

Impact of Government Regulations

Country: Australia

Organization: Housing Industry Association (HIA)

Sponsor by: IHA Housing Affordability Working Group

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State of Politics of Housing Affordability

(i.e., how important is housing affordability in your country's current political landscape? Are your leaders actively discussing housing affordability? Are there positive government measures being enacted to address affordability?, etc.)

Housing supply & affordability are the #1 issues at all three levels of government and will certainly be a major issue during the next federal election (which needs to take place by May 2025)

In 2023, federal government recognized the need to build 1.2 million new homes over the next five years (i.e. 240,000 annually over and above the 170,000 homes the sector would normally build) to restore affordability.

The Australian government will hand down its next federal budget on 25 March and we have made a comprehensive submission to implement a range of reforms and substantially boost investment and funding to address affordability and increasing housing supply.

What are the major regulatory impacts driving prices and limiting supply?

Housing policy falls under three jurisdictions (federal, state, municipal) with municipal mostly being responsible for new land supply and planning approvals. Some of the major regulatory impacts driving prices and limiting supply:

- *high interest rate environment has severely impacted the sector.
- *Ever-tightening mortgage rules (federal) – leading to decreasing homeownership rates and forcing well-qualified first-time buyers on the margins out of the market.
- *Building Codes – codes and standards continually becoming more numerous and stringent, adding more direct costs and complexity to cost of construction.
- *Immigration - high levels of immigration have contributed to housing supply shortages.
- *Trade shortages and lack on new apprentices and workers coming through
- *Development fees/taxes – government imposed charges now account for 50% of the cost of a new home in some cities).
- *Slow processes (municipal) – changes to zoning, permit approvals, inspections are slow and directly impact affordability.

How are you telling the story to try to get regulation change ?

i.e., what communications tactics are you using that seem effective in the public domain?

As housing affordability continues to be a hot-button political issue as we head into the Federal election we have issued significant media commentary on the key issues and what needs to change.

We have hosted numerous housing roundtables and made key policy asks in our Federal budget submission and election imperatives document.

These received wide spread media coverage.

There has also been a number of recent state level elections where we

Year-round advocacy we meet with key Cabinet ministers and political staff

We have also issued a number of research and other reports to continue to raise profile of the key housing issues and these receive significant media coverage on costs and barriers to housing supply.

What are some of your regulatory successes/solutions and what is your strategy for your most important issues on regulation?

i.e., what tactics are you using that seem effective? How impactful have these tactics been in influencing policy change?, etc.)

- Through our extensive advocacy we have put a pause on numerous red tape and further regulatory changes and alongside this we have successfully advocated for number of extended phase in and transition periods from new regulations being enacted.
- We have secured record housing investment from Federal and State governments to support housing delivery including \$10 billion towards more social and affordable housing, \$1.5 billion in funding for enabling infrastructure and \$10,000 for apprentices to complete an apprenticeship and employer subsidies to take on apprentices.
- We have released a number of economic, research and other reports supported by targeted comms & advocacy plans which received significant media and government attention in raising the profile of these issues.
- IN the lead up to our Federal election, housing and cost of living have become the defining issues for our major parties and we have recently released our Federal Budget and Federal Election Campaign documents which have been widely heralded for their extensive and thought provoking advocacy and measures identified to resolve our long discussed housing undersupply issues.