

Submission to the Social Housing Inquiry

PER CAPITA SUBMISSION TO INQUIRY INTO SOCIAL HOUSING

Per Capita, September 2026

Per Capita is an independent think tank, dedicated to fighting inequality in Australia. We work to build a new vision for Australia, based on fairness, shared prosperity, and social justice.

The Centre for Equitable Housing (CEH) is aimed at providing research, policy advice and public engagement on housing affordability-related issues.

We welcome the opportunity to make a submission to the Senate Standing Committee on Economics.

We welcome the Committee's inquiry and the opportunity it presents to build a shared, evidence-based understanding of the scale of investment needed, and the returns that investment delivers, across housing access, affordability, homelessness, wellbeing and the economy.

1 Defining social housing

Before addressing the terms of reference, this submission sets out the definitions it applies throughout, consistent with those developed and applied by Per Capita's Centre for Equitable Housing. Establishing clear and consistent terminology is essential to effective housing policy, particularly given the frequent inconsistency in how housing categories are defined and reported across governments, industry and public debate.

Per Capita uses the term 'non-market housing' to refer to both social (public and community) and affordable housing. Social housing is often defined as a subset of affordable housing. However, policy and project descriptions often note affordable housing and social housing figures separately to demonstrate the differences between these housing forms and the different cohorts they aim to support. The dual usage of affordable housing as an umbrella term that encompasses social housing, and a specific term that differs from social housing, creates confusion in policy and reporting.

The term non-market housing is used as an umbrella term to refer to affordable housing, social housing and specialist homelessness support housing that is delivered at below-market rates in response to a direct subsidy or incentive and with eligibility linked to household income or need, as shown in Figure 1. This is the same term used by the National Housing Supply and Affordability Council, an independent, Australian Government-appointed advisory group.¹

Within this framework, social housing comprises public housing, community housing, as well as several small programs provided for Indigenous households. Public housing is provided and managed by state governments, while community housing is provided and managed by community-based organisations, usually in the not-for-profit sector.

Table 1: Definitions

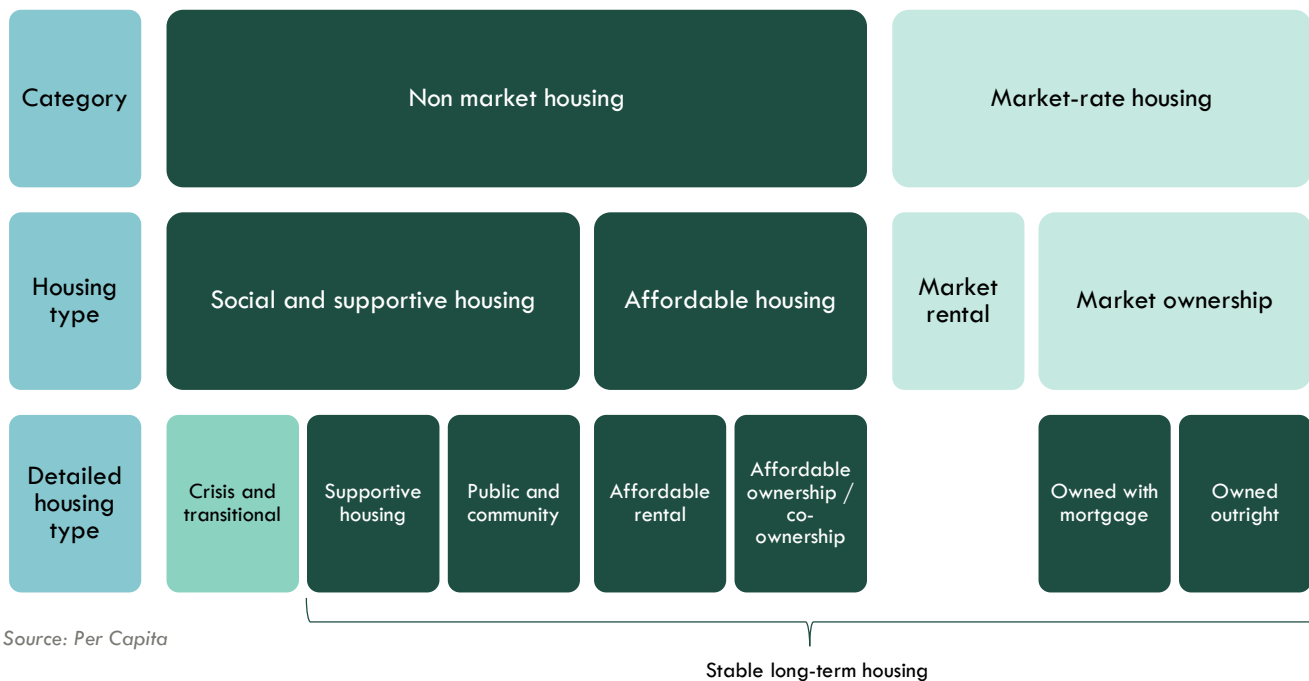
Term	Definition used in this submission
Social housing	An umbrella term encompassing public housing and community housing. Social housing is typically let to households in the lowest income quintiles, with rent set at no more than 25–30 per cent of household income.
Public housing	Housing owned and managed directly by state or territory government housing authorities, allocated principally to households on the priority waiting list who are experiencing or at risk of homelessness.
Community housing	Housing owned and/or managed by not-for-profit, registered Community Housing Providers (CHPs), governed by the relevant state Housing Registrar, and allocated on a similar priority basis to public housing.
Affordable housing	Housing that can be rented or purchased by a 'lower income household' (a very low, low- or moderate-income household, as defined under state planning instruments) without that household being placed in housing stress — that is, where rent or mortgage repayments do not exceed 30 per cent of household income. Affordable housing is a broader category than social housing: it is not restricted to the lowest income households and can be delivered by government, community housing providers or the private market under a subsidy or planning incentive.
Non-market housing	The umbrella term this submission recommends the Committee adopt to refer collectively to social housing, affordable housing and specialist homelessness housing that is delivered at below-market rates in response to a direct subsidy, government incentive or planning mechanism, with eligibility linked to household income or need.

¹ National Housing Supply and Affordability Council, [State of the Housing System 2025](#) (Report, 2025).

	This is the same terminology used by the National Housing Supply and Affordability Council. Adopting a single, nationally consistent umbrella term avoids the confusion created by the dual use of 'affordable housing' — sometimes as a synonym for non-market housing generally, and sometimes as a distinct category from social housing.
Housing stress / rental stress	A lower income household is in housing stress (or rental stress, for renters specifically) if it pays more than 30 per cent of household income on housing costs.
Supportive Housing (SH)	An evidence-based model that combines social and/or affordable housing with wrap-around, flexible support services to help people with the most complex needs and histories of chronic homelessness live with stability, autonomy and dignity. SH is a widely used implementation of the Housing First approach.

Source: Per Capita

Figure 1: Housing definition continuum



Source: Per Capita

2 Numbers at a glance

Social housing is the only form of housing that guarantees affordability for very low income households, with rents capped at 25–30 per cent of income regardless of movements in the private market. At scale, it also relieves pressure on the private rental market more broadly.

According to UNSW City Futures Research Center, there are currently 640,000 Australian households whose housing needs are not met and is expected to be 940,000 households by 2041.² Around two thirds of this unmet need is concentrated among households in the lowest income quintile.

At June 2025, the percentage of social housing stock includes:

- 66% were in public housing.

² City Futures Research Centre, *UNSW Housing Need Dashboard* <<https://cityfutures.adu.unsw.edu.au/cityviz/housing-need-dashboard/>>

- 26% were in community housing.
- 3.8% were in State Owned and Managed Indigenous Housing (SOMIH).
- 4.4% were in Indigenous community housing.³

Between 2006 and 2025, the number of public housing households decreased from 341,000 to 297,000. In the same period, there is an increase in the number of community housing households which tripled from 30,100 to 118,000.⁴ This shift indicates a gradual transition away from housing directly owned and managed by state governments towards community housing delivered by not-for-profit and community-based providers.

3 Social housing trends

Overall, the availability of social housing stock in Australia has been in decline since the late 20th Century. Currently the proportion is 4.0%,⁵ down from 5.8% at the turn of the century.⁶

It hasn't always been this way. Between 1945 and 1970, new social housing properties averaged 16% of total national residential construction. But from 1996, base funding for social housing construction was cut by 24% and the rate of new social housing builds fell to 3%.⁷ In 2025, there are 452,000 social housing dwellings.⁸ Over the past several decades the number of social housing properties has failed to keep up with population growth and demand. Social housing stock grown from approximately 406,600 in 2006 to 452,000 in 2025, representing a growth of approximately 11.2%, compared to an approximately 32.4% in the Australian population.⁹

This is not the way in other countries. Compared to other OECD countries, our proportion of 4.0% is low compared to the Netherlands' proportion of 37.7%, Denmark's proportion of 21.2%, Austria's proportion of 20%, and even the United Kingdom's proportion of 16.9%. It is more comparable to the United States' proportion of 3.3%.¹⁰

The current state of Commonwealth investment in public housing has been described as a 'starvation ration'.¹¹ Successive investment strategies have been trialled, yet they have not generated housing construction at the scale required. New supply has consistently lagged behind the loss of dwellings through sales to private owners and the demolition of ageing stock.¹² States and territories lament the lack of Commonwealth investment, while the federal government blame the lack of supply on the opaque and ineffective way states and territories spend their funding. Community Housing Industry Association estimates a shortfall of 641,000 social housing stock in 2021 and expected to grow to 942,000 by 2041.¹³ To understand this from a local council perspective, it is estimated 4,725 households in City of Merri-bek are very low-income households and people experiencing homelessness and therefore likely to require public housing by 2051.¹⁴

³ Australian Institute of Health and Welfare (2026), [Housing Assistance in Australia 2025: Social Housing Dwellings](#)

⁴ Ibid.

⁵ Ibid.

⁶ Per Capita (2022). [Housing Affordability in Australia](#).

⁷ Ibid.

⁸ Australian Institute of Health and Welfare (2026), [Housing Assistance in Australia 2025: Social Housing Dwellings](#)

⁹ Ibid.

¹⁰ Jordan, M. and Lewis, A. (2020). [Home for Good: A Home for All Ages? Social Housing for Older Australians](#), Home for Good Policy Brief 3. Per Capita (May 2020).

¹¹ Martin, C. and Pawson, H. (2017). [Australia needs to reboot affordable housing funding, not scrap it](#). The Conversation (February 20 2017)

¹² Lawson, J., Pawson, H., Troy, L., van den Nouwelant, R. and Hamilton, C. (2018) Social housing as infrastructure: an investment pathway, [AHURI Final Report 306](#), Australian Housing and Urban Research Institute Limited, Melbourne.

¹³ van den Nouwelant, R., Troy, L. and Soundararaj, B. (2022). [Quantifying Australia's Unmet Housing Need: A National Snapshot](#) (Sydney: City Futures Research Centre, UNSW, prepared for the Community Housing Industry Association, November 2022).

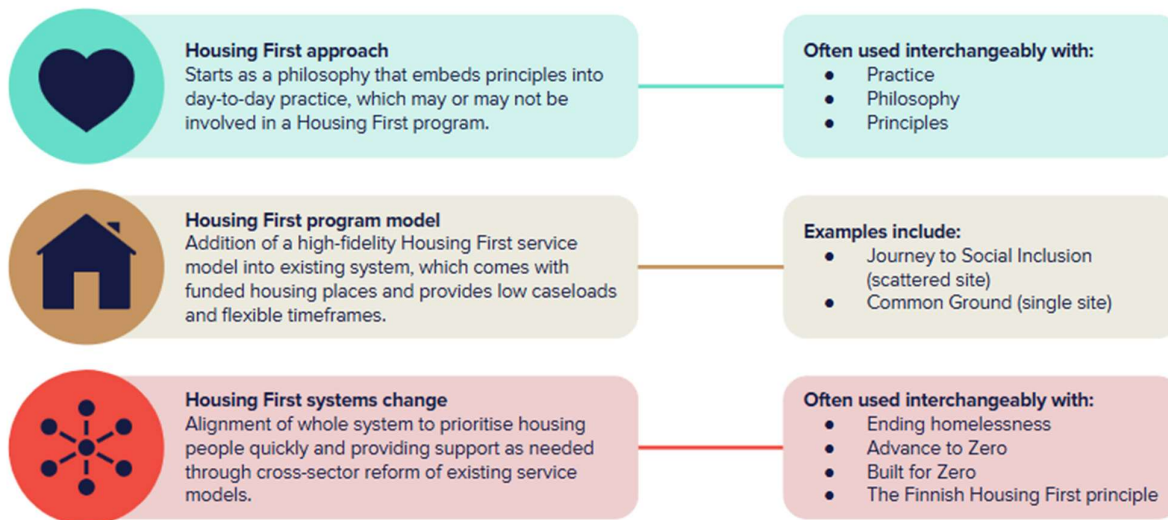
¹⁴ Merri-bek City Council (2024). ["Social, Affordable and Public Housing."](#) in 2026 Victorian State Election Advocacy Priorities.

4 Alternative housing models

4.1 Supportive housing

A sub-category of social housing is supportive housing, which is most appropriate solution to chronic homelessness for a specific cohort of people with high needs and histories of chronic homelessness. Supportive housing combines the provision of housing with wrap-around support services that help keep households stably housed. Supportive housing is a widely used implementation of Housing First is an “international model for housing and supporting people who have experienced long term and reoccurring homelessness and who face a range of complex challenges”.¹⁵ It may be considered an approach, philosophy or set of principles; a program model based on single site or scattered site housing; or a goal of systems change.

Figure 2: Types of Housing First



Source: Australian Alliance to End Homelessness¹⁶

The principles of Housing First are:

- People have a right to a home, with no treatment or behavioural eligibility pre-conditions;
- The provision of housing and support are functionally separated, to ensure housing and support are not contingent on each other;
- Flexible support is provided for as long as needed; and
- People have choice about where they live;
- Support workers are supported to engage actively to maintain non-coercive relationships with participants, and caseloads allow workers to be present and proactive;
- Participants are supported to build relationships in their community;
- Recovery focuses on people being able to recover a sense of themselves and their place in their community on an ongoing basis; and
- Support workers are given the resources to assist people to reduce the negative impact of potentially high-risk behaviours.

4.1.1.1 Evidence on the benefits of Supportive Housing

Supportive housing has proven to be effective for people who have complex needs, including people who have experienced chronic homelessness and those with experiences of mental health challenges or alcohol and other drug

¹⁵ Australian Alliance to End Homelessness (2020), [Housing First Principles for Australia](#) (March 2020)

¹⁶ Australian Alliance to End Homelessness, *AtoZ Housing First Guide* (2025).

concerns. Outcomes for supportive housing include housing stability, improved behavioural health outcomes, reduction in emergency health care use, and reduced involvement with the prison system, among others.¹⁷

Housing outcomes

International evidence suggests that supportive housing programs lead to significant improvements in housing outcomes. Four randomised controlled trials in North America have found that participants in Housing First programs are substantially more likely to be in stable housing than those who received treatment as usual.¹⁸ This shows that supportive housing is successful in achieving its primary objective.

In the Melbourne-based Journey to Social Inclusion randomised controlled trial, every participant was homeless or at direct risk of homelessness at the start of the program. By the end of the program (after 3.5 years), 62.2% of supported participants were in permanent housing, compared to just 28.3% in the control group.¹⁹

Emergency health care use

A meta-analysis of four randomised controlled trials of Housing First programs found that participants experienced:

- 37% fewer emergency department visits;
- 24% fewer hospitalisations; and
- 7 fewer days hospitalised per 1000 person-years than control groups.²⁰

As of 2020-21, the average national cost of one emergency department visit was \$789.²¹ The cost of a hospitalisation for vulnerable groups is far greater – in a study of 2,140 adults who attended a homeless hostel clinic and were hospitalised in New South Wales from 1 July 2008 to 30 June 2021, the average cost of each hospitalisation was approximately \$20,000.²²

Government cost savings

Beyond individual wellbeing, evidence suggests that supportive housing is also cost effective. A meta-analysis of cost-benefit analyses from 12 studies of supportive housing programs in the US and Canada found that the benefit-cost ratio for the government was between 1:05:1 and 1.80:1 (depending on which studies are included)²³. That is, for every dollar spent there was a return of \$1.05 to \$1.80.

4.1.1.2 Australian analysis: WA and SA

Per Capita's analysis found that meeting the needs of an estimated 1,218 families experiencing chronic homelessness in metropolitan Perth would require an investment of \$492.9 million in capital costs and a net annual operating cost of \$42.6 million. In the Bunbury region, meeting the estimated need for 61 supportive housing units would require \$24.2 million in capital expenditure and a net annual operating cost of \$2.1 million. Over a 60-year period, the Perth and Bunbury projects are projected to generate a net social value of \$260 million and deliver a benefit-cost ratio of 1.23.²⁴

¹⁷ Alina I Palimaru et al, 'The Relationship between Quality of Housing and Quality of Life: Evidence from Permanent Supportive Housing' (2023) 50(1) *Housing and Society* 13.

¹⁸ Jack Tsai, 'Is the Housing First Model Effective? Different Evidence for Different Outcomes' (2020) 110(9) *American Journal of Public Health* 1376.

¹⁹ Ami Seivwright, Zoe Callis, Monica Thielking, and Paul Flatou, *Journey to Social Inclusion: Ending Chronic Homelessness in Melbourne* (Sacred Heart Mission and Centre for Social Impact, July 2020).

²⁰ Andrew Baxter et al, 'Effects of Housing First Approaches on Health and Well-Being of Adults Who Are Homeless or at Risk of Homelessness: Systematic Review and Meta-Analysis of Randomised Controlled Trials' (2019) 73(5) *Journal of Epidemiology and Community Health* 379.

²¹ Independent Health and Aged Care Pricing Authority, *Costing overview* (Report, 2024).

²² Rebecca Mitchell et al, 'Health service use and predictors of high health service use among adults experiencing homelessness: a retrospective cohort study' (2022) 46 *Australian and New Zealand Journal of Public Health* 896-902.

²³ Verugheese Jacob et al, 'Permanent Supportive Housing With Housing First: Findings From a Community Guide Systematic Economic Review' (2022) 62(3) *American Journal of Preventive Medicine* e188.

²⁴ Per Capita (2025). *Supportive Housing (SH) Needs Assessment for Perth and Bunbury*. Western Australia (Report, 17 December 2025).

In inner-city Adelaide, the estimated need is 156 supportive housing units. Delivering this capacity would require approximately \$50.1 million in capital costs and a net annual operating cost of \$4.3 million. Over 60 years, the project is projected to generate a net social value of \$60 million and achieve a benefit-cost ratio of 1.56.²⁵

4.2 Build-To-Rent

Included in the legislation giving effect to the ACT's Land Rent Scheme were a set of amendments strongly enabling Build-To-Rent (BTR) projects. The changes to reduce land tax by 50 per cent for the next 20 years for new BTR housing projects demonstrates the Territory Government's recognition of the importance of this relatively new asset class, and suggests it sees BTR as a key pillar within the ACT's housing sector.

The Victorian Government has introduced a range of land tax concessions to encourage investment in the build-to-rent (BTR) sector. These measures include extending the 50 per cent land tax discount and providing a full exemption from the Absentee Owner Surcharge for up to 30 years for eligible developments completed and operational by the end of 2031.²⁶ The Victorian legislation will also incentivise greater foreign investment in the BTR sector. Similar incentives have been introduced in Queensland, where eligible BTR developments can access land tax relief,²⁷ while New South Wales has implemented comparable concessions and made them permanent in 2025.²⁸

There has been limited policy and legislative support for build-to-rent (BTR) housing in Australia until recent years. The absence of a coherent national policy framework has contributed to the sector's slow development and relatively small contribution to housing supply. As a result, Australia remains at an early stage of BTR market development compared with many other advanced economies.

Internationally, build-to-rent is a well-established housing model. Across Europe, it accounts for approximately one-fifth of the institutional rental market and more than 10 per cent of all dwellings.²⁹ More broadly, both build-to-rent and social housing have formed key pillars of housing policy across many OECD countries for decades, supported by long-term investment settings and government-backed housing strategies.³⁰

The scale of Europe's non-market and institutional housing sector provides useful context. Housing Europe, the European Federation of Public, Cooperative & Social Housing is a network of 44 national and regional federations in 31 countries. Together they manage around 25 million homes, about 11% of existing dwellings in Europe.³¹ This scale has been enabled by supportive policy frameworks, targeted tax incentives, and strong partnerships between governments, housing providers and the construction sector, creating a stable environment for long-term investment in affordable and social housing.

4.3 Shared equity arrangements

Shared equity arrangements would increase the social utility of social housing spending. In such arrangements, the government or a not-for-profit provider provides land on leasehold, on which homebuyers can buy or build dwellings without making a financial investment in its land, a model described as "an affordable middle ground between social housing and private shared equity".³² Research by Cameron Murray for Prosper Australia examines cases of community shared equity arrangements, including the ACT's Land Rent Scheme, concluding that such alternate models are effective alternatives to traditional social housing schemes.³³

²⁵ Per Capita (2025). *Supportive Housing (SH) Needs Assessment: Inner-City Adelaide*. South Australia (Report, 17 December 2025).

²⁶ Victorian Government (2021). *Media Release: Creating More Rental Housing Choices for Victorians*. (12 October 2021)

²⁷ Queensland Revenue Office. <https://qro.qld.gov.au/land-tax/relief/build-to-rent/>

²⁸ Revenue NSW (2025). *Changes to Build-to-rent land tax concessions*

²⁹ Per Capita (2022). *Housing Affordability in Australia*.

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³¹ Housing Europe. <https://www.housingeurope.eu/>

³² Prosper Australia *Inquiry Submission 2021*, p. 7.

³³ Murray, C.K. (2018). *Unspoken Alternatives to expensive housing*. Prosper Australia and The Australia Institute.

4.4 Housing cooperatives

In many countries, housing cooperatives are longstanding and stable components of housing systems, providing a range of housing options that sit between the historically dual tenure poles of renting and owning. In others, including Australia, cooperatives represent a very small proportion of total housing stock.

Common Equity notes that there are approximately 8,000 people living in housing co-operatives, but the number is rising. This is due to 'institutional lock-in': that is, an apparent inability by policy makers to consider new models of housing security due to the dominance of current institutional providers in policy making, government policy favouring private ownership and private landlords, and an historical focus on home ownership rather than security of tenure.³⁴

Breaking the institutional lock-in requires strong evidence to policy makers of the benefits of cooperative housing. However, despite long-established housing cooperatives in comparable countries, cooperatives remain relatively under-researched and poorly understood in Australia.

Per Capita's previous work in this space has demonstrated clear benefits of cooperative housing, particularly for older single women at risk of housing insecurity.³⁵ In Australia the sector is poised for growth from a very small base.

There is also some overlap between some community co-operative models and some types of shared equity models, particularly those that are popular in the U.S. Shared equity models are not a significant category within the Australian housing sector.³⁶

5 Inequality

The housing needs of different demographic groups are not uniform, and an intersectional lens is essential to understanding housing disadvantage and social housing needs. Multiple and overlapping forms of disadvantage can compound barriers to accessing safe, secure and affordable housing. Aboriginal and Torres Strait Islander women, migrant and culturally diverse women, gender-diverse people, members of the LGBTQIA+SB* community, women with disability, single mothers and older women all face heightened risks of housing insecurity, homelessness and discrimination.

According to the Australian Institute of Health and Welfare, shows that 60% who sought assistance from Specialist Homelessness Services (SHS) were women.³⁷ For those accessing housing assistance, 60% were women, two thirds (66%) of all main tenants were aged 50 years or over, 17% households included a First Nations person, and 39% is a person with disability.³⁸

There are important inequalities that disproportionately affect women and gender-diverse people, where:

- Women head around 80% of single-parent households in Australia, making housing need particularly acute for this group. Female-led single-parent families experience some of the highest rates of poverty of any household type.
- Households led by women (with or without children), are more likely to experience poverty than those headed by men.
- Persistent gender gaps in earnings and superannuation reduce women's financial capacity and further constrain access to affordable housing.

³⁴ Per Capita (2022). [Housing Affordability in Australia](#).

³⁵ Jordan, M (2019). [Mutual Appreciation: A Social Innovation thinkpiece](#).

³⁶ Per Capita (2022). [Housing Affordability in Australia](#).

³⁷ Australian Institute of Health and Welfare (2025), [Specialist Homelessness Services Annual Report 2024–25](#) (4 December 2025)

³⁸ Australian Institute of Health and Welfare (2026), [Housing Assistance in Australia 2025](#) <https://www.aihw.gov.au/reports/housing-assistance/housing-assistance-in-australia-2026/contents/households-and-waitlists>

- Although data on transgender and gender-diverse people remains limited, these groups tend to work fewer hours than their cisgender counterparts and are therefore more likely to have lower incomes, increasing their risk of housing insecurity.³⁹

To better understand and quantify the impact of gender-responsive housing, Per Capita was commissioned by YWCA to evaluate its housing portfolio, which comprises 528 tenancies supporting 731 residents across both social and affordable housing. The analysis found that the portfolio generates a social return of \$2.02 for every \$1 invested. This return is driven in large part by reduced demand on public services, including an estimated \$3.5 million in annual health system savings and \$2.8 million in annual savings to the justice system.⁴⁰

Additionally, families of multicultural backgrounds experience high rates of household overcrowding due to private rental shortage, low incomes and large family sizes.⁴¹ This should be understood as homelessness that is not captured in the homeless data.⁴²

6 Other

In addition to that, Per Capita most recent research *Driving Housing Finance Innovation*, Australia's housing system has become increasingly homogenised around the standard mortgage model. The overwhelming majority of households that achieve secure tenure do so through 25–30 year mortgage contracts, underwritten by stable, full-time employment and intergenerational transfers of wealth. Policy reinforces this pathway as the primary, and often the only, legitimate route to housing security.⁴³

This narrow foundation creates three systemic problems. First, it excludes a growing share of households whose economic circumstances do not align with the “ideal borrower” profile: single parents, older women, renters with strong payment histories, gig-economy workers, Indigenous and culturally diverse households, and recent migrants without conventional credit footprints. Second, it channels institutional capital into speculative, high-yield property markets, concentrating finance in projects designed for wealth extraction rather than affordability retention or community benefit. Third, it crowds out tenure diversity, treating co-operatives, community land trusts, shared equity, and other atypical models as marginal, transitional, or administratively anomalous. The result is a monocultural housing finance regime that equates security with private mortgage ownership and regards all other tenure forms as secondary.⁴⁴

International experience demonstrates that this is not inevitable. In countries such as Canada, Austria, Singapore, and parts of the United States, governments have deliberately diversified housing finance ecosystems, creating statutory recognition, public finance intermediaries, and capital markets designed to support co-operative and community-led housing. Australia has yet to make this shift, leaving its housing market unusually narrow in both tenure and finance models. It is against this backdrop that the following analysis sets out the systemic barriers that inhibit the growth of atypical housing and finance models in Australia, grouped into four domains: Legal and Regulatory, Finance and Capital Markets, Institutional and Governance, and Market Dynamics and Normative Biases.⁴⁵

Australia's housing system faces deep structural obstacles to the adoption of atypical housing and finance models. If reforms can be made to housing and finance models, it could reduce the need for social housing.

³⁹ Per Capita (2026). *Housing that Pays Back*. YWCA.

⁴⁰ Ibid.

⁴¹ Refugee Council of Australia (2020). *The home stretch: Challenges and alternatives in sustainable housing for refugees and people seeking asylum*.

⁴² Zucker, Z (2025). *Under One Roof: Housing Insecurity, Cultural Diversity and Emergency Health Responses in Australia*. IDIE University of Sydney

⁴³ D’Rosario, M., Chau, W. (2026). *Driving Housing Finance Innovation: Reforming Australia's housing sector for equity, access and innovation (Summary)*. Per Capita.

⁴⁴ Ibid.

⁴⁵ Ibid.