



24 April 2019

Pattie Chugg
Executive Officer
Shelter Tas
PO Box 484
HOBART TAS 7001

Dear Ms Chugg,

Thank you for your letter to Ms Collins detailing Shelter Tas' priorities for the 2019 federal election and providing an opportunity to outline Labor's policy on these important issues.

Australia is in the midst of a housing affordability and homelessness crisis. Rates of home ownership have plummeted to historic lows, record numbers of families are experiencing rental and mortgage stress, and many of the most vulnerable in our communities are at-risk or experiencing homelessness.

The Abbott-Turnbull-Morrison Government has failed to provide national leadership in housing policy or to invest in the supply of Australia's affordable housing stock.

A Shorten Labor Government will ensure that the issue of affordable housing for all Australians is front and centre of our national political agenda for the next decade and beyond.

Below are our responses to the specific issues that Shelter Tas has raised.

Retirement of Tasmania's public housing debt to the Australian Government

Labor believes that affordable and secure housing is essential to wellbeing, participation and inclusion and that all Australians have a right to safe, affordable and appropriate housing throughout their lives.

Labor is extremely concerned that many Australians, in particular young Australians, are being excluded from home ownership and this is having a profound impact on intergenerational inequality.

Labor has a comprehensive plan to tackle the housing affordability crisis which is outlined further below. Our plan does not include retiring Tasmania's public housing debt to the Australian Government.

A national housing strategy

Labor has committed to having a National Housing Strategy in government.

A future Shorten Labor Government will also increase the stock of affordable rental properties by building 250,000 new affordable rental homes, with at least 20,000 in Labor's first term, through a reformed and improved National Rental Affordability Scheme (NRAS). Our investment will be the largest federal investment in housing since the Second World War.

All dwellings will be owned or managed by a registered community housing provider (CHP) – adding substantially to the stock of social housing in Australia over the coming decade and helping to scale up the CHP sector.

Eligible Australian tenants on low and middle incomes will benefit from at least 20 per cent below market rent.

Dwelling design will need to meet energy efficiency standards to ensure that renters aren't hit with higher energy bills through poor design.

This will build on the success of the existing NRAS which has delivered for those Australians in greatest need – a majority of NRAS households (51 per cent) have a household income of less than \$40,000.

Additional federal funding for emergency accommodation and support services to end homelessness by 2030

Labor has committed to developing and implementing a national plan to reduce homelessness through the Council of Australian Governments, restoring much needed national leadership.

Labor will reinstate a Minister for Housing and Homelessness and re-establish the National Housing Supply Council.

Labor will also invest \$88 million over two years to create a Safe Housing Fund. This will provide capital funding to increase transitional housing options for women and children escaping domestic and family violence, young people exiting out-of-home care and older women on low incomes who are at risk of homelessness.

Reform of the tax treatment of housing to ensure our housing system works for everyone

For many families in Australia, the dream of purchasing and owning their own home is almost completely out of reach. The Labor Party recognises this and that's why

we're committed to reforming the unsustainable and inequitable arrangements around negative gearing and capital gains tax.

As they stand, these concessions provide more assistance to wealthy investors buying their 5th, 6th or 7th investment property than to families struggling to buy their first home.

Labor's plan will restrict negative gearing to new homes from 1 January 2020 – increasing rental supply and supporting jobs. Labor's reforms are fully grandfathered which means that everyone that has a negatively geared investment property today will be completely unaffected by our changes.

Labor will also halve the capital gains tax discount for all assets purchased after 1 January 2020. This will reduce the capital gains tax discount from assets held longer than 12 months from 50 per cent to 25 per cent. All investments made prior to the 1 January 2020 will be fully grandfathered.

Labor first announced our plans to reform negative gearing and the capital gains tax discount in 2016. These reforms are good for the budget and good for home ownership as they will help put first home buyers back on a level playing field with investors.

Sincerely,

Australian Labor