

## Open letter to 2022 federal election candidates

### Urgent action on housing

Local Government NSW is calling on all NSW candidates in the upcoming federal election to outline their plan to address the housing affordability crisis impacting communities right across the state.

Access to secure, affordable housing is a basic human need and key to a healthy, prosperous and equitable society.

Conversely, a lack of affordable housing compounds intergenerational inequality and harms social cohesion. It further functions as a hand brake on economic recovery and productivity, impacting communities and businesses as low and middle income workers are priced out of local housing markets.

Home ownership rates have been [continually falling](#) since the mid-1990s, with rising numbers of people pushed into an increasingly unaffordable rental market, insecure housing or homelessness. The most recent census results show that the home ownership rate in 2016 was lower than at any time since 1954 ([NSW Intergenerational Report 2021-22](#)). Social housing too, is critically underfunded, with more than 50,000 people on the social housing waitlist across NSW.

While ensuring an adequate supply of housing is important to meeting housing needs, overwhelming evidence demonstrates that simply increasing supply does not reduce the price of housing or increase the amount of affordable housing. Indeed, the NSW Intergenerational Report 2021-22 claimed that record housing construction and COVID-19-related international border closures have improved housing supply. Yet the same period witnessed record house price inflation across NSW.

Key contributing factors to housing affordability issues include:

- the commodification of housing stock as a financial investment
- historically low interest rates and high credit availability
- tax incentives such as negative gearing and disincentives such as stamp duty
- the rise in number of dwellings used for short-term letting
- The proliferation of vacant properties.
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Councils from across NSW resolved at the 2022 LGNSW Special Conference to call for urgent action on the affordability and future of housing in Australia. Communities are tired of buck passing between Australian and State Governments and seek real action and leadership on this critical issue.

In the lead up to the federal election, LGNSW is now calling on all federal election candidates to outline to their communities:

1. Will you commit to a substantial federal government investment in social housing, to deliver for NSW 5,000 additional social housing dwellings annually for 10 years?
  2. Will you commit to investment in a far greater supply of affordable rental housing?
  3. How will you improve home ownership rates without supercharging demand for housing as an investment and contributing to even higher household debt and worsened affordability?
  4. Will you support a Royal Commission into the affordability and future of housing in Australia?
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