

# SUBMISSION

## Commonwealth Land (Affordable Housing) Bill 2026

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Inquiry of the Senate Finance and Public Administration Legislation Committee  
September 2026

### About Australian Community Housing (ACH)

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ACH is the national peak body for Australia's community housing providers. The sector manages and owns over 148,800 social and affordable homes across Australia. Our members are not-for-profit, independently regulated housing providers whose purpose is to house Australians on low and moderate incomes, well, and for the long term.

We thank the Committee for the opportunity to comment on the Commonwealth Land (Affordable Housing) Bill 2026.

#### CONTACT

Alex Raphael, Director of Policy and Impact  
Australian Community Housing  
[araphael@australiancommunityhousing.org.au](mailto:araphael@australiancommunityhousing.org.au)

## Summary position

**ACH supports the Bill.** We welcomed it publicly on its introduction in July 2026, and this submission sets out the reasoning behind that position and the design points we ask the Committee to consider.

Commonwealth land is a public asset. Accordingly, when it is suitable for housing and released for residential development, it should leave behind a lasting public benefit including homes people can actually afford.

It also addresses a practical constraint. Land remains one of the biggest barriers standing in the way of more affordable housing supply. Our members can raise finance, build and manage homes at scale; what most often stops a project is the cost of well-located land. A standing affordable housing condition on Commonwealth disposals would directly help to address that barrier.

To build a fair national housing system, ACH supports the Housing Supply and Affordability Council's call that Australia needs to grow social and affordable housing to 6 per cent of total stock, and then to 10 per cent. On our modelling, that means delivering in the order of **23,000 additional social and affordable homes each year** over the next 20 years.

No single measure gets us there. Our modelling does show, however, that inclusionary requirements could have a strong role to play in reaching that number: around 5,000 homes a year, or more than a fifth of the total task. That is not a marginal contribution. It is the difference between a target that is theoretically achievable and one that is realistically fundable, because homes delivered through inclusionary requirements draw on land value rather than on the Budget. Every home delivered this way is a home that does not need to be funded through a government subsidy.

This Bill applies that principle to one of the few housing levers the Commonwealth controls outright: its own land. Commonwealth disposals are a subset of the wider opportunity, but they are the subset the Parliament can act on directly and immediately.

The Commonwealth is about to dispose of a substantial pipeline of surplus sites, many of them well located in the cities where the shortage of affordable rental housing is most acute. Under current arrangements, that land can be sold with no affordable housing outcome attached at all. Once it is gone, it is gone. Setting a default expectation now – before the major Defence disposals proceed – costs the Budget nothing in outlays and converts a one-off asset sale into a permanent legacy of affordable homes.

We also note the Bill is consistent with the Commonwealth's own commitment under the National Housing Accord to identify surplus federal land for social and affordable housing. The Bill turns a stated intention into a standing rule.

## Recommendations

- 1 The Senate pass the Bill.**
- 2 Set the affordable housing requirement before land goes to market**, so that it is capitalised into land value and priced by bidders, rather than negotiated after sale.
- 3 Treat 30 per cent as a floor, not a ceiling**, and make clear in the regulations that a higher proportion may be required where site economics allow.
- 4 Retain the requirement that affordable dwellings be owned or managed by registered community housing providers.**
- 5 Enable deeper affordability where it is paired with subsidy** – the rent settings in the Bill should be a minimum standard, with regulations permitting social housing at deeper discounts where capital or availability payment funding is combined with the land condition.
- 6 Make the obligation enduring**, running with the land in perpetuity and surviving on-sale, refinancing and change of use.
- 7 Align the Bill's definition of affordable housing** with work underway towards a consistent national definition, so that Commonwealth land conditions, HAFF-funded supply and state schemes use compatible terms.
- 8 Discipline the exemptions:** require that any exemption be published with reasons, and report annually on Commonwealth land disposals, dwellings delivered and exemptions granted.
- 9 Confirm that this Bill complements, and does not substitute for, a permanent Commonwealth investment mechanism** for social and affordable housing beyond 2029.

## Discussion

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### **1. Land alone will not deliver social housing.**

Rent set at the lower of 75 per cent of market rent or 30 per cent of household income is a genuine benefit to essential workers and low-income working households, and it is a reasonable outcome to expect from a land discount on its own. It will not, however, reach the households in greatest need. Deeper social housing outcomes require an operating or capital subsidy alongside the land contribution.

We would not narrow the Bill to try to solve this, but we recommend making the rent settings a minimum, and to allow the Commonwealth to layer land conditions with HAFF, availability payments or state contributions on sites where deeper affordability is the priority. The two levers work well together: the land condition lowers the capital requirement, which in turn stretches every subsidy dollar further.

### **2. Certainty at the point of disposal matters more than the exact percentage.**

The single most important design feature is that the requirement is known, fixed and published before the site is taken to market. Where inclusionary requirements are settled up front, they are competed away in the land price and delivery is straightforward. Where they are introduced late or left to negotiation, they become a source of dispute, delay and claims of unviability.

This has a practical consequence for Commonwealth property disposal policy. If agencies remain accountable for maximising net proceeds while also carrying an affordable housing obligation, the two objectives will pull against each other and pressure will build for exemptions. We suggest the Committee seek clarity on how disposal valuation and net-return expectations will be adjusted so that the affordable housing requirement is treated as a policy outcome of the disposal rather than a cost against it.

### **3. Community housing providers are the right delivery partners.**

We strongly support the requirement that affordable dwellings be managed by registered providers, and we regard it as one of the Bill's most important features rather than an administrative detail.

Community housing providers are regulated, not-for-profit, purpose-driven organisations. They are accountable under the National Regulatory System for tenancy standards and asset management, and have a demonstrated record of holding affordability in place over decades. This is what gives the scheme durability and integrity long after the land has left Commonwealth hands. Registration also gives the Commonwealth a ready-made compliance mechanism: obligations attached to a regulated entity are far easier to monitor than obligations attached to a private landlord whose interests may change with ownership.

*For the households who end up in these homes, the difference is often life changing. It means being able to live near work, keep children in the same school, stay connected to community and build a stable life.*

Those outcomes are only possible when affordable homes are located where jobs and services already are, which is precisely the character of many of the sites this Bill would cover.

Our members already manage tens of thousands of social and affordable homes across the country and stand ready to take on the role the Bill envisages for them. Given the pipeline and the land, the sector will deliver.

Involving providers early – at master planning rather than at handover – materially improves outcomes. Dwelling mix, accessibility, building typology and body corporate arrangements are all much harder to fix after design is settled.

#### **4. A predictable requirement supports the construction sector, not just tenants.**

A standing rule applied to a known disposal pipeline would give builders and financiers much needed forward visibility. ACH analysis shows that a predictable social and affordable housing pipeline helps smooth construction cycles, holding capacity and skilled labour in place when private activity softens. A rule that applies by default across all qualifying sites delivers that certainty in a way that project-by-project negotiation cannot.

#### **5. A critical piece of the puzzle, alongside the other pieces.**

ACH acknowledges the vital work this Government has undertaken through initiatives such as the Housing Australia Future Fund, which has restarted Commonwealth investment in social and affordable housing after a long period of neglect. This Bill represents another critical piece of the puzzle, one that complements planning reform and a long-term national pipeline of social and affordable housing rather than competing with them.

We agree with the Bill's own framing that a measure of this kind is not a game changer on its own. Current HAFF-funded investment reaches its limit at the end of the decade, and the central task remains establishing a permanent, predictable Commonwealth investment mechanism that treats social and affordable housing as essential infrastructure and funds it accordingly.