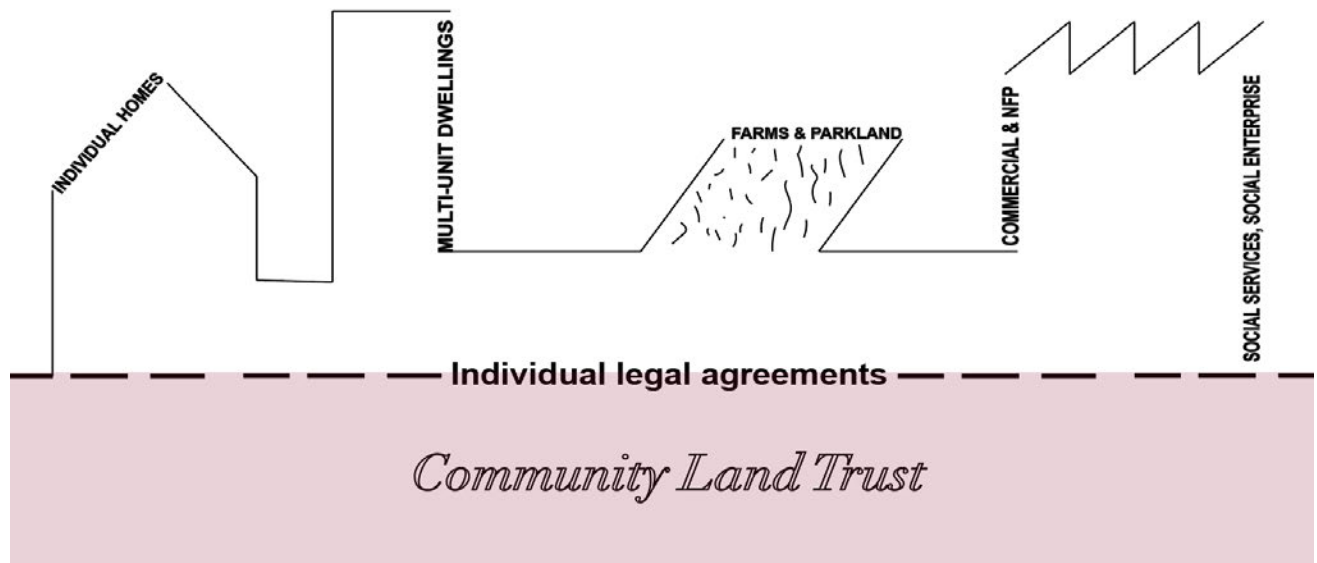


FIG.2 ©ACLTN, 2023

CLTs are not-for-profit, democratic, and community led organisations that develop and manage homes that are affordable for low-and-middle-income households as well as other social enterprises or interests that contribute to a thriving local community. In CLT ownership models, limits on resale pay-forward the affordability. Caps on the resale price of CLT housing can be linked to local wages, or a percentage of relative market value, whatever is agreed upon by the CLT membership, but, essentially, CLT homes cannot be sold on the open market *for-profit* removing them from the speculative market and retaining the affordability for the community into perpetuity. Those affordability conditions remain in place not only across resales but also over inheritance, such that homes can be lived in affordably across generations.

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**Investment in resale-restricted housing will remove the pressures currently impacting on the social, community, and 'affordable' housing sector.**

**A reduction in funding required for the subsidised housing sector is a realistic long-term outcome of investment in Community Land Trusts**

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## Agency and Place-Based Planning

CLTs facilitate agency through the participation and leadership of local community members, residents, and those with lived-experience of housing stress. As community-based organisations they are an important strategic partner for government in the long-term.

Local residents can work together to harness their own and community resources to provide a viable perpetually affordable secure and liveable housing outcome for people on local incomes who are excluded from their own housing markets. In addition, State and Local Governments are often backed into a corner between NIMBYs and developer pressures. CLTs can be a moderating voice that can push back against objections to sustainable and community centred solutions to housing.

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**See Community Land Trusts as favourable and strategic partners in local housing matters**

**&**

**Include resident-led, shared equity, perpetually affordable and resale capped housing solutions in Local Government Housing Action Plans**

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CLTs are a vehicle for local place-based initiatives that are resident-led. Increasingly, if the community leads development, there will be a focus on resilience in the built environment, there will be an increased focus on long-term over short-term gain, leading to better outcomes with the community having a greater understanding of what is required locally with tenure models in CLTs also designed according to community objectives.

International evidence shows that CLTs increasingly seek to deliver superior design outcomes that both enhance the built environment and provide homes that are easier and cheaper to heat and cool. Many CLTs enable models such as cohousing or community-led designs that focus on reduced ongoing lifecycle costs and/or share resources. Overall, CLTs tend to build more diverse and innovative housing stock responding to local need and focusing on equity and quality, rather than 'cookie-cutter' designs that are based on an assumption of what an investor or generic homeowner market will accept.

Given CLTs' orientation towards proactive, place-based design, permanent affordability, and community benefit, Local and State Governments should foster positive and

productive relationships with CLTs and support fledgling CLTs to gain knowledge and access to information about land and planning matters that affect them.

## Aboriginal & Torres Strait Islander Communities

Housing for Aboriginal and Torres Strait Islander communities is critical to meeting Closing the Gap targets. Self-determined housing that is controlled by Aboriginal people is also critical. Community Land Trusts offer a potential model of community stewardship of land and housing that is responsive to local conditions and needs for Aboriginal & Torres Strait Islander people and communities.

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**Housing for Aboriginal and Torres Strait Islander communities is critical to meeting Closing the Gap targets and CLT's are attractive if they bring benefit to the community, addresses concerns with Indigenous land rights and community ownership, and involves the community in governance.**

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AHURI funded research undertaken in partnership with Aboriginal community-controlled organisations explored and documented the resonance of CLT principles with Aboriginal community aspirations.<sup>7</sup> The retention of land in community hands was a core concern, alongside models that are flexible and responsive to diverse community needs. This includes housing models and allocation priorities that embed and uphold cultural obligations as appropriate. While that research was based in Aboriginal community contexts, the principles potentially have resonance for Torres Strait Islander communities and landholdings as well.

Because CLTs are responsive to local needs and conditions they can be adapted to urban, rural and remote locations. The NSW and NT research<sup>8</sup> found that the Community Land Trust model can be tailored for local communities and can provide for diverse Indigenous housing options, including options involving equity inputs from households. Findings include:

- Interest in home ownership exists within the two Indigenous communities who partnered with the research but is not usually driven by expectations of capital gain,

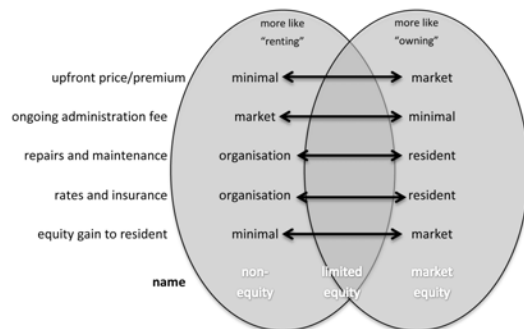
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<sup>7</sup> Crabtree, et al. (2015) *Community Land Trusts and Indigenous Communities – from Strategies to Outcomes. Final Report no. 239*. Melbourne: AHURI. Crabtree, et al. (2012) *Community Land Trusts and Indigenous Housing Options. Final Report no. 185*. Melbourne: AHURI.

<sup>8</sup> Crabtree, et al. (2015) *Community Land Trusts and Indigenous Communities – from Strategies to Outcomes. Final Report no. 239*. Melbourne: AHURI.

is potentially impacted by current household debt (New South Wales community) and is linked to considerations of community governance (Northern Territory community).

- A Community Land Trust (CLT) model is attractive if it brings benefit to the community, addresses concerns with Indigenous land rights and community ownership, and involves the community in governance.
- Using language such as renting or owning was avoided because options combine characteristics of both, and the model acknowledges traditional ownership and land rights.
- A potential model was developed that sets out strategic and operating guidelines without mandating a particular tenure form and suggests three housing options: non-equity, limited equity, and market equity.
- Based on the objectives of communities in the two jurisdictions, the research developed a CLT model to be tailored to local conditions and determined characteristics of the model that included the retention of property interest with the relevant Indigenous organisation and an appropriate legal agreement set according to community aspirations, capacity and objectives.
- In both communities land title arrangements and sub-leases with government were complex, but could be quite easily amended to accommodate CLT models.
- The research produced a decision-making tool for communities to both determine requirements of the model in the local context and to build participants' knowledge.



A spectrum of housing options according to key variables.

Source: Crabtree, et al. (2015) *Community Land Trusts and Indigenous Communities – from Strategies to Outcomes. Final Report no. 239*. Melbourne: AHURI, p.6.

The AHURI funded research also identified relevant possible government support for CLT models on Aboriginal and Torres Strait Islander lands. Below are the report’s tables of government input into relevant steps and factors to support CLT models.

**Table 5: Government input into a streamlined process**

<b>Step</b>	<b>Tasks for the organisation</b>	<b>Indicative role of government</b>
1. Who can decide?	Identification of appropriate Indigenous organisations that have the authority to determine program objectives.	
2. Community and household aspirations	Identification of household and community objectives regarding housing options—what do people want from their housing and for their communities?	
3. Is a new program needed?	Identification of whether new housing programs are required based on the outcomes of 2 above.	Provision of centralised and accessible information service regarding appropriate possible models.
4. Organisation health check	Examination of the organisation's governance structures, financial position, knowledge base and capacity.	Funding and requirements for governance at the organisational level; training programs and information.
5. Current property stock—characteristics	Asset inventory, including title arrangements.	Survey and/or subdivision work if not already performed. Access to title documents and provision of explanatory materials.
6. New program elements	Determination of core aspirations of the model regarding equity arrangements, eligibility, inheritance, stock type, household type, etc.	Provision of centralised and accessible information service regarding appropriate possible models.
7. Policy, tenure and legal settings	Development of program on basis of 6 above including amendment to lease/deed.	Removal of caveats or termination of subleases to government. Other changes to title if organisation requests, e.g. transition to freehold. Funding for repairs if needed. Matched deposit scheme. Underwriting of loans where used, or of scheme. Deployment of process analogous to Fagan's Eol to assist transition of resident into new arrangement (although this might be performed by appropriate Indigenous organisation in which case, funding for this role would be required). Provision of gap funding to cover income shortfall to organisation.
8. Design objectives and cost	If additional stock is to be brought in for a CLT model (rather than re-purposing existing stock) decisions regarding property design, location, minimum standards. If the decision is made to construct rather than spot purchase, determination of whether to link to employment outcomes.	Provision of centralised and accessible information service regarding design standards (both for purchase and construction). Linkages to employment and training opportunities in the construction industry.

**Table 6: Factors to support Indigenous co-ownership**

Issue	Project (jurisdiction)	Current legislation/policy/programs	Potential legislation/policy/programs
Effective and appropriate governance	70639	Piecemeal—some via local efforts, some via rollout of regulation	Governance and regulatory requirements to operate CLT-type models
	72010 (NSW)		Support of capacity building and governance processes at SEARMS and member organisation level based on prior knowledge and experience of those organisations
	72010 (NT)	<p>NTER, housing agreement between NTG and EDTL, HRGs impacting community governance</p> <p>Prior self-management through Housing Associations and Tangentyere</p>	<p>Termination of current subleases to EDTL and housing agreements between EDTL and NTG</p> <p>Support of capacity building and appropriate governance processes at HA and Tangentyere level based on prior knowledge and experience of those organisations</p>
Asset management	70639	Piecemeal	Development of sustainable asset management frameworks by governing bodies, supported by national capacity building effort
	72010 (NSW)		As above
	72010 (NT)	Undertaken by Ingkerreke via agreement from NTG	As above; also cancellation of agreement with Ingkerreke and determination of services through CAAHC or Tangentyere in discussion with HAs and Tangentyere
Land dealing treatment	70639	NSW ALRA, Qld ALA, NSW ALC policy	Allowance for affordable HO in land disposals and guidelines to enable streamlining/clarity of NSW ALC/Trustee (Qld) approval processes
	72010 (NSW)	<p>Recent subleases from Indigenous housing providers to AHO</p> <p>Existing caveats on title</p>	<p>Insertion of exit clauses for organisations seeking to implement CLT-type models</p> <p>Development of streamlined, expeditious and supported process for removal of caveats for organisations seeking to implement CLT-type models; current procedures perceived as onerous and complex</p>
	72010 (NT)	<p>Subleases to EDTL, housing agreement between NTG and EDTL</p> <p>Existing special purposes leases and Crown leases in perpetuity</p> <p>Interaction with <i>Residential Tenancies Act</i></p>	<p>Termination of current subleases to EDTL and housing agreements between EDTL and NTG</p> <p>Development of 99-year sublease on basis of extant leases; current surveying work can enable this</p> <p>Creation of Residential Tenancies Act exemption category for renewable 99-year leases on Indigenous lands</p>
Land development	70639		<p>Capital for subdivision, site infrastructure</p> <p>Project support role for state land development agencies</p>
	72010 (NT)		As above

<b>Issue</b>	<b>Project (jurisdiction)</b>	<b>Current legislation/policy/programs</b>	<b>Potential legislation/policy/programs</b>
Funds/programs for overseeing resale/lease terms	70639		Mandated fee for service for lease/home ownership manager
	72010 (NSW)		As above, modelled in feasibility study
Coordinated approach	70639	Policy/programs fragmented across jurisdictions and remoteness typology of areas	National/state leadership, coordination and resources dedicated to development and dissemination of models for all locations (i.e. no locational dichotomy) National Advisory Council with membership drawn from Indigenous housing sector and government and financial institutions
	72010 (NSW and NT)		As above; focus on development of locally appropriate options and significant formalised community input in line with community aspiration
Single funding program	70639		Formula-based gap funding program linked to retention of social rental housing stock and programs—possible federal funds tied to state oversight/coordination
	72010 (NSW and NT)		As above
Local government support	70639	Existing social housing provisions	Strengthening and streamlining of development processes for affordable housing schemes including Indigenous co-ownership
	72010 (NSW)		As above

## SUMMARY OF KEY RECOMMENDATIONS

- The ACLTN is working with the sector to define and regulate CLT's in the Australian context. We welcome Government collaboration in this process as diversification of the housing system requires clear definitions of the range of options available to tailor appropriate policy responses.
- We ask Government to see Community Land Trusts as favourable and strategic partners in local housing matters
- Include resident-led, shared equity, perpetually affordable and resale capped housing solutions in Local Government Housing Action Plans
- We recommend that resale restricted housing options are able to access NFHC funding streams. This will enable diversity in tenure options available for housing.
- Investment in resale-restricted housing will remove the pressures currently impacting on the social, community, and 'affordable' housing sector.
- A reduction in funding required for the subsidised housing sector is a realistic long-term outcome of investment in Community Land Trusts
- Housing for Aboriginal and Torres Strait Islander communities is critical to meeting Closing the Gap targets and CLT's are attractive if they bring benefit to the community, addresses concerns with Indigenous land rights and community ownership, and involves the community in governance.
- Community Land Trusts offer a viable pathway out of social, community, and 'affordable' housing, and a pathway for those in the private rental market.
- CLT's are a shared equity model so can offer a stepped approach to home ownership while ensuring, through that process, that tenants are afforded housing that is secure, affordable, and appropriate for their needs.

**Australian Community Land Trust Network Board Members & Co-Authors of this Submission are:**

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

**Contact:**

[Redacted]

[Redacted]

[Redacted]

**Date of Submission:**

October 20th, 2023