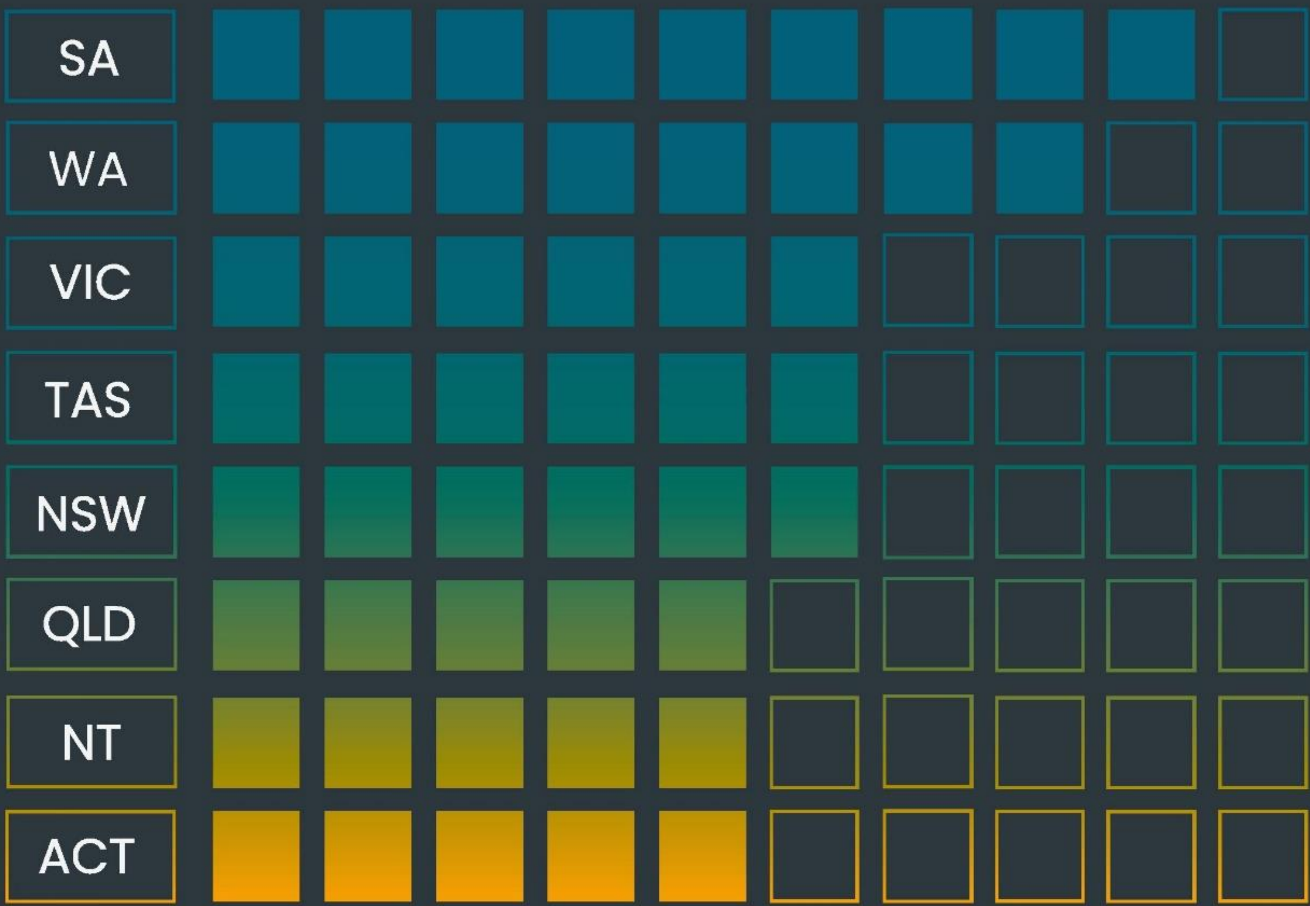

HIA Housing Policy Scoreboard

Benchmarking the housing policy settings of the States and Territories

HIA Housing Policy Scoreboard

Executive Summary

Housing supply falls mostly within the remit of State and Territory Governments. While the role of Local Governments such as reviewing development proposals and implementing land use plans is crucial, it is state governments that spearhead city planning and the provision of essential housing infrastructure. This critical infrastructure is the ultimate responsibility of State/Territory Governments, and it is their constitutional responsibility to deliver housing supply to meet demand. Governments at this level collect significant tax revenue and have a swathe of policy levers within their grasp to help them achieve this goal.

In the face of a prolonged structural undersupply of housing across much of the country, at the beginning of 2022, the Albanese Government decided to play a more prominent role. To solve the problem, they would actively collaborate with all levels of government and industry to boost supply. Its overarching stated goal is the provision of 1.2 million new well-located homes over a five-year period (July 2024 to June 2029) – this is known as the National Housing Accord.

The achievement of this target will require state and territory governments to meet new housing quotas. This requires policies that create an environment that will allow for unprecedented volumes of new housing over the next five years. States and Territories are actively touting ‘roadmaps’ to achieve elevated supply levels, some of which are tied to available Commonwealth funding under programs such as the Housing Australia Future Fund.

Against a backdrop of record housing unaffordability and economic constraints such as elevated interest rates, these roadmaps will require bold policy proposals backed by sizable investment in order to achieve the highly ambitious Commonwealth target. This Scoreboard report, the first ever edition, benchmarks each state and territory government’s policies against the achievement of their targets.

Explanation of the HIA Housing Policy Scoreboard

The HIA Housing Policy Scoreboard benchmarks each state and territory according to ten critical housing supply policies/mechanisms that are advantageous to the promotion of housing supply. The ten policy initiatives are either proven successful policy initiatives or alternatively are considered to be innovative and are guaranteed to promote accelerated housing supply. Each state is assessed on whether the policy is currently in existence in the jurisdiction, or alternatively, whether there is a record of a publicly stated commitment to introduce the policy in the near-term.

HIA has undertaken significant research to ascertain whether the state/territory government meets the specified criteria by way of:

- Direct engagement with the offices of members of parliament at the state and territory level,
- Direct engagement with relevant state/territory government employees,
- Research of state government and housing department websites, media releases, media articles and alike, for relevant policy announcements,
- Review of state/territory government Budget Papers, and
- Liaison with HIA regional office executives and policy representatives.

State Governments HIA Housing Policy Scoreboard rating

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT
New housing targets[1]	✓	✓	✓	✓	✓	✓	✓	✓
First homeowner grant	✓	✓	✓	✓	✓	✓	✓	✗
First home buyer stamp duty exemption[2]	✓	✓	✓	✓	✓	✓	✗	✓
First homebuyer shared equity scheme[3]	✗	✓	✗	✓	✓	✓	✗	✗
Stamp duty exemption on new housing	✗	✗	✗	✗	✗	✗	✓	✓
Fast-tracked housing development approval capability	✓	✓	✗	✓	✓	✗	✗	✗
Fast-tracked land release program	✗	✗	✗	✓	✗	✗	✗	✗
Land supply dashboard	✓	✗	✗	✓	✓	✗	✗	✗
State-based investment in residential building trades	✗	✗	✓	✓	✓	✓	✓	✗
Social housing targets and investment[4]	✓	✓	✓	✓	✓	✓	✓	✓
SCORE (…/10)	6	6	5	9	8	5	5	4

Source: HIA Economics

[1] Must be a commitment to achieve the National Housing Accord state allocation

[2] This must be an exemption up to a threshold determined by the state (or no threshold)- concessions are not considered

[3] This must be a state-based shared equity scheme

[4] The investment must be in addition to Commonwealth programs such as the Social Housing Accelerator, and exceed the social and affordable housing allocation under the Housing Australia Future Fund and National Housing Accord

Scoreboard

South Australia	Score	9 / 10
Western Australia	Score	8 / 10
Victoria	Score	6 / 10
Tasmania	Score	6 / 10
New South Wales	Score	6 / 10
Queensland	Score	5 / 10
Northern Territory	Score	5 / 10
Aust Capital Territory	Score	4 / 10

The National Housing Accord

In August 2023, the National Cabinet sought a collaborative approach to addressing the national housing supply crisis. In its desire to address the undersupply of housing across Australia, it set a national five-year target for the construction of new homes. The National Housing Accord, in its initial form, set a target of one million new, well-located homes over five years from July 2024 to June 2029. At its meeting in August 2023, National Cabinet boosted its target to 1.2 million new homes.

While not publicly stated, it was later implied that States and Territories would have specific targets for their jurisdictions according to their share of Australia's population. The Accord therefore represented an agreed commitment between Federal and State governments to a national target. That target would be achieved by the states accomplishing their quota of new homes built.

Commonwealth investment in the National Housing Accord

At the time of the ratification of the Accord, National Cabinet also endorsed the Commonwealth provide $3.5 billion in payments to state, territory and local governments to support the delivery of new homes towards the target.

The Accord is one component of the Government's broader housing agenda which also includes funding for social and affordable housing.

New Home Bonus

The $3 billion New Home Bonus program will provide performance based funding to states and territories that achieve more than their share of the target under the National Housing Accord. The Bonus will incentivise states and territories to undertake the reforms necessary to boost housing supply and increase housing affordability.

Housing Support Program

The $500 million Housing Support Program is a competitive funding program for state, territory and local governments to kick start housing supply in well located areas. The program will provide targeted activation payments for initiatives such as connecting essential services, amenities to support new housing development, or building planning capability.

In the 2024–25 Budget, an expansion of this program was announced, with a further $1 billion being made available to states and territories to deliver new housing – including for connecting essential services. This brings the total funding for the Housing Support Program to $1.5 billion.

National Planning Reform Blueprint

In August 2023, National Cabinet agreed to a National Planning Reform Blueprint to outline planning, zoning, land release and other measures to improve housing supply and affordability. The Blueprint's measures include:

- Updating state, regional and local strategic plans to reflect housing supply targets,
- Promoting medium and high-density housing in well-located areas close to public transport, amenities and employment, and
- Streamlining approval pathways.

The Blueprint contained a total of 10 measures and 17 associated actions.

In March 2024, a summary of progress was released. The summary revealed that significant progress had been made by all jurisdictions in delivering on the Blueprint but given the ambition of national housing supply targets, on-going work was needed.

Funding for affordable homes

As part of the Accord the Commonwealth has committed $350 million over 5 years from 2024-25 to support the delivery of 10,000 affordable homes. State and territory governments have agreed to build on this commitment to support delivery of up to an additional 10,000 affordable homes. This enables delivery of a combined total of up to 20,000 affordable homes under the Accord.

Implementation schedules

The Commonwealth and all states and territories have developed implementation schedules which detail the actions each jurisdiction will take to help achieve the commitments made under the Accord. The Accord's implementation schedules are tailored to the specific circumstances of each jurisdiction, recognising for example that each state and territory is at a different stage in making improvements to planning, zoning and land release systems.

The Commonwealth has committed to the following, in addition to the significant funding commitments discussed above:

- The Commonwealth has provided a one-off $2 billion payment to states and territories through the Social Housing Accelerator payment to deliver a permanent increase in the stock of social housing.
- The Commonwealth will provide concessional loans and grants through Housing Australia to support more social and affordable housing.
- The Commonwealth will work with Community Housing Providers and other relevant not-for-profit housing providers to ensure targets for social and affordable housing are met.
- The Commonwealth is undertaking a whole-of-government process to identify surplus Commonwealth land that could be used to support more housing and will update the Council on Federal Financial Relations in early 2024 on progress.

The States and territories have committed to:

- Undertaking expedited zoning, planning and land release to deliver the joint commitment on social and affordable housing in well-located areas.
- Delivering their allocation of up to 10,000 affordable homes.
- Working with Local Governments to deliver planning and land-use reforms that will make housing supply more responsive to demand over time.
- Supporting the building of a strong and sustainable Community Housing Provider sector.
- Ensuring targets for social and affordable housing are met.

The implementation schedules represent actions agreed at a point in time and will be reviewed on an annual basis to reflect new initiatives over the period of the Accord.

Parties to the Accord

- The Commonwealth Government
- States and territories
    - New South Wales
    - Victoria
    - Queensland
    - South Australia
    - Western Australia
    - Tasmania
    - Northern Territory
    - Australian Capital Territory
- Australian Local Government Association
- Superannuation funds and associations
- Institutional investors and asset managers
- Residential development, building and construction industry peak bodies
    - Housing Industry Association (HIA)

State-by-State Housing Targets

Each state and territory has an allocated housing target over July 2024 to June 2029 in accordance with its share of the total population. The new home targets as a proportion of total are outlined in the table below:

State-by-State Housing Targets Under the National Housing Accord

State/Territory	Share of homes to be built Jul-24 to Jun-29	Average annual homes to be built	Expressed as % of total
Australian Capital Territory	21,059	4,212	2%
New South Wales	376,436	75,288	31%
Northern Territory	11,427	2,285	1%
Queensland	245,740	49,148	20%
South Australia	83,811	16,762	7%
Tasmania	26,117	5,223	2%
Victoria	306,324	61,265	26%
Western Australia	129,086	25,817	11%
Total Australia	1,200,000	240,000	100%

2025 Housing Policy Scoreboard

New South Wales

New South Wales	Score	6 / 10

While NSW has taken some positive steps in recent years, Australia's largest state is perennially a 'one step forward, one step back' jurisdiction.

The NSW Government is implementing mechanisms to expedite development approvals and has released a new Statement of Expectations Order that establishes timeframes for councils on development assessment, planning proposals and strategic planning. The council league table and Statement of Expectations Order are part of the NSW Government's Faster Assessments program. This includes $200 million in financial incentives for councils that meet the new expectations for development applications, planning proposals and strategic planning. Unfortunately, there is only a commitment to rigorously monitor benchmarks of Development Applications referral times and we are yet to see this materialise, and more importantly, implement the urgent necessary action to expedite DA's.

The NSW Government's social housing agenda is admirable. It will invest $5.1 billion to deliver new public housing that will prioritise at least half of the homes built for victims/survivors of family and domestic violence. This program will build 8,400 public homes.

Unfortunately, in 2023, the incoming State Labour Government wound back it's comparatively more generous stamp duty (transfer duty) exemption on homes. Under the previous government, eligible first home buyers were permitted to forgo stamp duty in exchange for a small annual fee on properties up to $1.5 million. Under the current government, a full exemption from transfer duty is available if you are buying a home valued up to $800,000, while homes valued over $800,000 and less than $1,000,000 may qualify for a concessional rate. This was an unwelcome policy change, particularly given that the majority of markets in the Greater Sydney region have median dwelling prices in excess of $800,000.

NSW has also missed opportunities to implement policies targeting the sorely needed boost to Greenfield land supply, particularly around the urban fringe of Greater Sydney. There is a glaring absence of a robust plan to accelerate the release of land for Greenfield development.

It is however applaudable that a land supply dashboard is in development for all areas that have an Urban Development Dashboard. The government provides dashboards for each UDP region to monitor key data on land supply and housing delivery. The UDP team are also undertaking a Housing Supply Pipeline Audits with councils.

HIA welcomes the Housing Delivery Authority (HDA) now accepting Expressions of Interest for major residential projects to be assessed through a new faster approval pathway. Eligible projects must be valued at over approximately $60 million in Greater Sydney (on average 100 or more homes) and $30 million (on average 40 or more homes) in regional NSW, which rules out a lot of low-medium density development.

Victoria

Victoria	Score	6 / 10

In recent years, the Victorian Government has ceded its position as a national leader in bold, innovative supply-focused housing policy. While there have been some recent announcements for the longer-term promotion of additional housing supply, there seems to be an overarching agenda to increase the tax on housing rather than curb it.

The signature housing policy – the $5.3 billion Big Housing Build – inherited from the Andrews Government remains in place as a praise-worthy aspirational goal and plan to deliver 12,000 new social and affordable homes throughout metropolitan and regional Victoria. In addition, the recent announcement of a 12-month cut to stamp duty for all off-the-plan units and townhouses is welcomed and will be helpful in boosting supply of the medium to high density homes, which are typically the more affordable housing product.

However, despite this temporary cut to one tax on housing, the Allan Government recently confirmed its plan to introduce a Short Stay Levy set at 7.5 per cent. The policy is billed as a funding mechanism for social housing. The proposition that another tax on short-stay accommodation will increase housing supply or make more homes available for rent, in the long-term, lacks logic. The 'first order effect' of a tax on short-term rentals may see some rental properties become available for long-term accommodation. The second order effects will negate this benefit. Fewer short-term rentals, and growing demand, will see the rent on these properties continue to rise attracting landlords back out of the long-term rental market.

This tax comes on top of other new taxes and costs on housing in recent years including: a windfall gains tax, a land tax surcharge, an absentee owner surcharge, and more.

The Victorian Government is making applaudable investment in skilled occupations, however there is insufficient investment in the shortfall of residential building trades. The overall skills investment (principally through the TAFE system) is largely being directed to automotive and engineering, health, civil and commercial construction, telco, food processing and electro-technology workers.

The Victorian government boasts of a current first home buyer shared equity scheme, however it expires at the end of the current financial year. The government's stated intention is for the recently passed Commonwealth Government shared equity scheme, Help to Buy, to fill the void.

Queensland

Queensland	Score	5 / 10

Following an unexpected and unprecedented rate of net interstate migration over the last three years, the Queensland Government can no longer afford to simply tinker with a minimalistic approach to land and housing. Policy settings have worsened in the last decade and apartment construction in particular is suffering under the weight of costs, uncertainties and delays.

Significant improvements are required for the monitoring and reporting of land supply. At present this is being inconsistently applied across stages of development and throughout the state. This creates issues in knowing when and where shovel ready land will come to market and what barriers need to be addressed to streamline approval processes and enable faster decisions for both land and housing, especially apartments.

Clearer strategic direction and the right statutory tools that cut red tape and enable faster decisions so higher density housing can be approved in a timely manner must be implemented. Urgent planning reform is needed requiring Brisbane and other major cities to identify and facilitate appropriate infill locations. The state has proposed a new state-facilitated development team intends to streamline decisions and quickly resolve planning and infrastructure issues that are delaying new homes. In principle, this is a step in the right direction, however development approvals continue to resemble a timeframe of 75 days which is not conducive to the low-cost expedient delivery of new homes.

The State Government is to be applauded for its mandatory housing targets under regional plans. The state government asserts that Queensland is the only jurisdiction that has set statutory dwelling supply targets (including by dwelling type for each council area).

The Queensland Government boasts a generous first homeowner grant. With a grant of $30,000 on new homes, the state government is prioritising both new home building and the challenging pathway into home ownership for first home buyers. Further support for first home buyers (and other cohorts) is available through the Queensland Housing Finance Loan, which is a discounted government home loan for those who can afford to buy or build a home but can’t get private finance from a bank or building society. However, the effectiveness of the scheme is limited by the household income threshold of $141,000 per annum.

HIA notes the newly appointed State Government’s intention to remove the stamp duty impost on all first home buyers. However, the policy is a missed opportunity insofar as it’s reserved for first home buyers alone. An ideal outcome would have been an application to all new home buyers.

South Australia

South Australia	Score	9 / 10

South Australia emerges with the most praise-worthy housing roadmap in the pursuit of its National Housing Accord target. The state has employed an advantageous blend of planning innovation, skills investment and housing affordability policies to position itself as best as possible to attain its 5-year new housing target.

Significant strides have been taken to accelerate land release and development approvals. The recent release of the Government's Housing Roadmap included bold new planning reforms that could see houses built on development sites up to 18 months faster thanks to a streamlining of both the code amendment process and resulting land division. Furthermore, online lodgement of planning applications is a feature of the new planning system. This has gone some way in helping to streamline approval pathways, though further refinements are required.

The State Government is capitalising on technology and innovation to support its housing provision. One excellent example is an online land supply dashboard that provides clear and transparent land release information that includes tracking of infrastructure provision. In addition, the government is utilising AI to automate development approvals for simple applications that meet prescriptive criteria.

The state possesses one of the very best housing policies in the country - the complete removal of stamp duty for first home buyers building or purchasing a new home. It is pleasing to see no price cap on this initiative. The only limitation on this policy is that it is reserved for first home buyers alone – it would be desirable to see the policy take the next step with an application to all new home buyers.

The South Australian Government excels in its investment in skilled residential construction trades. Building and infrastructure courses will be prioritised with more than 30,000 new training places planned over the next five years – an increase of 1,000 places per year compared with current levels. The Construction Industry Training Board's (CITB) Annual Training Plan, now approved by the state government, will include increased funding of short course training programs by 11 per cent to $6.4 million.

Western Australia

Western Australia	Score	8 / 10

The Western Australian Government is adopting some sound housing policies in the pursuit of its housing target, particularly with incentives under its beachhead program- Keystart.

The state is making a positive decision to promote first home buyer activity, as well as stimulate new home building activity, through a stamp duty exemption on new housing for first home buyers with a price cap of $450,000 (and a concession for dwellings less than $600,000). WA also sets itself apart with a state-based shared equity scheme for housing whereby a person may qualify to purchase some of the interest in their home with or from the Housing Authority. With a shared ownership loan, WA’s Housing Authority can help fund up to 30 per cent of the cost of the home within the Perth metropolitan area.

The state is making substantive investments in boosting the supply of skilled labour. The state government has committed $85 million to boost the capacity of the residential construction workforce, including: $37 million to provide incentives to complete apprenticeships including tool allowances and milestone payments,

WA also recently announced another 175 places are being added to the Group Training Organisation (GTO) Wage Subsidy Program. The program subsidies the base minimum wage for a building a construction apprentice from commencement to completion. The program funded through the Construction Training Fund and the state now takes the total investment in the program to $109.4 million, supporting a total of 775 places for construction apprentices and trainees so far.

WA has also invested $4 million to continue the Construction Migration Office to attract overseas skilled migrants taking the total investment over 15 million. Recently the WA state government also announced a $10,000 incentive to attract interstate and New Zealand tradies to WA as part of their ‘Build a Life’ campaign.

The WA government ought to be applauded for employing some innovation in promoting a level of housing supply that is congruent with buoyant underlying housing demand. The state possesses its own unique land supply dashboard- the Urban Growth Monitor (UGM). The UGM reports on several key stages of the land supply process, however, its primary focus is the availability of land zoned for urban development.

Planning reform has been a major goal of the WA Government during and beyond COVID, which continues to cut red tape for building approvals and incentivise diverse dwelling options through density bonuses and development housing yield increases irrespective of the underlying zoning.

One might assert that investment decisions to encourage owners of vacant homes to make them available on the rental market could be better spent on policies such as a complete removal of stamp duty on new homes across all buyer cohorts; however, the state’s strong fiscal position likely provided scope for more alternative options for immediate rental supply increases.

The state has recently taken preliminary initiatives to de-constrain residential land for urban development and address the need for accelerated land release. At a time when dwelling price growth in Perth is outpacing every other capital city, and the rental market is tighter than almost all other capitals, the government can do more to accelerate infrastructure delivery within infill and greenfield locations.

Tasmania

Tasmania	Score	6 / 10

While the Tasmanian Government is sensibly taking a long-term view of its underlying housing demand, it is failing to introduce sufficient policies in the short to medium term to boost housing supply.

The government has adopted a laudable shared equity program to support home ownership. Through the MyHome program, Homes Tasmania offers a shared equity contribution of $300,000 or 40 per cent of the purchase price (whichever is the lesser amount), available to buyers of new homes.

The government is certainly seeking innovative solutions in its housing policy in the face of eroded affordability, offering a one-of-a-kind grant of up to $10,000 to applicants who construct a new ancillary dwelling and make it available for long-term rent for at least two years. It has also committed $4 million over six years for the Build Up Tassie program to support young people aged between 16 and 24 to enter the construction industry. Build Up Tassie provides these young people with coaching, skill development and industry exposure.

However, the state has committed extensive policy resources to its social housing agenda and seems to be relying on it to achieve its housing targets over July 2024 to June 2029. This is in contrast to a balanced overarching approach that prioritises the state's social housing needs but also gives due attention to the majority of the population that is active in the non-subsidised private rental and home ownership markets.

Tasmania is currently lacking initiatives to bring more new land and housing to market. There is a need to bring more land zoned 'residential' to market in the face of sustained growth in land values, which is weighing on housing affordability. The state government has not committed to any kind of accelerated land release initiative, nor has it committed to any substantive policy aimed at driving efficiency in development application approval times.

It has implemented a $30 million 'headworks holiday' land release grant program which is designed to incentivise private owners to release lots for sale by assisting with the cost of installing the headworks. However, such a program is not a substitute for the expedited release of more Greenfield land for residential development. The state government must shoulder its responsibility for a steady and generous supply of such land.

Northern Territory

Northern Territory	Score	5 / 10

The Northern Territory has taken some positive steps to address its present and future housing needs, but overall policy settings for achievement of its National Housing Accord housing target remain unsatisfactory.

Arguably the NT's best housing policy is its unrivalled full stamp duty exemption on new houses. Under the House and Land Package Exemption (HLPE), if a homebuyer builds or buys a new detached house there is a total exemption on stamp duty. The exemption is not means tested and there is no cap on the value of the property.

Moreover, the Territory boasts the most affordable first home owner grant in the country. The HomeGrown Territory Grant offers $50,000 for first-home buyers to put towards building or buying their first home.

HomeBuild Access is a praise-worthy scheme which provides an opportunity for home buyers to access low deposit home loan options for new-home builds or to buy vacant land for building a home. There is also an available grant of $10,000 for first-home buyers for the purchase of an established home.

A large proportion of the territory government's resourcing is being dedicated to the joint $4 billion investment with the Commonwealth for housing in remote communities across the Territory. The 10-year commitment to improve remote housing is targeting up to 270 homes built each year, with the stated goal of halving overcrowding.

Unfortunately, the NT planning system lacks strong strategic direction and objectives to guide residential development. Concerted action is needed, such as improved implementation of planning assessment guidance documents, such as Designing Better, to better facilitate streamlined approvals. The Territory could also really benefit from a land development strategy that adequately identifies future land supply coupled with an infrastructure delivery program that priorities key trunk infrastructure to fast track the delivery of shovel ready land.

The NT Government's housing policy portfolio also lacks any meaningful support of first home buyers who are increasingly struggling to achieve home ownership.

Australian Capital Territory

Aust Capital Territory	Score	4 / 10

The ACT's housing roadmap is deficient and looks unlikely to promote sustained strength in new home supply over the next five years. While the territory government states that over the next five years it is planning to release a range of greenfield and infill sites to support the development of 21,422 new homes (its Accord target), there is a void of prudent policy to streamline key planning processes.

Moreover, house and land values have appreciated significantly over the last several years in Canberra and there is a need to accelerate new home supply. This warrants further attention on land supply and development application pathways. The ACT would benefit from streamlining the land development process and improving the transparency of performance, so that the pace of land release does not continue to fall short of the levels required to meet housing demand, driving up land values and reducing affordability. Moreover, its roadmap to the National Housing Accord target would be aided by the development of a suite of statutory tools that implement streamlined approval pathways to deliver planning priorities outlined in the 'Statement of Planning Priorities 2024-25'.

It's noteworthy that the ACT Government has implemented a policy to allow dual-occupancy developments in RZ1 blocks of land over 800 square metres. The size of the secondary dwelling must be less than 120 square metres. Unfortunately, once again, there are pervasive charges – this time in the form of a lease variation charge (LVC) upwards of $50,000 depending on the suburb.

It's encouraging to see the territory promoting housing supply by way of its Home Buyer Concession Scheme. The scheme applies to vacant residential land and both new and established homes, anywhere in the ACT and at any price. For properties less than or equal to $1m, there is no duty payable. There is a concessional/lower rate of duty payable for transactions up to $1,455,000. Unfortunately, the concession cap is low at only $34,270. Furthermore, only a small proportion of detached houses in the ACT would be inside the dwelling price cap of $1m.

The ACT Government is to be applauded for offering a shared equity scheme for renters, however it is disappointing to see it only applicable to public housing tenants buying their own home.

You're in good hands

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