

## Overview of the 1st two months of the Labor Government (2025-2028)



### Housing & Homelessness, Department of the Treasury

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The first 60 days of the new term for the Housing Ministry have been marked by a surge of policy activity and public scrutiny, set against the backdrop of Australia's persistent housing affordability crisis. This report reviews the Ministry's performance, referencing both the attached policy imperatives and recent news, and evaluates key actions, policy changes, challenges, gaps, and overall impact.

#### Key actions undertaken

##### 1. Scaling up affordable housing

- **National Housing Accord Implementation:** The Ministry advanced the government's pledge to build 1.2 million new, well-located homes over five years, with a focus on affordable and social housing. However, updated forecasts indicate a likely shortfall, with about 938,000 homes expected to be delivered, falling short by more than 260,000 against the target.
- **Expansion of Social and Affordable Housing:** The government is supporting the delivery of 55,000 additional social and affordable homes through the Housing Australia Future Fund and the Social Housing Accelerator, with \$10 billion committed to these initiatives.
- **State Partnerships:** State governments, notably NSW and Victoria, have increased funding and fast-tracked projects, with NSW declaring 20 new state-significant projects and launching modular social home pilots.

##### 2. Homelessness prevention

- **"Housing First" Emphasis:** The Ministry has promoted a shift toward permanent housing solutions with wrap-around support, echoing the attached document's call for "Housing First" models and early-warning tenancy protections.
- **Rental Law Reforms:** New national and state-level rental protections have been introduced, including limiting rent increases to once per year, requiring genuine grounds for eviction, and making it easier for tenants to keep pets.

##### 3. Urban planning and density reform

- **Low and Mid-Rise Housing Policy:** The NSW Low and Mid-Rise (LMR) policy was rolled out to increase housing density near transport hubs and town centers, aiming to deliver 112,000 new homes over five years. The Transport-Oriented Development (TOD) program is set to add another 230,000+ homes in NSW.

- **Streamlined Approvals:** Planning approvals have been accelerated, with a reported 15% increase in approval speed and a 28% rise in applications compared to the previous year.

#### 4. Innovative financing and construction

- **Shared Equity and First Home Schemes:** The Help to Buy shared equity scheme allows first-home buyers to purchase homes with government co-ownership, reducing upfront costs. The First Home Guarantee Scheme has been expanded, removing income caps and deposit restrictions.
- **Prefab and Modular Construction:** The Ministry has championed modular and off-site construction, with the first factory-built social homes nearing completion in NSW, aiming to cut build times by up to 50%.

#### 5. Community engagement and inclusion

- **Community Voice in Planning:** There is a push for local housing commissions and community benefit agreements, requiring developers to invest in local services in exchange for planning concessions, as recommended in the attached document.
- **Financial Inclusion:** Efforts to expand affordable credit and support for not-for-profit housing providers have been highlighted, though progress remains in early stages.

### Major challenges and responses

- The Ministry has consistently emphasized the need for a “wartime response” to the housing crisis, highlighting the urgency of accelerating supply and modernizing planning and construction methods.
- Public addresses have underscored the importance of balancing supply-side reforms with protections for renters and vulnerable Australians.

### Gaps and areas for improvement

- **Legislative Progress:** Most reforms are in early implementation or consultation phases; few new laws have been enacted in the first 60 days.
- **Supply-Demand Mismatch:** Despite ambitious targets, the pace of new housing supply is insufficient to meet demand, with a projected shortfall of over 260,000 homes in five years.
- **Broader Inclusion:** While some measures address vulnerable groups, more robust interventions are needed for Indigenous Australians, refugees, and those facing chronic homelessness.
- **Transparency and Accountability:** Calls for more regular public reporting and measurable targets to track progress and ensure accountability.

- **Planning Reform Complexity:** The interplay between state and local planning controls continues to slow down development, despite recent streamlining efforts.

## Overall impact

The Housing Ministry's first 60 days have featured strong alignment with strategic imperatives: scaling up affordable housing, reforming planning, supporting innovation, and embedding community voice in decision-making. The period has seen significant announcements, accelerated approvals, and the rollout of new programs, especially in partnership with states and territories.

However, the impact has so far been more foundational than transformative. The scale of the housing crisis driven by population growth, high construction costs, and entrenched planning barriers means that even bold initiatives are struggling to close the supply gap. While there is clear momentum and policy direction, the immediate effects on affordability, homelessness, and housing diversity are limited. The coming months will be critical for translating plans into tangible results, enacting legislative reforms, and ensuring that the most vulnerable Australians benefit from the housing agenda.

The following summarize recommendations dated May 31, 2025, sent by IPAG Asia Pacific, Melbourne to Clare O'Neil, Minister for Housing for implementation in the 1st 100 days of the 2nd term of the Labor Government. It provides status of implementation and what needs to be done is to be on track for timely completion of the initiatives.

IPAG Recommendations	Progress Made	Implementation Status (✓/X)	Remarks
<b>Supply shortfall</b>	Fast-tracked approvals, modular construction, and expanded funding, but forecasts still show a major gap.	✓ (In progress)	Pipeline improved but approvals and building times still lag behind population growth.
<b>Rental affordability</b>	National and state rental reforms, increased rent assistance, and expanded social housing.	✓ (In progress)	Reforms underway but rent pressures persist, especially in major cities.
<b>Construction costs</b>	Prefab innovation funds and regulatory exemptions to lower costs and speed up delivery.	✓ (Partially)	Innovation funding helps but material and labor costs remain high.
<b>Land availability</b>	Use of surplus public land and incentives for urban renewal, but land supply remains a constraint.	X	Limited progress unlocking new sites; planning hurdles still a barrier.

**Regarding  
homelessness**

Promotion of “Housing First” and  
prevention initiatives, though  
implementation is ongoing.

✓ (In progress)

Prevention work  
positive; long-term  
housing pathways  
need scaling up.

**Moving forward....**

The Housing Ministry’s early tenure has set the stage for major reforms, with a comprehensive agenda and some early wins in approvals and pilot programs. Yet, the persistent supply shortfall, slow legislative progress, and ongoing affordability pressures highlight the need for accelerated action, deeper inclusion, and greater transparency to achieve lasting impact.