

24 September 2026

Senate Standing Committee on Economics References Committee
PO Box 6100
Parliament House
Canberra ACT 2600



By email: economics.sen@aph.gov.au

Submission to the Inquiry into Social Housing

Dear Committee members,

Tenants Victoria is the peak body for Victoria's 2 million renters, and the rental law specialist community legal centre in Victoria. Our vision is for safe, secure and affordable homes for Victorian renters in a fair housing system. We aim to empower renters and make sure their voices are heard in our advocacy. We work in partnership with other community legal centres and housing sector organisations, and strategically with government to inform policy development and enhance service delivery.

Tenants Victoria welcomes the opportunity to make this submission to the Economics References Committee Inquiry into Social Housing. This submission outlines the importance of investing in social housing and highlights inconsistencies in supports and standards across public and community housing.

The need for stronger investment in social housing

Social housing is an essential component of Australia's housing system, providing a recourse when the private market fails, which can occur through discrimination, high rents, low incomes or other market shortcomings. The safety and security of social housing is extremely beneficial for individuals and households. The overwhelming majority of social housing tenants report greater stability in their home environment, reduced economic stress and social benefits from being able to remain in their local community.¹ Other commonly cited benefits include better health outcomes and improved access to services, public transport and education opportunities.²

Well-designed and implemented social housing programs also help to make Australia's broader society and economy function and prosper. Stable tenancies in good locations help people to participate in work, education and community activities³. This supports the skilled and mobile workforce that is essential for a productive economy. Safe and secure housing also prevents a range of avoidable costs for taxpayers, with the annual flow on costs from a lack of suitable housing running into the billions across the health, homelessness, domestic violence and criminal justice systems.⁴

¹ Australian Institute of Health and Welfare (AIHW) (2026). Homelessness: Homelessness services - housing outcomes. Accessed 23 September 2026. [Weblink](#)

² Ibid.

³ Ibid.

⁴ SGS Economics and Planning (2024). Leave No Young Australian behind: The long-term costs of youth homelessness to Australia. Pg. 38. [Weblink](#)



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Safe, secure and affordable homes

The importance of social housing is not matched by government spending. Over several decades now, investment in public and community housing nation-wide has failed to keep pace with rising demand, resulting in increasing numbers of people who are eligible for social housing, but unable to be allocated a home.⁵ In Victoria, the average waiting time for long-term social housing is 17.2 months for those with a priority access housing allocation, and 17.3 months for those on the priority list due to family violence.⁶ Nationally, social housing stock has declined from 5.2% of all housing in 1997 to 3.9% by 2023.⁷

In Victoria, the situation is particularly concerning, with the current proportion of social housing at 3.1%.⁸ After the Big Housing Build, it will be about 3.5%, still below the national average.⁹ Tenants Victoria supports the Victorian Housing Peaks Alliance's position that 4.5% of housing must be social housing and is campaigning for the Victorian government to invest in reaching this level. This would require the construction of 7,990 new social housing dwellings a year by 2035, a total of around 80,000 homes in just under 10 years. This would contribute to a goal of meeting social housing demand by 2051.

While Tenants Victoria is speaking from the perspective of one state, this is a national challenge that must be dealt with collaboratively. The Commonwealth should work with the Victorian government to identify funding, seek opportunities to remove financial and regulatory barriers and draw on successful approaches in other states and territories.

Recommendation 1: Work with the Victorian government to deliver 80,000 new social housing properties by 2035.

Extending support and standards across social housing types

A key opportunity for further investment in social housing is to leverage supports and standards already operating in one area of the sector and apply them more broadly. The most notable distinction in this regard is public housing, which is managed by state governments, and community housing, which is run by not-for-profit providers. These are both crucial providers of secure, affordable housing, but they are eligible for different forms of Commonwealth assistance and subject to different standards.

Applying a more consistent approach to the social housing sector would help alleviate distorted incentives that are limiting the development of high-quality, secure housing stock available to people on lower incomes. Over recent years, the Victorian government has focused its social housing investment towards community housing. This has consequences for the experiences of renters, with tenancies in community housing tending to be less stable and less forgiving of financial circumstances than public housing, a pattern that is clear in Tenants Victoria's interactions with renters.

The Commonwealth is an important driver of these issues, as the financial incentives it sets incentivises state and territory housing agencies to favour community housing over new public housing. Extending

⁵ AIHW (2025). Housing assistance in Australia. [Weblink](#)

⁶ Victorian Government Department of Families, Fairness and Housing (2024). Department of Families, Fairness and Housing Annual Report 2024-25. Accessed 21 September 2026. [Weblink](#)

⁷ Lawson, J., Davies, L., Hayward, D., Troy, L., Werner, G. Dodson, J. (2026) Australia's multi-provider housing system: contest or growth? AHURI Final Report No. 452, Australian Housing and Urban Research Institute. [Weblink](#)

⁸ SGS Economics and Planning & the Victorian Housing Peaks Alliance (2025). Growing Social Housing. [Weblink](#)

⁹ Ibid.

existing supports and standards across the sector could accelerate housing supply and improve the renter experience, without the need for extensive design and consultation processes, as the implementation vehicles and outcomes for housing and renters are already known.

Commonwealth Rent Assistance

One example of support that is only offered to a subset of social housing occupants is Commonwealth Rent Assistance (CRA), a fortnightly payment made by Services Australia to eligible government benefit recipients to help manage housing costs.

CRA is currently provided to renters in community housing but excludes those living in public housing. It has been a vital income stream for community housing providers for decades, underpinning their viability and offering crucial investment certainty.¹⁰ Importantly, the higher level of funding that these properties receive from the Commonwealth Government (through CRA) distorts state and territory investment decisions in favour of community housing.

In this environment Australian community housing stock to increase steadily year on year, undergoing an uninterrupted rise between 2015 and 2024.¹¹ Public housing is on a much different trajectory, with a marked decline in national stock over the past decade, including a 1,143 rental unit reduction in 2024-25 alone.¹² While many factors have contributed to these trends, the degree of Commonwealth assistance is a key distinction and must be considered.

Extending the CRA the public housing sector would ensure a greater and more predictable flow of funds to the sector, giving greater certainty to state and territory housing bodies in their investment decisions. This would allow the Commonwealth to use an existing funding mechanism to drive growth in social housing stock. For those in the private market, it would also help vulnerable renters to afford rent in their current residence, easing social housing demand and stabilising the market.

GST exemption

Eligible community housing providers may access GST concessions that are not available to public housing providers. This can make the construction and maintenance of public housing materially more expensive than comparable community housing developments. The effect on construction costs further disincentivises growth in public housing stock, while the added cost of maintenance and improvement has implications for the sustainability of the sector.

In evidence to a Victorian parliamentary inquiry, the CEO of Homes Victoria Simon Newport estimated that his organisation's GST payments are worth \$50 – \$60 million a year and suggested that an exemption combined with CRA for public housing and other changes would “put the social housing system on a very sustainable footing for the future”.¹³

¹⁰ Senate Standing Committee on Economics. (2015) Out of reach? The Australian housing affordability challenge. [Weblink](#)

¹¹ National Housing Supply and Affordability Council. (2026) State of the Housing System 2026. Pg. 48 – 49. [Weblink](#)

¹² Ibid.

¹³ Legislative Council Legal and Social Issues Committee. (2023) Inquiry into the Rental and Housing Affordability Crisis in Victoria: Transcript – Tuesday 10 October 2023. Pg. 80. [Weblink](#)

Extending this existing exemption to public housing providers would enable state governments to give equal consideration to public housing delivery and maintain properties to a higher standard.

Regulatory standards

In Victoria, public and community housing are subject to differing standards, procedures and policies across oversight mechanisms, service delivery standards and asset management standards. This is largely to the detriment of community housing residents, who often have greater difficulty than public housing renters in sustaining their tenancies, safeguarding their rights and ensuring their property is well built and maintained.¹⁴

Strengthening community housing regulatory standards to bring them in line with the public housing sector is important for ensuring that the delivery of social housing at scale can occur without a drop in dwelling standards and overall renter wellbeing. In Tenants Victoria's experience, key areas for improvement include allocations, rent setting, rent arrears and tenancy sustainment. In Victoria, the 2022 Social and Affordable Housing Regulation Review recommended the establishment of common performance standards for social housing, covering governance, tenancy management, allocations practices, dwelling standards, safety, cultural safety and asset management.¹⁵

While this is an area of state and territory responsibility, if the Commonwealth were to increase its stake in social housing through measures such as CRA and GST reforms, it would be reasonable for the federal government to expect that these additional funds are spent on good quality, secure tenancies. As it supports the public housing sector to expand, the Commonwealth could play a crucial national coordinating role in raising community housing standards.

Recommendation 2: The Commonwealth should identify opportunities to extend support mechanisms and standards that currently only have partial coverage of the social housing sector, including:

- Offering CRA to public housing residents.
- Applying the GST exemption to public housing.
- Encouraging states and territories to bring community housing regulatory standards in line with the broader sector.

¹⁴ Social and Affordable Housing Regulation Review. (2022) Final Report: Social and affordable housing regulation in Victoria. Pg. 59. Accessed 22 September 2026. Pg. 55-88. [Weblink](#)

¹⁵ Ibid.