

Housing Affordability in Australia:

The National Rental Affordability Scheme v. Public Housing and Welfare Programs

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ABSTRACT

The National Rental Affordability Scheme (NRAS) was introduced by the Federal Government of Australia, on the 1st July 2008. Whilst the primary aim of the scheme is to provide new dwellings for low to middle income Australian families, there is also the added bonus of a tax incentive program for property investors. In contrast, whilst public housing and welfare programs are not accompanied by tax incentives for property investors, these are also generally considered as suitable options for providing affordable rental housing. The purpose of this research paper is to undertake a comparison of NRAS against other welfare programs, such as public housing and to evaluate the long term viability of these programs and schemes. It is argued, that in the long term, schemes such as NRAS, which are accompanied by tax incentives for property investors, are able to provide a more permanent solution to the housing rental affordability issues within Australia.

Keywords: Affordability, NRAS, Public Housing, Rental, Social Housing

INTRODUCTION

During the last decade housing affordability across Australia has become a key issue of concern, with property prices escalating, and the Australian dream of owning your own home diminishing. In some instances, the notion of home ownership has become a far away myth. However, the housing affordability issue is synonymous with both purchasers and tenants. It is generally accepted that people will rent for a longer period of time before they are able to purchase their own home. The National Rental Affordability Scheme (NRAS) was introduced by the Federal Government of Australia on the 1st July 2008. The scheme aims to address the shortage of affordable rental accommodation by offering a financial incentive to providers of new rental residential properties. So whilst the primary aim of the scheme is to provide new dwellings for low to middle income Australian families, the added bonus of tax incentives has been a stimulant for property investors.

Therefore the tax incentive is offered on the condition that the property is rented to eligible low to moderate income earners at a minimum of 20% below market rate. Likewise there are income limit thresholds applicable to qualify as a low to moderate income earner. The investor will receive a Commonwealth Government incentive and an additional state/territory contribution. These incentives are over 10 years and indexed annually. Interestingly, the term *investor* is not limited to people only, and can include financial institutions, private developers, foreign investors, not-for-profit organisations and community housing providers.

Because the NRAS focuses on incentives for the investor, there are no special provisions for tenants occupying NRAS properties. Therefore relevant residential tenancy legislation is as per the State or Territory where the property is located. Tenants who desire to occupy an NRAS property must

register with their State or Territory Housing Department. Property types within NRAS include houses, apartments, villas, flats and town houses. Apart from NRAS to assist with housing rental affordability there are also options available within social housing.

Social housing is a broad based term which includes public housing comprising of a portfolio of housing owned and funded by the government; community housing which is usually operated by not-for-profit organisations; and affordable rental housing which is in conjunction with the private sector, such as the NRAS scheme. Affordable housing eligibility is geared towards a higher level of allowed household income and the tenancy rules are different from public housing tenants. The Commonwealth Rent Assistance (CRA), is also available to assist with rental subsidy. The rent assistance is received as a supplement for qualified people who are in receipt of either a pension, allowance or benefit and pay rent in the private rental market or community housing. This rental assistance, which is non-taxable, can also include pensioners and families meeting the criteria under the family tax benefit. Therefore some household incomes who qualify for public housing can also qualify for affordable rental housing.

In 2009 the government introduced the Social Housing Initiative (SHI), which was a National Partnership agreement aimed to stimulate the construction industry by increasing the supply of social housing. This included long-term accommodation opportunities for the homeless people and other community benefits. The partnership agreement, which expired on the 31st December 2012, initiated construction of new social housing and the repair and upgrade of existing public housing across Australia.

Public Housing in Australia was initiated after 1945, when soldiers returned to Australia after World War II. Due, to the vast shortage of rental accommodation for the soldiers and their families, high-rise estates were constructed predominantly across Sydney and Melbourne. However decades later, and with changes to the eligibility for public housing, occupants are largely low income earners, perhaps receiving social security payments, people with a disability and the elderly.

In recent years the government has attempted to assimilate public housing within the wider context of the community due to the stigma attached to occupants of public housing, and the perceived devaluing of properties in close proximity to public housing estates. There is also the added concern regarding the waiting list for people applying for public housing. However, whilst public housing plays an important role within affordable housing for low income earners, there has been little help available for the low to middle income earners, until the introduction of the NRAS initiatives.

In summary NRAS will increase the supply of new affordable rental housing, and tenants meeting the approved criteria will have the opportunity to rent at 20% below the market rental value. Additionally, the generous taxation benefits available to investors, is aimed to encourage the development of large-scale investment and innovative projects.

Therefore, this research paper compares NRAS against public housing as alternatives for affordable rental housing. The first section of the paper discusses the literature for social rental accommodation options. The research then leads into a discussion on the viability of the program and schemes. In conclusion, it is argued, that in the long term, schemes such as NRAS, which are accompanied by tax incentives for property investors, are able to provide a more permanent solution to the housing rental affordability issues within Australia.

LITERATURE REVIEW

This section of the paper provides an overview of the main issues associated with affordable housing, with an emphasis on the rental aspect for low to middle income households. A selection of research with an international perspective is included, together with a discussion on the suitability of the governments' approach to affordable housing policy.

Research has indicated that low to middle income households cannot afford affluent locations due to the high cost of living/rentals in those regions. It has also been suggested that planning restrictions on the number of dwellings per land size creates an imbalance of supply and demand, thus pushing up property prices and rentals. Schuetz (2009) concluded that when locations had restrictive planning requirements with fewer family dwellings built, rental prices had minimal impact. However, the author suggested that this could be due to the low level of multi-family developments available, and also the lack of dwellings in this category available for analysis. Furthermore, if social housing was integrated into these locations a distortion of the rent prices would occur and additionally demand in those locations would not be as high. However restrictive planning laws are as a result of government intervention, and this is at both the Commonwealth and Local Government level.

Therefore, is the government responsible for the shortage of housing affordability? Research indicates a variety of thoughts, such as Milligan and Tiernan (2012) were of the opinion that the Commonwealth was not responsible on an ongoing basis for housing policies. Perhaps this is true if one were to consider the initial reason for social housing after World war II, which was to provide shelter for returning soldiers and their families. Once this initial priority had passed and housing was adequately available, immigration was promoted as a means of increasing Australia's population growth and productivity. Indeed the migrants after the war, settled in country regions and city metropolitan locations – in fact they travelled and stayed at locations where employment was readily available. However, by the 1960s housing demand started to change, the Strata Title for home ownership was introduced and peoples' way of living and lifestyle had also started to differ from the previous 50 years or so. With an ageing population and in some instances higher rates of unemployment, the need for social housing escalated as households were unable to purchase properties and could not afford the spiralling rentals being sought after by private investors.

Lamont (2008) argued that the Australian government had neglected affordable housing policy needs and should be collaborating with the states/territories for a workable solution. This would seem to imply that the government should have implemented adequate housing needs prior to the emergence of lengthy waiting lists of 5-10 years for public housing. However at which point will the responsibility for housing shift to the individual person? In this regard one unexplored concept, raised by Lamont (2008), was the suggestion of educating people to save money rather than borrowing extensively to purchase a home. If this idea were taken further, it is worthy to consider the implementation of a savings plan over a number of years. For instance working individuals could live at home with parents and/or friends with a moderate payment towards food and lodgings, in comparison to rental prices within the private sector, and thus save a considerable amount of money. In turn, this would lessen the demand for rental properties and provide a form of balance between the supply and demand for rental properties.

The United States has also experienced issues with rental affordability. Turk (2004) investigated the need for regulation to address the current imbalance in the housing market. The author discussed the supply and demand as a possible contributing factor towards the higher rents being demanded, coupled with the income level of households that were in a financial position to sustain the current market rent. The question though arises as to the type of regulation that can be introduced to aid rental affordability. For instance the freezing of rents in Australia, commonly referred to as *rent control*, which began in the 1940's was aimed to stop landlords asking for unfair rent increases. However the negative repercussions for landlords were still prevalent some 50 years later with many investors unable to afford to repair their properties due to the lack of income being received. Therefore, is affordable rent the responsibility of the government or investors? Another issue to consider is that supply and demand can only be controlled if continuous construction is implemented to keep us with the increasing demand. Problems such as restrictive planning laws, unavailability of land for redevelopment, lack of infrastructure and transport to provide mobility for households to relocate in other regions and procure employment are worthy to consider.

Likewise, Ball (2012) researched the viability of the private rental sector as a source for affordable housing. The author examined the suggestion of large scale investments and the mobility of tenants

by encouraging private investors into the market place. However, the research related to England, where the taxation laws, negative gearing and capital gains tax for rental properties differ to Australia. In this context though, the introduction of NRAS in Australia, is a similar concept where the private rental sector is currently groomed for affordable rental housing, through taxation incentives. In contrast a scheme for Low-Income Housing Tax Credit was implemented in America. However, Burge (2011) identified that the scheme was inefficient with regards to providing benefits to low income households. The research findings concluded that rent savings were negligible with developers and investors benefiting the most. A comparative research of housing policies, between Canada and Australia, was undertaken by Dalton (2009). The findings concluded that labour, income distribution and the demographic changes contributed to housing market disadvantage. In addition the lack of adequate housing policies for social housing was also a contributing factor to the unavailability of suitable dwellings.

Therefore research has stated a number of issues which can contribute to a lack of housing affordability, and influence the supply and demand. In another example, Fisher et.al. (2009) developed a model for area affordability which was linked to different households within different locations. Their main argument centred on the theme that price and/or rent of a dwelling changed, according to the location of the dwelling. Associated with the location were also the variables such as job accessibility, quality of the school, and safety issues for the family unit. They concluded that housing affordability was linked to the amenities available within a city region, and thus the location of the dwelling was central to determining an areas' affordability. In order to support their theory, they developed an affordability index which provided the evidence that not all locations were affordable. With similar thoughts, many private investors will weigh up property prices, rentals received on their investment and the capital appreciation available to the property, usually in the long term. These factors will influence the final decision to buy the property at an acceptable price. Therefore, is it feasible to involve the private sector within a scheme to assist with the supply of affordable housing? To this end, again the introduction of NRAS has been specifically for this purpose. The government has strategically placed affordable housing within the parameters of newly constructed developments housing all level of household incomes. The historical stigma associated with isolating social housing dwellings appears to have been noted with this new approach for assimilation.

Research by Yates & Wood (2005) examined the real rent value over a given period of time and the role of the private rental market to assist with affordable housing for the low income households. Their hypothesis related to the location of low rent dwellings in nominated regions. The authors identified that dwellings in low rent locations, would be unable to sustain the rent and therefore in the future these properties would charge less rent in comparison to 10 years previously. However, in contrast, dwellings in high rent locations would most likely experience an increase in rental prices. Therefore, investors within the private rental market are keen to obtain maximum rentals. Issues such interest, local rates and taxes, and insurance premiums will control the desire to fund these expenses from the rental charged. Likewise if the high rental properties are located within proximity of similarly rented properties, this will sustain the rental value for that nominated location, into the future. This can also be linked to the social stigma attached to social housing, where it is the norm for property prices and rentals to be significantly lower in comparison to areas where social housing is virtually non-existent.

Yates (2008) also acknowledge that the housing crisis started over 40 years ago, when property prices escalated due to inflation and investors acquired properties for long term growth and financial rewards. Other considerations noted included tax advantages such as the negative gearing of income producing properties, the relaxation of capital gains tax, and the demand for dwellings exceeding the supply of stock. The author also suggested improving the supply of well located affordable rental housing. This was primarily on the assumption that occupants from low income households would more likely be long-term renters rather than home buyers. Interestingly in 2007, the National Affordable Housing Summit promoted the adoption of a national scheme to assist with housing

affordability. Therefore, government and community groups have acknowledged the need for more social housing concepts to aid the low income earners.

Nevertheless, until the issue of supply and demand is solved, rental prices will keep escalating based on the notion that there is always a household who will be able to pay the high rent, and therefore this sets the precedent in the market place of what is an acceptable amount of rent to pay.

RESEARCH METHOD AND LIMITATIONS

As indicated earlier in the paper, the aim of the research is focused on rental affordability schemes and programs. Therefore this paper is a study that compares NRAS against other welfare programs in Australia, mainly through a review of the regulation and government policy setting the eligibility criteria for these dwellings.

The first stage of the research provides an overview of the literature pertaining to the broader application of social housing. The second stage of the research provides a contextual analysis of regulation and government policy and the subsequent outcomes arising from the governments' initiatives. Where relevant, statistical information relating to the funding, dwellings completed, and incentives offered through government policy are included. There are also a number of not-for-profit organisations (funded by government and/or the private sector) which also exist, however this paper considers only the main Commonwealth led programs/schemes, being the SHI, the CRA, and NRAS.

Furthermore, this paper does not undertake a review of the definition for affordable housing or a review of the environmental and planning laws, since the research is focused and limited to the rental affordable schemes and public housing.

If there are differing state/territory laws for social housing, the research data primarily focuses on New South Wales, as it is beyond the scope of this paper to cover all jurisdictions. The various social issues and problems associated with public housing are also identified. The discussion concludes with a summation of best practice synopsis within the rental market, available for low to middle income earners.

DISCUSSION AND ANALYSIS

Home ownership has many benefits, particularly if the mortgage is easily serviced and the mortgage repayments are favourable in comparison to rental prices. However, with employment uncertainty and families budgeting with low income streams, there is a greater reliance for social housing. Unfortunately the waiting lists for social housing are usually long and some households have no choice but to turn to the private rental market, which results in a higher proportion of their income spent on rent. Generally the Sydney region followed by Melbourne, has a longer waiting list than other jurisdictions. This section of the paper discusses the main social housing programs available during the last few years, and the outcomes achieved as a result of the implementation of these schemes. Firstly the Social Housing Initiative is examined, followed by the Rental Assistance Scheme, and then NRAS.

SOCIAL HOUSING INITIATIVE

As noted previously in the paper the SHI was a national partnership agreement. The initiative commenced in February 2009 and ended on 31st December 2012. There were approximately 19,700 new social house dwellings constructed, with an average cost to the government of \$265,672 (the budget had initially allowed for \$300,000 per dwelling). In addition, there were approximately 80,000 existing social housing dwellings upgraded, which included over 12,000 properties which were either vacant or deemed to be uninhabitable if the work was not undertaken (KPMG 2012). Design aspects such as better accessibility for ageing and disabled persons were also taken into consideration.

Aside from the benefits associated with the increase in supply for social housing, the KPMG (2012) report also identified the increase of approximately 9,000 full time jobs in the construction industry. Below in Table 1 is a summary of the funding allocated for each jurisdiction and the outcomes achieved.

Table 1: Funding Allocation and Outcomes

	FUNDING ALLOCATION \$M	NO. NEW DWELLINGS CONSTRUCTED	NO. DWELLINGS - REPAIRS/ MAINTENANCE	TENANT OUTCOMES ¹ (PERCENTAGE OF NEW DWELLINGS TENANTED)				
				HOMELESS OR AT RISK OF HOMELESSNESS	INDIGENOUS AUSTRALIANS	PEOPLE WITH DISABILITY	AGED OVER 55 YEARS	ESCAPING FAMILY VIOLENCE
NSW	1,894.0	6,330	31,672	47	15	47	52	5
VIC	1,265.9	4,663	9,363	47	10	29	22	8
QLD	1,165.6	4,035	27,420	57	13	58	34	2
WA	590.2	2,083	10,489	81	10	24	48	5
SA	434.2	1,470	503	69	13	50	9	12
TAS	134.8	530	534	35	5	40	37	5
ACT	93.5	421	259	24	5	14	63	5
NT	59.7	208	297	60	68	23	28	22
TOTAL	5,638.0	19,740	80,537	53	13	42	38	6

¹ Percentages are based on the number of new dwellings that had been tenanted as at 30 November 2012.

Source: Social Housing Initiative Review KPMG 2012

As indicated from the table above, funding of \$5,638 billion was allocated to the SHI, with NSW receiving the highest funding allocation. It is interesting to note that current waiting list for public housing in many parts of the Sydney metropolitan area is approximately from 5 to 10 years.

In the broadest context, households are classified as homeless when there is no available social housing and the private rental market is unattainable. There are temporary options such as family, friend, hostels, caravan parks etc, however these are certainly not permanent solutions for their shelter requirements. The government also has the Supported Accommodation Assistance Programme (SAAP), in response to homelessness and provides assistance and in some instances emergency accommodation. Therefore, the SHI was considered to be a much necessary boost to increase the supply of public housing within the umbrella for social housing.

COMMONWEALTH RENT ASSISTANCE (CRA)

The CRA is a non-taxable rental subsidy for eligible persons. The subsidy is received by the tenant to assist with renting in the private rental market. Therefore with public housing the tenant pays a low rent to the government, as the dwellings are owned and maintained by the government. On the other hand, with the private rental market the dwellings are owned by investors. This is an important difference between these two programs for social housing. In the instance of the public housing, the government is also responsible for the upkeep and maintenance of the dwellings; hence the SHI was an important project as many of the public dwellings were falling into a state of disrepair and in some instances were actually uninhabitable. Therefore, whilst the CRA is only available for rents in the private rental market, this might be the only choice available until public housing is offered.

Rates of CRA are updated on 20 March and 20 September each year. Maximum rates of CRA (as at 20 March 2014) are listed below in Table 2.

Table 2: Rates of Commonwealth Rental Assistance

	Fortnightly rate of CRA. Single, no children	Fortnightly rate of CRA. Couple, no children	Fortnightly rate of CRA. Single, Couple, 1-2 children	Fortnightly rate of CRA. Single, Couple, 3+ children
Payment Rate	\$126.40	\$118.80	\$148.40	\$166.80

Source: Department of Human Services and Department of Social Services

These are the maximum rates payable and the rate of CRA depends on how much rent recipients pay per fortnight.

However, whilst the CRA in Table 2, might appear to be a generous subsidy, eligibility is on the condition that the recipient receives a Commonwealth benefit or allowance. Unfortunately many low income households are in full time employment and therefore do not necessarily automatically qualify for the benefit or allowance. Furthermore, the CRA subsidy is uniform across Australia, and in some city areas as opposed to regional areas, rents are significantly higher.

So whilst public housing is available at low rents from the government, and CRA is a subsidy available for tenants in the private rental market, these programmes are geared towards low income households. Therefore, the introduction of NRAS in July 2008 was an important initiative for low to middle income households.

NATIONAL RENTAL AFFORDABILITY SCHEME (NRAS)

As mentioned previously NRAS has provided tenants with the opportunity of rents at 20% below the market rental value in the private residential sector. The governments generous tax breaks for investors owning properties qualified under NRAS has been a tremendous incentive and achieved good outcomes for the supply of new affordable rental housing. For instance, below in Table 3 a total of 14,575 new dwellings were completed under NRAS, with Queensland leading at 4,996 new dwellings, followed by Victoria at 2,469. These actual figures are from the inception of NRAS up to and including June 2013. The second section of the table provides data on the expected outcomes for the forthcoming years, with Queensland again having the highest quota. Note that all figures are cumulative from the inception of NRAS.

Table 3 : Actual and Participant Reported Delivery – Cumulative:

State	Actual Delivery (by NRAS Year)*					Participant Reported Delivery			
	To April 2009	To April 2010	To April 2011	To April 2012	To June 2013	To April 2014	To April 2015	To April 2016	To April 2017**
ACT	0	37	565	1,259	1,364	1,723	2,198	2,198	2,550
NSW	91	574	892	1,277	1,858	3,739	4,533	5,181	6,512
NT	0	0	0	14	231	587	1,010	1,060	1,060
QLD	6	236	715	2,168	4,996	9,504	10,896	10,896	10,896
SA	50	284	628	1,165	1,727	3,169	3,741	3,741	3,741
TAS	14	102	242	372	504	537	762	913	1,463
VIC	137	394	499	1,493	2,469	5,110	6,767	6,767	6,767
WA	32	121	299	554	1,426	2,576	4,248	4,579	5,470
Total	330	1,748	3,840	8,302	14,575	26,945	34,155	35,335	38,459

* The NRAS year is from 1st May to 30th April

**Expected dwelling deliveries for June 2016 will be part of the 2017 NRAS year figures.

Source: Australian Government: NRAS June 2013

Social housing is not restricted to only one type of dwelling. Therefore, NRAS provided developers and investors with the opportunity to construct a variety type of dwellings such as houses, apartments, and townhouses. Below in Table 4, is a split of the various types of homes constructed within NRAS.

The *Incentives Allocated* represents the total number 14,575 homes rented or available for rental. This column matches the figures in the previous table, Table 3, with regards to the total dwellings constructed up to June 2013. The *Incentives Reserved* represents the total number of dwellings projected, and again matches to the previous table.

Table 4: Types of NRAS Homes by Availability:

Type of Home	Incentives Allocated	Incentives Reserved	Total Incentives
Apartment	5,325	10,077	15,402
House	4,017	3,973	7,990
Studio	2,407	4,125	6,532
Subsidiary Dwelling (Multiple Tenancies)	5	0	5
Townhouse	2,821	5,709	8,530
Total	14,575	23,884	38,459

Source: Australian Government: NRAS June 2013

Therefore, the NRAS has made a significant contribution to the availability of social housing. Whilst the primary focus was for low to middle income households, it is worthy to note that prospective tenants of public housing and also recipients of CRA were able to qualify for NRAS. This assumption is identified below in Tables 5a, 5b and 5c where the occupant demographics shows the total number of occupants at 2012 with 5,181 occupants receiving government pensions and allowances, and 2,322 occupants unemployed. These categories would most likely be deemed as low income households.

Table 5A - The key information collected from the 2011-12 TDA Forms:

Occupant Demographics	
Number of occupants	15,719
Occupants identifying as Indigenous or Torres Strait Islander descent (note this is a voluntary disclosure by tenants)	701
Persons with a disability	1,425
Sole Parents	1,830
Couples	1,782
Children (under 17)	5,115
Mature Age Australians (55-64 years)	768
Mature Age Australians (65 years and over)	1,112

Source: Australian Government: NRAS June 2013

Table 5B

Occupant Income Sources	
Private sector wages	2,979
Public sector wages	659
Community sector wages	255
Self-employed	209
Superannuation or annuity	45
Government pensions and allowances	5,181
Other sources	1,570

Source: Australian Government: NRAS June 2013

Table 5C

Occupant Employment Status	
Reported as employed	4,777
Reported as unemployed	2,322
Reported as full-time student	4,268

Source: Australian Government: NRAS June 2013

Furthermore, as indicated in Table 6 below, an analysis of occupants previous living arrangements, reveals renting through real estate at a high level of 6,078 followed by 3,560 occupants living with family and friends. It is also interesting to note that 383 occupants who were classified as homeless, were given the opportunity of shelter through NRAS.

Table 6 – Previous Living Arrangements

Previous Living Arrangements	
Renting through Real Estate	6,078
Renting from State/Territory housing authority	943
Living with family / friends	3,560
Previously owned or purchasing own home	320
Homeless	382

Source: Australian Government: NRAS June 2013

Therefore, NRAS is geared towards the low to middle income households and provides a good support mechanism for occupants who are on public housing waiting lists. Similarly, the introduction of SHI was important, particularly for the upgrading of existing dwellings; however, in the long term the burden placed on government to provide affordable rental housing is clearly becoming an unrealistic task. The introduction of NRAS, which is a 10 year scheme will certainly provide a good supply of affordable housing stock, however, the 10 year waiting list for public housing is alarming. When the government introduced public housing the aim was to provide immediate housing options for the community. In the traditional context public housing was initiated after 1945, to provide accommodation to the soldiers returning to Australia after World War II. Therefore the government assumed the responsibility to house the soldiers and their families through the provision of government owned dwellings, which were made available at very low rentals. At this stage there was no stigma associated with public housing. Large estates continued to be built within New South Wales, with the aim then, to provide housing for the industrial development undergoing in the Sydney area. Suburbs such as Mt DrUITT and Claymore had masses of public housing built during the 1960s and 1970s. Decades later many of the tenants were either on welfare or pensions, with the added burden of the social stigma which was now attached to public housing.

In later years, it was decided to socially integrate public housing in the wider context of the community which would provide a reduction of this anti-social behaviour. An example of social integration can be evidenced at Bonnyrigg in Sydney where the public housing estate has been redeveloped by a private developer with some new dwellings passed over to public housing.

Rental affordability has also become distorted due to the demand for private rentals exceeding the supply. Additionally each occupant has varying needs, income, family commitments and general lifestyle standards and expectations which can impact on rental affordability. For instance two occupants in full time employment and each earning \$800 gross per week, sharing a two bedroom apartment for \$500 per week would consider their 50% share of the rent at \$250 per week very manageable and also affordable. However, if the same apartment was occupied by a family with two young children, and only one person was employed full time and earning \$800 gross per week, the burden of \$500 per week rent would be unaffordable. Hence this raises the question if it is the rental

in isolation which is unaffordable or the family's circumstances which cause the rent to appear to be unaffordable.

Therefore, whilst community and welfare groups place the burden of responsibility towards the government to provide social housing, it is also necessary to question the practicality of this expectation into the future. For instance during the last 60 years, the need for social housing has increased, not decreased. A suggestion in this case is to consider solutions to help occupants to become more self-sufficient in the longer-term and less reliant on government welfare.

CONCLUSION

The research has identified positive outcomes with the introduction of NRAS. In particular the anticipated completion of 38,459 dwellings by 2017 is a major boost, with already 14,575 dwellings completed at the end of June 2013. Whilst this figure is below the required dwelling numbers to reduce the 10 year waiting list for public housing, NRAS outcomes for low to middle income households have met the governments' intention to increase the availability of affordable rental accommodation.

Likewise the CRA subsidy is beneficial and provides an opportunity for occupants to rent in the private rental sector, again, in part relieving the pressure associated with public housing. There is no single solution to the rental shortage however attractive government taxation incentives have indicated a tremendous acceptance of NRAS with investors.

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