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**National Housing and Homelessness Plan -  
Issues Paper Submission**

**Abundant Housing Network Australia | October 2023**

# WHO WE ARE

The Abundant Housing Network Australia is a national alliance of independent, grassroots campaigners working to build a new vision for housing and cities—one that's more sustainable, liveable and affordable for everyone.

Our members — Greater Canberra, Sydney YIMBY and YIMBY Melbourne — came together in 2023 to forge a new urbanist politics that brings together renters, homeowners, planners, transport advocates and all lovers of cities.

We represent thousands of people across Australia who want to see their cities grow and mature, who want secure and affordable rentals and who want to live near their families, friends and communities — but who feel drowned out by a debate dominated by a few loud voices.

We believe housing abundance—**building more homes where people want to live**—is key to solving the housing crisis and building the kind of cities people love.

Abundance gives everyone greater choice in where they live, gives renters better bargaining power, encourages better use of public infrastructure, and is more environmentally sustainable than sprawl.

**CONTACT:** 

# ACKNOWLEDGEMENT OF COUNTRY

The Abundant Housing Network Australia acknowledges the Traditional Owners of Country throughout Australia and their continuing connection to land and community. We would like to pay our respects to their Elders, past and present.

A broken housing system hurts First Nations people more sharply than others and housing equity is a step on the path of justice and reconciliation we have failed to take.

We acknowledge that we are on stolen land and that sovereignty was never ceded.

This always was and always will be Aboriginal land

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# Reducing homelessness

Housing is a fundamental human right, and to experience homelessness is to experience the loss of the grounding and security that should be universal in a wealthy society. While an episode of homelessness may occur for someone in any socioeconomic bracket, within a functioning society every one of these episodes should be "brief, rare, and non-recurring".<sup>1</sup>

Where homelessness is not brief, it is inextricably tied to housing supply and affordability. To state the obvious, the best way to end a person's experience of homelessness is for them to have a home. But where market housing is scarce and expensive, and community and public housing is under-provisioned as a proportion of total stock, a given episode of homelessness may end up extended.

In their 2022 book *Homelessness is a Housing Problem* Colburn & Aldern analyse cities and counties across the United States to demonstrate the significantly lower rates of homelessness in areas with greater housing supply and affordability.<sup>2</sup> These lower rates, they show, occur because a reduction in housing choices for those facing crisis, illness, domestic violence, or another precipitating event, makes it more likely that their homelessness will become an entrenched, rather than transient, experience.

AHNA supports strong government investment in public, social and community housing. These support services form a crucial safety net for vulnerable people who cannot find accommodation in the private housing market, even if those market rents were substantially lower.

However, a plurality of bottom income quintile Australians under 45 are in the private rental market, far more than in any form of public or social housing, as recently identified by the Grattan institute:

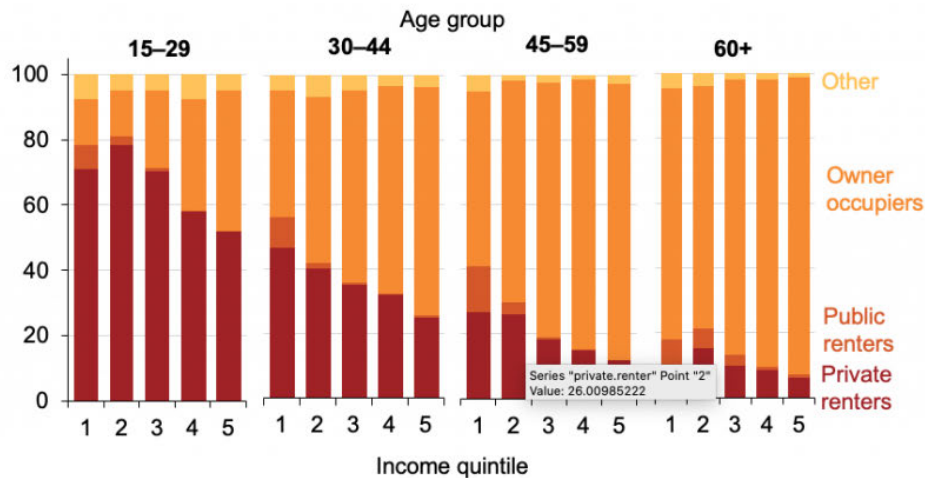
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<sup>1</sup>[Impact Measure 1 – Analysis – Launch Housing](#)

<sup>2</sup> Colburn, Gregg and Clayton Page Aldern, *Homelessness Is a Housing Problem: How Structural Factors Explain U.S. Patterns* (University of California Press, 2022)

## A growing share of Australians are renting, including families with children

Per cent share of each age and income quintile by housing tenure type, 2015-16



Notes: Age groups are determined by the 'Age of Household reference person' category given in the Survey of Income and Housing. Income quintiles are calculated by age group based on equivalised household disposable income.  
Source: ABS 2015-16 Survey of Income and Housing.

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Relatively small increases in rents in the private rental market risk pushing large numbers of Australians into homelessness at the margins, and associated evils such as displacement.

Conversely, even small reductions in marginal rents in a given rental market can allow many Homeless Australians to find a tenancy. Reducing private market rents then should be a key priority of the Commonwealth Government to reduce homelessness. The Commonwealth has two principal levers to do so.

### Increasing Commonwealth Rent Assistance

AHNA notes and supports the Government's increase to Commonwealth Rent Assistance in the 2022-23 Budget by roughly 15%. This was a welcome step that provided crucial relief for hundreds of thousands of households who may have otherwise been at risk of homelessness.

However, further increases to Commonwealth Rent Assistance would be a simple, effective and immediate way to further reduce homelessness. The Government should also re-examine CRA eligibility to consider if there are at risk renters who are currently excluded from the scheme.

However, CRA increases do not address the systemic issues in our housing market that drive housing scarcity and homelessness - that requires comprehensive reform of state planning systems.

### Introducing shelter targets alongside housing targets

Effective homelessness intervention should occur as early as possible in the homelessness cycle. This intervention process begins well before the provision of housing, and often takes the form of short-term shelter services. These services

enable people experiencing a homelessness episode to feel secure, and create space for homelessness professionals to provide support tailored to the needs of the individual, beginning the process of long-term interventions.

An effective homelessness policy, therefore, involves not only the provision of more housing, but also the provision of more shelter in the interim. Local and state government bodies should adopt binding shelter targets alongside housing targets, ensuring that enough shelter is built and provided, in order to ensure a holistic and effective approach to ending homelessness.

**Recommendation**

**Reducing homelessness by building more homes & shelter**

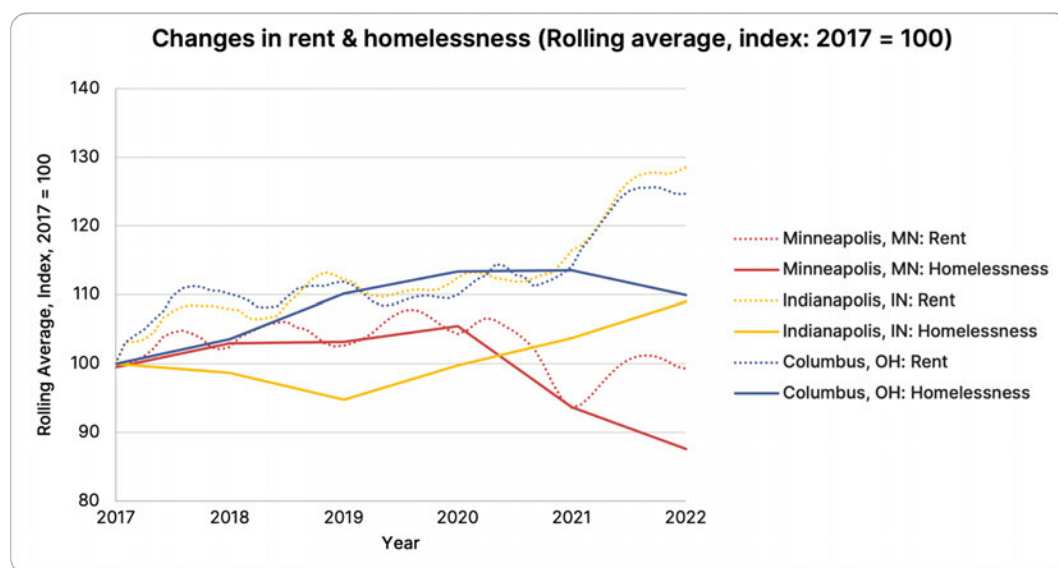
Increase access to shelter across the city through the implementation of shelter targets across jurisdictions with the goal of ending street homelessness by 2030.

# Improving housing affordability and access

Throughout this year we've heard challenging stories about the suffering brought on by our current housing crisis. Earlier this year, ██████ in rental crisis inquiry hearing told the Senate Standing Committee on Community Affairs, "I do not do drugs, I do not drink alcohol, I don't gamble. I do not see how I could have contributed to find myself on this path of homelessness....Never in my life have I felt so helpless, forgotten, discarded and alone."<sup>3</sup>

Making housing affordable is our country's moral responsibility, and upzoning policies provide a pathway to fulfilling that responsibility.

The Auckland experience significantly reduced rents after upzoning more than three-quarters of its residential land, highlighting how a surge in housing supply has significant positive effects, reducing rents in real terms.<sup>4</sup> Recent evidence suggests that Auckland's rents are 14-35% lower than they otherwise would have been.<sup>5</sup> This aligns with the existing literature, including the case study from Minneapolis (see below), which overwhelmingly shows that more supply reduces housing costs at both a neighbourhood and regional level.<sup>6 7 8 9</sup>



<sup>3</sup> Lavelle, Laura and Nibir Khan, [Tenant with Cancer Feared She Would Become Homeless While Undergoing Chemo. Inquiry Hears](#) (23 August 2023) ABC News

<sup>4</sup> Committee for Melbourne, [Benchmarking Melbourne 2023](#) (2 March 2023)

<sup>5</sup> Greenaway-McGrevy, Ryan, [Can Zoning Reform Reduce Housing Costs? Evidence from Rents in Auckland](#) (WORKING PAPER No 016, University of Auckland, May 2023)

<sup>6</sup> Phillips, Shane, Michael Manville and Michael Lens, [The Effect of Market-Rate Development on Neighborhood Rents](#) (UCLA, February 2021)

<sup>7</sup> Horowitz, Alex and Ryan Canavan, [More Flexible Zoning Helps Contain Rising Rents](#) (17 April 2023)

<sup>8</sup> Saunders, Trent and Peter Tulip, [A Model of the Australian Housing Market](#) (March 2019) *Research Discussion Papers*

<sup>9</sup> Albouy, David, Gabriel Ehrlich and Yingyi Liu, [Housing Demand, Cost-of-Living Inequality, and the Affordability Crisis](#) [2016] *National Bureau of Economic Research*

## Reducing overcrowding and displacement

Building more homes where people want to live also provides a potent, and simple, solution to the overcrowding experienced in high-amenity suburbs.<sup>10</sup>

Because more people want to live in our inner and middle suburbs than current supply can handle, people—predominantly renters—are forced to either move away or overcrowd their housing in order to minimise costs. Under the current regime of housing scarcity, it is not uncommon for students and other renters to face the choice of either renting a sharehouse couch for \$400 a week, or travelling well over an hour to get to class each day.<sup>11 12 13</sup>

By providing more diverse and dense housing across the country, more people will be able to live both near their work and within their communities. These housing options will enable children to remain near their parents when they move out, and enable international and interstate migrants to live near their existing community networks.

Upzoning policies can reduce the number of tradeoffs people have to make when choosing their home and enable everyone from large families to single renters to find housing that suits their wants and needs.<sup>14</sup>

## Mitigating the effects of gentrification

Another important beneficiary of upzoning policies are low-income renters, who are predominantly at high risk of displacement.<sup>15 16</sup>

The common perception that high development volumes cause displacement is misguided. Development only occurs at scale when an area has already become desirable, and prices have already begun to rise as a result. Empirical evidence overwhelmingly shows that in gentrifying areas where new construction takes place, rents remain lower than in equivalent gentrifying areas where new construction is blocked.<sup>17</sup> Furthermore, despite ongoing suggestions to the contrary, numerous

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<sup>10</sup> Herath, Shanaka and Rebecca Bentley, '[Crowding, Housing and Health: An Exploratory Study of Australian Cities](#)' [2018] *SOAC 2017*

<sup>11</sup> Burgess, Annika and Kelly Wu, '[Facing Housing Horrors, International Students Say They Were Misled about the Cost of Living in Australia](#)', *ABC News* (online, 18 May 2023)

<sup>12</sup> '[Zoe Paid \\$300 per Week to Sleep in This Tent as International Students Caught up in Housing Crisis](#)', *ABC News* (online, 3 April 2023)

<sup>13</sup> Grace, Natassia Chrysanthos, Robyn, '[Vina Spends Five Hours Commuting to University. New Study Hubs Could Help](#)', *The Sydney Morning Herald* (17 July 2023)

<sup>14</sup> Gilbert, Catherine et al, '[Urban Regulation and Diverse Housing Supply: An Investigative Panel](#)' [2020] (349) *AHURI Final Report*

<sup>15</sup> Pennington, Kate, '[Does Building New Housing Cause Displacement?: The Supply and Demand Effects of Construction in San Francisco](#)' (SSRN Scholarly Paper, 15 June 2021)

<sup>16</sup> Weller, Sally and Andrew Van Hulten, '[Gentrification and Displacement: The Effects of a Housing Crisis on Melbourne's Low-Income Residents](#)' (2012) 30(1) *Urban Policy and Research* 25

<sup>17</sup> Pennington, Kate, '[Does Building New Housing Cause Displacement?: The Supply and Demand Effects of Construction in San Francisco](#)' (SSRN Scholarly Paper, 15 June 2021)



independent studies have failed to identify an increased rate of displacement as a result of gentrifying neighbourhoods.<sup>18</sup>

In simple terms: gentrification is caused by rising prices, and not the other way around. The best way to combat gentrification is to build more homes where people want to live.

## Recommendations

Upzoning areas with high-quality amenities, access to public transport and job opportunities can help reduce rents, curb gentrification and displacement, and prevent housing overcrowding.

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<sup>18</sup>[In Praise of Gentrification](#) *The Economist*

# Government's role in coordinating better housing outcomes

Earlier this year AHNA lodged a submission to the Senate Community Affairs Committee's inquiry into the worsening rental crisis in Australia in which we discussed how the Commonwealth government can better act as a coordinating force to produce better housing outcomes. Below is an excerpt from that submission:

## Better Urban Coordination

As Australia grows, the proportion of Australians living in increasingly dense cities is also growing—and overwhelmingly long-term renters are more likely to be living in these denser urban areas.

This isn't a bad thing.

**Density is good for people, good for the economy, good for communities and good for the environment—and it's the only way to build enough homes for everyone in the face of a changing climate.**

Urban agglomeration enables better matching of workers with employers, allows for the costs of providing goods and services to be shared among a larger population, and supports knowledge industries through increased learning.<sup>19</sup>

Getting the design of these urban communities right is essential to ensure that our cities are attractive and welcoming homes for Australians at all ages and stages of life, while delivering much-needed additional housing with equitable access to jobs, infrastructure and services. Growing cities require smart investment in supporting infrastructure to address congestion costs.

Better city planning is also key to achieving the carbon emission reduction targets that have been set at a Commonwealth and state and territory level. Sprawling, car-dependent suburbs with limited amenities not only increase congestion and transport expenses for residents, they also contribute to transport emissions, land-use emissions, and environmental degradation.<sup>20</sup>

While the link between this and the rental crisis may not be immediately apparent, renters—faced with frequent moving between homes, rapid changes to their rents, and poor security of tenure—are the most vulnerable group to displacement from their communities.

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<sup>19</sup> Gilles Duranton and Diego Puga, '[Micro-Foundations of Urban Agglomeration Economies](#)' (2004) 4:1 *Handbook of Regional and Urban Economics* 2063

<sup>20</sup> Intergovernmental Panel on Climate Change, '[Sixth Assessment Report, Climate Change 2022: Mitigation of Climate Change](#)' (2022), Chapter 8

Poor urban planning means that when renters are forced to displace further from their communities and workplaces to afford somewhere to live, they face poorer access to services, amenity and social infrastructure, and far longer commutes.

Likewise, good city planning—especially in the timely delivery of social and transport infrastructure—is critical to building social licence for building higher density neighbourhoods. Infrastructure Victoria found that access to high-quality infrastructure was a strong determinant of people’s housing choices.<sup>21</sup>

**Good urban planning—and good social and transport infrastructure—are critical to making renters’ quality of life better and help build social licence for denser neighbourhoods.**

## **A national approach to urban policy**

While state and territory governments have primary responsibility for urban planning and the development of their cities, the Commonwealth can play a valuable role in coordinating a national urban policy agenda.

A national urban policy can help encourage best practice between our cities and ensure alignment on key policy objectives. In fact, without one, planning and allocating resources to infrastructure projects equitably is almost impossible.<sup>22</sup>

Over the past few decades, the Commonwealth has increasingly displayed interest in urban policy initiatives—but not in a consistent, sustained way.<sup>23</sup>

We are therefore pleased that the Commonwealth has announced the development of a new national urban policy and the establishment of a departmental cities and suburbs unit.<sup>24</sup>

**An effective national urban policy must guide the reform of strategic and statutory planning nation-wide, and require states and territories to plan for more liveable, people-oriented cities, while also providing more certainty for infrastructure planning.**

To accomplish this, the Commonwealth needs to be ambitious with its national urban policy and any infrastructure decisions that flow from it. In particular, having clearly

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<sup>21</sup> Infrastructure Victoria, ‘[Our home choices: How more housing options can make better use of Victoria’s infrastructure](#)’ (March 2023) 22-24

<sup>22</sup> Robert Freestone, Bill Randolph and Wendy Steele, ‘[A sustainable Australia depends on what happens in our cities – that’s why we need a national urban policy](#)’ (31 May 2023) *The Conversation*

<sup>23</sup> Australian Housing and Urban Research Institute Limited, ‘[What is cities policy in Australia?](#)’ (AHURI Briefs, 27 July 2020); and Marcus Spiller, ‘[National urban policy: an inter-governmental deal on better cities](#)’ (SGS Economics and Planning Briefs, 8 September 2022)

<sup>24</sup> The Offices of Catherine King, Julie Collins and Clare O’Neil MPs, ‘[Towards a national approach to cities and regions](#)’ (Ministerial media release, 28 April 2023); and Jenny Wiggins, ‘[City dwellers get a National Urban Policy. But what is it?](#)’ (9 May 2023) *Australian Financial Review*

defined outcomes in terms of housing affordability and quality, commuting time, emissions reduction and equity.

It also needs to have discipline—both internally and with state and territory governments—to ensure alignment with national urban policy goals, with infrastructure investment being contingent on achieving these binding targets.<sup>25</sup>

Where necessary, the Commonwealth should provide direct support to state and territory governments to build the necessary capacity for urban policy reform.

We would like to see a particular focus on social infrastructure—especially third spaces like libraries, community centres, cafes and social clubs— that play an essential role in peoples’ lives, but particularly people with low socio-economic status.

## **Investing in transport infrastructure**

A city’s transport infrastructure determines peoples’ commute which in turn determines where people choose to live and work. Access to high-quality transport is access to opportunities—whether that is employment, education, services, communities, or recreation. Transport infrastructure is also housing infrastructure—and investment in transport must be accompanied by housing.

Australia’s cities are presently seeing a renewed focus on active and public transport. Active and public transport is both more environmentally sustainable and more economically equitable than car-centric transport.

### **Non-car transport options are particularly vital for renters, especially those on lower incomes.**

As at the 2021 Census 14% of renter households had no cars, compared to only 4% for owner-occupiers, while 64% of owner-occupier households had 2 or more cars versus only 40% for renters.

Frequent, public transport services and safe active travel infrastructure benefits the entire community, but it helps renters and low-income families even more. This is especially the case as fuel costs remain high, and electric vehicles remain out of reach for most consumers.

This is why the Commonwealth must prioritise investment in public and active transport projects over car-centric infrastructure. Infrastructure Australia recognises this importance, with dozens of active and public transport projects currently on its priority list.<sup>26</sup>

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<sup>25</sup> Marcus Spiller, [‘National urban policy: an inter-governmental deal on better cities’](#) (SGS Economics and Planning Briefs, 8 September 2022)

<sup>26</sup> Infrastructure Australia, [‘Infrastructure Priority List’](#)

**Commonwealth transport funding should be made contingent on planning reforms to enable transit-oriented development—particularly for light and heavy rail projects which provide greater certainty to housing developers and to residents.**

While new transit-oriented developments are critical, we must also improve housing supply in areas that already benefit from proximity to transport.

In Canberra, analysis of Census data shows that relaxing planning restrictions on established suburbs could shift thousands of commuters from cars to clean transport.<sup>27</sup>

## Recommendations

That National Cabinet adopt a national cities policy that harmonises approaches to urban infrastructure planning and investment nationwide — with a particular focus on improving liveability of inner city areas for residents, reducing transport costs, enabling transport-oriented development, and reducing urban emissions.

That the Commonwealth expand existing grants schemes like the Thriving Suburbs Program to help state, territory and local governments build community infrastructure at the scale necessary to accommodate large-scale infill and inner urban population growth.

That the Commonwealth prioritise investment in public and active transport projects in growth areas both in the inner city and already underserved outer suburbs.

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<sup>27</sup> Greater Canberra, [‘More homes, cleaner transport’](#) (Research note, 20 July 2023)

## Preparing for a sustainable future

As the effects of climate change begin to induce more frequent—and potentially life-threatening—extreme weather conditions, there is an imperative to make our housing, and communities, more resilient to these great challenges. Whilst retrofitting and building new homes with strong hazard resilience is vital, we can start somewhere more fundamental. Current policy settings have created a dichotomy where people are blocked from living where it is safest; this needs to change.

Uncontrolled urban sprawl has pushed our major growth areas deeper and deeper into land that has higher risks of flood and fires.<sup>28</sup> As the National Growth Areas Alliance have highlighted, the outer suburbs are home to many of Australia's most vulnerable residents<sup>29</sup>—climate change and its associated disasters will only heighten their entrenched disadvantages.

Whilst there will need to be a strong mix of responses to the growing challenges caused by climate changes—such as retrofitting homes to be climate-safe havens—restrictive land use policies pushing more and more Australians into areas most prone to climate disasters is untenable.

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<sup>28</sup> [Australia's City Fringes Will Soon Be Home to 7.5m People. Now Experts Are Warning of a National Crisis](#), *ABC News* (online, 27 April 2023)

<sup>29</sup> [2023-24 Pre-Budget Submission](#) (National Growth Areas Alliance, 2023)