

Submission to the Select Committee on Intergenerational Housing

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About Mental Health Carers NSW (MHCN)

Mental Health Carers NSW (MHCN) is the peak body for carers of people who experience mental health challenges in NSW. MHCN is a community managed organisation that provides systemic advocacy, capacity development and education for the carers, family, friends, and kin of those experiencing mental health challenges across NSW.

In Australia, there are approximately 354,000 mental health carers who, each year, provide 186 million hours of unpaid support.¹ Due to the demands of their caring role, carers are at a high risk of developing mental health issues, as well as experiencing loneliness and social isolation. MHCN supports mental health carers and advocates for services and systems that support them in their caring role. MHCN ensures the voices of mental health carers in NSW, and the people they care for, are represented in policy and service reform processes. We work to uphold the rights of carers and consumers to equitable, accessible, and adequately funded mental health services.

MHCN empowers mental health carers to become champions for mental health reform and advocacy. We engage regularly with carers so they can inform our policy priorities and advocacy; for example, every month we convene the *Carers of Forensic and Corrections Patients Network* meetings, and peer led *Mental Health Carer Connection* meetings.

MHCN also provides the Disability Advocacy Futures Program. This program engages in systemic advocacy on behalf of those who experience psychosocial disability. In this role MHCN advocates to non-Health state government services under the Disability Advocacy Futures Program.

MHCN is funded by the NSW Ministry of Health and the NSW Department of Communities and Justice. We are a foundation member of Mental Health Carers Australia.

¹ Diminic, S., Lee, Y. Y., Hielscher, E., Harris, M. G., Keadon, J., & Whiteford, H. A. (2021). Quantifying the size of the informal care sector for Australian adults with mental illness: Caring hours and replacement cost. *Social Psychiatry and Psychiatric Epidemiology*, 56(3), 387–400.

Executive Summary

Mental Health Carers NSW (MHCN) welcomes the opportunity to provide a submission to the Select Committee on Intergenerational Housing Inequity. As the peak body for mental health carers, families, loved ones, and people with psychosocial disability in NSW, MHCN has seen first hand the impacts of long-term generational housing inequalities and the compounded effects they have on mental health and wellbeing.

Australia is among the wealthiest countries in the world, yet many moderate-to-low income households struggle to make ends meet, let alone afford permanent home ownership. This submission identifies the growing crisis of intergenerational housing inequity as economic and public health issues. Housing has shifted from basic right to financial asset where wealth is concentrated among existing owners and increasingly excludes younger and lower-income earners. Tax incentives, constrained housing supply, and investor demand have embedded inequality in the housing system thus making access to stable and affordable housing increasingly dependent on family wealth rather than income. MHCN's submission calls attention to the following issues:

Deepening intergenerational inequality: Housing affordability has deteriorated with first-home buyers facing near-decades of savings periods compared to previous decades. Rising house prices, stagnating wages, and high rents limit saving capacity. As wealth accumulation has become increasingly tied to property ownership, the top 10% of Australian households own nearly half the total housing wealth.

Housing as a driver of mental health inequity: Housing stress caused by unaffordable rents, insecure or short-term tenure, and prolonged financial strain is closely linked to poor mental health outcomes. Chronic stress, anxiety, depression, and reduced wellbeing are increasing among younger people facing long term housing concerns.

Disproportionate impact on people with psychosocial disabilities, families and carers: People with psychosocial disability are more vulnerable due to lower incomes, higher healthcare costs, and barriers in accessing housing. This disrupts treatment, exacerbates mental health concerns, and increases risks of homelessness. Carers face compounding pressures as many reduce or leave employment to provide care and absorb financial and housing costs in the



absence of appropriate services. Carers and families also experience prolonged stress about the future housing and financial security of their loved ones.

Structural and policy drivers: Current policy and tax settings favour existing homeowners and investors including negative gearing and capital gains concessions that incentivise investment and inflate housing demand without increasing its supply. First-home buyer schemes often increase prices instead of improving access. Simultaneously, there is insufficient public housing stock, planning constraints, and labour shortages that limit new construction.

Unequal impacts across different cohorts: Housing inequity is compounded by intersecting disadvantages including but not limited to mental health concerns, gender, race, and socio-economic status. Women, First Nations peoples, low-income households, and people with disability face additional barriers due to stigma, inequality, and economic insecurity.

Accordingly, MHCN's submission identifies areas for coordinated systemic reform that considers supply and structural inequities. These include:

1. **Reforming tax and financial settings**
 - Review incentives that promote speculative investment.
 - Rebalance the system to prioritise owner-occupiers and equitable access.
2. **Increasing housing supply especially social and affordable housing**
 - Expand direct public investment in housing for low-middle income households.
 - Improve planning and approval processes and address workforce shortages.
3. **Positioning housing as a social good**
 - Embed human rights principles in housing policy.
 - Aim for security and stability in the rental market via rent stabilisation.
4. **Improving system accessibility**
 - Simplify social housing applications.
 - Ensure SDA design standards align with needs via co-design with people with disability, carers, and advocates.
5. **Targeting intergenerational inequity**
 - Develop pathways to ownership that reduce reliance on family wealth.



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- Consider mechanisms to reserve housing stock for first-home buyers and improving housing utilisation such as downsizing incentives and vacancy measures.

6. Enhance policy and research data

- Establish a national housing data system to allow for timely evidence-based policy.
- Improve coordination between federal, state, and territory governments to improve building supply.

MHCN views intergenerational housing inequity as a result of a cumulative policy history that has prioritised investment over wellbeing. With structural reform, we can address inequality through a combination of measures combining tax reform, supply, rental protections, and inclusive housing design. These are essential to restoring Australian housing to a fair and sustainable system for current and future generations.

Mental Health Carers NSW looks forward to the Committee's final report and is ready to support this work with further evidence, case studies, and lived experience voices from our stakeholders.



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Scope of this Submission

This submission addresses the following terms of references as published by the Parliament of Australia's Select Committee on Intergenerational Housing Inequity:

- a) the extent and nature of intergenerational housing inequity in Australia across housing tenure types;
- b) consideration of the laws, policies, practices and services that have been most effective in reducing intergenerational housing inequity in Australia and overseas;
- c) the experience of intergenerational housing inequity on different population cohorts, including but not limited to socio-economic, gender, geographical location, disability, ethnicity and racial status;
- d) the causes of intergenerational housing inequity, including nature and rates of construction, rental policies and practices, tax settings, homelessness policies, lending rules, and public and social housing practices and investment;
- e) the factors that promote or impede action on significant housing reform;
- f) policy, legislative and other options for tackling intergenerational housing inequity and evening the playing field for current and future generations; and
- g) any related matters.

Responses to Terms of Reference

a) the extent and nature of intergenerational housing inequity in Australia across housing tenure types

Unaffordable housing has become a standard experience for Australians.

Generational stereotypes in response to the crisis abound, from ‘boomers’ and ‘Karens’ to the avocado toast-eating millennials and Gen Zs.² The Australian dream has given way to a system geared to investment capital; a value for some rather than a right for all. Wealth in Australia is tied to property. Those who cannot access the market soon enough fall further behind each year. Access is becoming increasingly dependent on family support via deposits, loans, inheritance, living with family while saving, which only widens the generational gap.

Renting is no longer a short-term phase on the journey to home ownership but, for investors, a rent-generating asset.³ Medical and insurance bills, interest applied to student loans, wages that do not keep up with inflation, and house prices that rise faster than wages impact saving ability. Tenants face the risk of annual relocations costing thousands of dollars to cover rental bonds, moving fees, double rent and more. This is money that could be saved for a deposit. Some landlords take on large mortgages to build property portfolios that they could not feasibly pay without rent and negative gearing. Tax concessions like negative gearing make investment more attractive and soften the financial hit. Yet, renters carry more of the financial burden because their rents are raised to rising property values.⁴ In a housing-as-investment system, the competitive rental markets mean tenants have little choice but to pay premium and accept insecurity and savings-deficits.⁵

While housing is a determinant of health equity, home ownership for some nowadays predicts inequality for others. Housing pathways for low-income

² O’Loughlin et. al., (2021). ‘Attitudes towards Australia’s baby boomers and intergenerational equity’, *The Sociological Review* 69(4): 792–811; Cannon et al., (2018). ‘“Millennials”: perceived generational opportunities and intergenerational conflict in Australia’, *Australasian Journal on Ageing* 37(4): e127–132.

³ Howard et. Al., (2024). ‘Understanding generational housing inequalities beyond tenure, class, and context’, *Economy and Society* 53(1): 135–162.

⁴ Botha et. al., (2024). ‘Housing affordability stress and mental health: the role of financial wellbeing’, *Australian Economic Papers* 63(3): 473–492.

⁵ Twohig et. al., (2024). ‘Do housing investors pass-through changes in their interest costs to rents?’, *Reserve Bank of Australia Bulletin* October 2024.



Australians are limited, and the same now applies to medium-income Australians.⁶ In 2022, the top 10% richest households in Australia held 45% of total net housing wealth.⁷ Intergenerational housing inequity is clearly reflected in the time it takes to save a 20% housing deposit. Recent estimates suggest first-home buyers face saving periods of between 6–17 years depending on the state, compared to roughly 3–5 years for earlier generations in the 1970s–1990s.⁸ This shift is inextricably linked to the sharp rise in house price to income ratios, which have doubled over time, and persistently high rents that limit the capacity to save.⁹ The result is a system where access increasingly depends on existing family wealth than income.¹⁰ This embeds intergenerational inequality, with younger and lower-income households far less likely to enter home ownership and less able to build wealth over time.¹¹

The mental health impacts of the housing affordability stress are compounding.¹² Stressors including high rents, prolonged saving horizons, and insecure tenure have been linked to poorer mental health outcomes, including increased rates of anxiety and depression.¹³ For younger Australians, the prospect of spending a decade or more saving for a deposit while facing rising living costs contributes to chronic financial stress, instability, and apathy.¹⁴ The psychosocial effects of housing affordability are shared between generations of the family.¹⁵ Australian research consistently shows that housing affordability stress is linked to negative mental health.¹⁶

⁶ Wiesel, I., (2013). 'Mobilities of disadvantage: the housing pathways of low-income Australians', *Urban Studies* 51(2)

⁷ Smith et. al., (2022) 'Housing and economic inequality in the long run: the retreat of owner occupation', *Economy and Society* 51(2): 161–186.

⁸ Jericho, G., (2025). *Housing Affordability Crisis: Saving for a Deposit Forever*. The Australia Institute.

⁹ Australian Institute of Health and Welfare, (2025). *Housing Affordability*.

¹⁰ Ronald, R., & R. Arundel, (2023). *Families, Housing and Property Wealth in a Neoliberal World*. London: Routledge.

¹¹ Shamsuddin, S., & C. Campbell, (2021). 'Housing cost burden, material hardship, and well-being', *Housing Policy Debate* 32(3): 413–432.

¹² Dotsikas et. al., (2023). 'Trajectories of housing affordability and mental health problems: a population-based cohort study', *Social Psychiatry and Psychiatric Epidemiology* 58(5): 769–778; Bentley et. al., (2022). 'Housing affordability and mental health: an analysis of generational change', *Housing Studies* 10: 1842–1857.

¹³ Howden-Chapman et. al., (2023). 'Review of the impact of housing quality on inequalities in health and wellbeing', *Annual Review of Public Health* 44: 233–254.

¹⁴ Black Dog Institute and Suicide Prevention Australia (2023). *The Worsening Rental Crisis in Australia*.

¹⁵ Bentley et al., (2022).

¹⁶ Baker et. al., (2020). 'Mental health and prolonged exposure to unaffordable housing: a longitudinal analysis', *Social Psychiatry and Psychiatric Epidemiology* 55: 715–721; Singh et. al., (2020). 'Do financial



These factors disproportionately impact people with existing mental health conditions. They are more likely to have lower or less stable incomes and higher healthcare costs.¹⁷ Housing insecurity and homelessness are linked to suicidal behaviour caused by financial stress, crises, and insecurity.¹⁸ This is also true of carers of people with mental health conditions. A growing cohort of MHCN's members are carers over the age of 50, who often forgo full-time employment to provide care and financial support.¹⁹ Unstable housing can disrupt treatment, reduce access to care, and exacerbate existing conditions across generations.²⁰ These factors create a cycle of housing insecurity and poor mental health.

Intergenerational housing unaffordability is not only an economic issue but a public health concern. MHCN's stakeholders consistently inform us that housing unaffordability directly worsens mental health, service access, and carer burden. This creates and reinforces cycles of disadvantage.²¹ Financial stress, including struggling to pay rent, maintain housing, and meet the costs of daily needs lead to significant strain and deteriorates mental health. Carers and families often absorb the costs of supporting loved ones when services or NDIS plans cannot, which increases their stress and hardship.

hardship and social support mediate the effect of unaffordable housing on mental health?', *Social Psychiatry and Psychiatric Epidemiology* 55: 705–713.

¹⁷ Tamal et. al., (2026). 'The economic burden of mental health deterioration on Australian households: a longitudinal analysis of out-of-pocket healthcare expenditures', *Health Economics Review* 16(1): 16.

¹⁸ Brackertz, N., (2020). *The role of housing insecurity and homelessness in suicidal behaviour and effective interventions to reduce suicidal thoughts and behaviours: a review of the evidence*. Suicide Prevention Australia.

¹⁹ Elliott et. al., (2021). 'Rent burden and depression among mothers: an analysis of primary caregiver outcomes', *Journal of Policy Practice and Research* 2(4): 285–300.

²⁰ Zehrung et. al., (2025). 'Investigating the effects of housing instability on depression, anxiety, and mental health treatment in childhood and adolescence', *AMIA Annual Symposium Proceedings Archive* 22: 1303–1312.

²¹ Mental Health Carers NSW, (2025). [The Housing Crisis and Impacts for People with Psychosocial Disability in NSW](#). Mental Health Carers NSW.



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b) consideration of the laws, policies, practices, and services that have been most effective in reducing intergenerational housing inequity in Australia and overseas

Australia has historically supported pathways for social mobility and home ownership, with varying interpretations of success.²² In the 1970s, under the Whitlam government, housing was addressed as a social welfare issue and approached via massive expansion of public housing construction, assistance targeting low-income households, and rent assistance. Under the Hawke government, access was improved via easier lines of mortgage credit but there was declining investment in public housing.²³ Under the Howard government, the decline in public housing stock declined while CGT and negative gearing expanded into a more pro-market and investor system. This helped some generations acquire assets but also drove the price growth faster than incomes could match. In the 2000s, the Rudd government expanded the First Homeowner Grant but continued to rely on investment incentives, increasing demand without matching supply. A historical shift towards market incentives means that housing wealth and investor tax welfare has created significant wealth inequity between generations and locked out lower-income earners.²⁴

Policies that built wealth for one generation now disadvantage others. The tax settings and social mobility programs that allowed previous generations to build their own financial security, such as fee-free tertiary education, negative gearing, and capital gains tax concessions, are now the very policies that contribute to investment commodification and reduced affordability for younger generations. Recent policy proposals, such as the proposed National Housing and Homelessness Plan Bill (2024) aim to address these structural inequities by:

- Strengthening Commonwealth oversight of housing policies.
- Reforming tax settings that incentivise speculative investment.

²² Nicholls, S., (2016). 'Perpetuating the problem: neoliberalism, commonwealth public policy, and housing affordability in Australia', *Australian Journal of Social Issues* 49: 329–347.

²³ Caulfield, J., (2000). 'Public housing and intergovernmental reform in the 1990s', *Australian Journal of Political Science* 35(1): 99–110.

²⁴ Walter, J., & C. Holbrook, (2015). 'Housing in a federation: from wicked problem to complexity cascade?', *Australian Journal of Public Administration* 74: 448–466.



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- Embedding human-rights principles to its approach to housing access.²⁵

Phasing out or significantly capping high-income earner tax concessions claiming losses on rental properties, saving \$325 million per year.²⁶ Parliamentary Budget Office modelling indicates current negative gearing and capital gains tax policy will cost federal budgets \$165 million from the 2024-2025 to 2033-2034 financial years.²⁷

Norway's Post-War Social Home Ownership Model is an international example of a coordinated housing strategy aimed at achieving widespread home ownership. Key features included:

- Delivering state-backed, subsidised loan schemes serviced through government-owned financial institutions.
- Regulating housing prices to limit speculative growth.
- Integrating housing policy within welfare system that included targeting housing costs at 20% of the average worker's income.
- Designing loan structures to ensure repayment by retirement and supporting financial security.

These measures contributed to an increase in ownership of approximately 64% by 1960 to 80% by the 1990s.²⁸ This model is an example of an effective sustained government intervention, financial regulation, and policy alignment between housing and welfare to promote equity. However, the Norwegian system is also facing some emerging risks. Housing is taxed as a consumption good and exemptions such as capital gains on primary residences reinforce high ownership numbers but may contribute to long-term commodification down the line.²⁹ What this indicates, however, is that governments must be proactive in their continuous policy review to ensure no generation is left behind.

²⁵ Commonwealth of Australia, (2024). *Explanatory Memorandum: [National Housing and Homelessness Plan Bill 2024]*.

²⁶ Kelley, C., & J. Nicholas, (2024). 'How the most affluent Australians disproportionately benefit from negative gearing', *The Guardian*, September 27, 2024.

²⁷ Parliamentary Budget Office, (2024). *Cost of Negative Gearing and Capital Gains Tax Discount*.

²⁸ Sandlie, H., & L. Gulbrandsen, (2017). 'The social homeownership model – the case of Norway', *Critical Housing Analysis* 4(1): 52-60.

²⁹ OECD, (2022). *Making Norway's Housing More Affordable and Sustainable*. Economics Department Working Paper No. 1711. Paris: OECD Publishing.



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c) the experience of intergenerational housing inequity on different population cohorts, including but not limited to socio-economic, gender, geographical location, disability, ethnicity, and racial status

The experiences of intergenerational housing inequity across diverse population groups are not discrete but reflect overlapping social and political identities that produce compounded forms of systemic disadvantage. Because multiple forms of marginalisation converge, an intersectional approach can identify gaps that traditional policy approaches risk overlooking.

MHCN's peak body advocacy focuses on families, carers, and loved ones of people experiencing mental health concerns and psychosocial disability.

Psychosocial disability arises not only from mental health conditions but from the interaction between those conditions and structural barriers. Intergenerational trauma is often linked to systemic neglect, exclusion, and inequality. This heightens vulnerability to mental health conditions and reinforces cycles of disadvantages across generations.³⁰

Stigma and discrimination limit housing access. This is a common experience for people with mental health conditions, psychosocial disability, and is reported by carers, families, and loved ones when accessing housing services and the private rental market. This results in unfair treatment, reluctance from landlords, poor living conditions, and disengagement from housing services. Housing applications are complex, lengthy, and require extensive documentation. This is particularly difficult for people with psychosocial disability due to stress, literacy barriers, difficulty gathering and affording evidence, which reduces their ability to access a safe and stable dwelling.

Carers often lack access to appropriate and clear information, guidance, or formal support to assist someone navigate housing. This makes the process doubly hard for all. Moreover, people living with family and carers may be seen as a lower priority for housing, even if the arrangement is unsuitable. This limits their chance of living independently and demands that families and carers provide often for more than they can afford themselves.

³⁰ Gilman et. al., (2003). 'Socio-economic status, family disruption, and residential stability in childhood relation to onset, recurrence, and remission of major depression', *Psychological Medicine* 33(8): 1341-1345.



Caring for a person with a mental health condition is often highly unpredictable compared to other caring contexts. Unpredictability disrupts employment as many carers reduce their working hours or exit employment to provide care. Families and carers often provide ongoing housing, advocacy, and financial support, often in the absence of adequate formal services. Over time, this produces sustained intergenerational strain. Many older carers are left wondering what will happen to their loved ones or children when they pass, adversely affecting their wellbeing on top of their economic security.

Women's experiences of financial and housing inequity are shaped by many structural factors. MHCN's member base of carers, families, and consumers consistently report employment and financial strain that reflects broader systemic issues affecting women's access to stable housing and income parity. Women retire with less superannuation than men, with current figures showing a 42% gap for the 60–64 year cohort.³¹ This reflects long-term impacts of the gender pay gap, parental leave, and unpaid leave. Divorce, separation, and family violence significantly increase the likelihood of women living in insecure housing or experiencing homelessness.³² Older Australian women are experiencing housing insecurity at an alarming rate, with many reliant on fixed incomes or pensions that cannot meet rising costs.³³ Intergenerational housing is not just inherited but also produced through cumulative structural disadvantage.³⁴

For First Nations peoples, intergenerational housing inequity must be understood as historical, colonial, and ongoing. Patterns of dispossession endure in contemporary policy and housing systems. Historically, the development of inner-city communities such as Redfern illustrates this trajectory. While development created employment opportunities that drew First Nations people into urban centres, housing access remained constrained by systemic discrimination.³⁵ Supply restrictions, exclusionary and screening tenancies, and inadequate public housing stock embedded disadvantages and contributed to

³¹ Workplace Gender Equality Agency, (2026). *Superannuation and Gender Pay Gaps by Age Group*.

³² Ibid.

³³ Petersen, M., & C. Tilse, (2023). 'Women's life course and precarious housing in older age: an Australian qualitative study', *Housing Studies* 39(12): 3245–3267.

³⁴ Shao, N., (2024). 'The crisis of older women's homelessness: a case study of Australia', *Journal of Education, Humanities and Social Sciences* 42: 406–411.

³⁵ Anderson, K.J., (1993). 'Place narratives and the origins of inner Sydney's Aboriginal settlement, 1972–1973', *Journal of Historical Geography* 19(3): 314–335.

overcrowding and poor living conditions.³⁶ These dynamics continue, as seen in 2015, when 37 Aboriginal homes in Toowoomba were transferred from community management to private ownership. Despite tenant-led advocacy in the 'Hands Off Our Houses' Campaign calling for government acquisition and intervention, the estate was sold in 2019, leading to long-term displacement and the erosion of community-controlled housing.³⁷ Governments should preserve and secure community-controlled housing stock before it is transferred or sold to private investment to prevent the loss of culturally appropriate housing.

d) the causes of intergenerational housing inequity, including nature and rates of construction, rental policies and practices, tax settings, homelessness policies, lending rules, and public and social housing practices and investment; and

e) the factors that promote or impede action on significant housing reform

Intergenerational gaps in housing are being strengthened by tax arrangements that routinely tilt toward people who already own property. Older cohorts have gained from settings that make buying and holding property easier, while renters and lower-income households face a steeper climb to enter the market.³⁸

Negative gearing and the capital gains tax discount play a central role in this.³⁹ They have helped position housing as a preferred investment option, and their benefits flow mostly to higher-income households who are more likely to hold more than one property.⁴⁰ Negative gearing deductions lower the income tax paid by NSW residential investors by approximately \$1 billion.⁴¹ The result is not only a transfer of tax advantages, it encourages demand for housing as a financial asset,

³⁶ Blatman-Thomas, N., & A. Porter, (2023). 'Rethinking housing inequality and justice in a settler colonial city', *International Journal of Housing Policy*. 1-24.

³⁷ Latimore, J., (2019). 'Indigenous social housing residents vow to fight as homes sold from under them', *The Guardian*, March 16, 2019.

³⁸ Lowries et. al., (2022). 'Locked out: generational inequalities of housing tenure and housing type', *Property Management* 40(4): 510-526.

³⁹ Warlters, M., (2024). 'The effect of negative gearing and capital gains tax reform on home ownership', *Australian Economic Papers* 63(3): 427-448.

⁴⁰ Coates, B., and J. Moloney, (2023). *How to tackle Australia's housing challenge*. Grattan Institute.

⁴¹ Warlters, M., (2024).

which feeds into higher purchase prices and rents rather than improving access to stable, secure housing.⁴²

In practical terms, the pathway into housing is less tied to personal effort and more tied to intergenerational backing. This is evident in the main residence capital gains tax exemption. While the principle is straightforward, the family home is not taxed, its long-term effect has been substantial tax-free wealth accumulation for homeowners who entered the market earlier. Over decades, this has widened and will continue to widen a generational split.⁴³ Those who bought years ago have often received large gains without tax applying, while younger Australians meet far higher entry prices and larger deposits. Work by the Australian Housing and Urban Research Institute points to housing wealth as a major contributor to inequality, with outcomes increasingly shaped by whether families can step in with financial help.⁴⁴

Tax and financial settings support strong investor demand, but this sidelines first-home buyers and raises prices.⁴⁵ Taxes triggered by transactions, such as stamp duty, tend to block new entrants more than they capture housing wealth in a balanced way. First-home buyers face significant upfront charges, while established owners, especially those who purchased long ago, avoid those costs unless they choose to move. When this is combined with land tax exemptions for owner-occupiers, the broader system continues to favour investors and existing homeowners.⁴⁶

Lending rules offer people entry into the market, but they don't account for the lack of supply. For example, HECS debts are factored into mortgage borrowing capacity, with some changes to this forthcoming where banks might overlook smaller HECS debts. Like the 5% deposit scheme and first home buyers' incentives, this may assist HECS debt holders increase their borrowing power, it does not address the fact that supply does not meet demand. Lending options like low

⁴² Abelson, P., (2025). 'Housing rents and prices in Australia 2000-2025: facts, explanations, and outcomes', SSRN.

⁴³ Richardson, D., (2021). *The Intergenerational Report ignores booming wealth and capital gains*. The Australia Institute.

⁴⁴ Liu et. al., (2023). *Poverty and Australian housing: findings from an AHURI Investigative Panel*. AHURI Final Report No. 410.

⁴⁵ Australian Council for Social Services, (2025). *Homes for living, not wealth creation: tax and expenditure reforms to improve housing affordability and equity*: 26.

⁴⁶ Mangioni, V., & H. MacDonald, (2021). 'A review of objections to residential land values to assess the State Land Tax: a case study of inner Sydney, New South Wales', *eJournal of Tax Research* 19(1); 121-145.



deposits, shared equity, and concessions create disadvantages, particularly for people already struggling. Sellers will raise prices because there is demand, so any concession is absorbed into the higher price. The result is that first-home buyer competition increases and buyers enter an even more expensive market.

People with psychosocial disability are at increased risk of housing instability and homelessness. They are overrepresented in social housing and support services waitlists.⁴⁷ Simultaneously, there is a critical shortage of housing, let alone housing that meets their needs (affordable, stable, accessible). The housing system is fragmented and difficult to navigate via confusing eligibility processes and disconnected service interfaces, leading to delayed, incomplete, or unsuccessful applications and service drop-out. The cycle of instability keeps people stuck in the system for generations. Even if they are eligible for social housing, they are competing in an undersupplied system.

Incentives for SDA Housing do not meet the real-world needs of people with disabilities. In 2025, ABC Four Corners program examined hundreds of vacant SDA properties, highlighting that investors sought to enter the SDA under the impression of an ethical way to attain high rental returns only to be unable to find tenants.⁴⁸ Part of the issue was that the housing was not suitably located to services. An underexamined issue is that the 2019 SDA Design Standard for new builds does not address the needs of people with intellectual disability, autism, cerebral palsy, cognitive disability, or multiple disabilities.⁴⁹

While housing may technically comply, the design does not meet actual need. The result for investors is higher upfront costs, uncertain returns, and the knowledge that they invested in a program not fit for purpose. For people with disability, it means longer wait times, more people in unsuitable or inappropriate housing, limited support, and ongoing financial and housing insecurity.⁵⁰ MHCN acknowledges that the SDA Review is still in progress and urges the review be widely distributed and recommendations delivered with proper consultation of community services and lived experience stakeholders.

⁴⁷ Mental Health Carers NSW, (2025). [*The Housing Crisis and Impacts for People with Psychosocial Disability in NSW*](#). Mental Health Carers NSW.

⁴⁸ Longbottom et. al., (2025). *Hundreds of homes for people with disability sit empty at expense of NDIS participants and investors*. ABC Four Corners.

⁴⁹ National Disability Services, (2025). *Submission to the SDA Design Standard Review*.

⁵⁰ Australian Housing and Urban Research Institute, (2024). *Specialist Disability Accommodation in the social housing sector: policy and practice*

Together, these arrangements influence not only ownership rates but life opportunities. Housing has become an investment vehicle. Renters, more commonly younger, on lower incomes, or living with mental health conditions and/or disability, miss out on asset growth while coping with higher ongoing costs and greater insecurity.⁵¹ Over time, this deepens the distance between generations and entrenches disadvantage.⁵² A fairer housing system must look at these settings as a connected package, not as separate measures, and assess how their combined impact protects existing wealth while keeping others at the edges of the market.

Accordingly, MHCN respectfully recommends long-term reforms, such as:

- i. Incentivise states to improve building approval processes and ensure the workforce is equipped to expand both general housing stock and social and affordable housing stock.
- ii. Direct public investment into housing for low-and middle-income Australians.
- iii. Review and reform tax incentives that inflate prices including negative gearing and capital gains tax discounts to reduce speculative property investment.
- iv. When the SDA Standards Review is complete, the committee should facilitate dedicated consultation on the recommendations with people with a wide range of disabilities, their families and carers, and disability advocacy groups.

f) policy, legislative and other options for tackling intergenerational housing inequity and evening the playing field for current and future generations

A response to intergenerational housing inequity must not treat the issue as a matter of ushering new buyers into an unchanged market. The difficulties facing first-home buyer cohorts are not incidental, they are produced by the very

⁵¹ Ong Viforj et. al., (2025). 'Barriers to home ownership among young people in Australia: unpacking competing hypotheses', *Population, Space, and Place* 31: e70004; Matthews, T., (2025). 'Home is a long way away: Australia's property problem', *Griffith Review* 87: 54–63.

⁵² Australian Council of Social Services, (2025). *Homes for living, not wealth creation: tax and expenditure reforms to improve housing affordability and equity*: 5; Lowries et al., (2022). 'Locked out: generational inequalities of housing tenure and housing type', *Property Management* 40(4): 510–526.



arrangements that have repeatedly steered housing wealth toward those who bought earlier and already hold assets. Policies geared towards first-home buyers might make ownership temporarily easier to reach inside the current framework, but without structural adjustment, gains continue to be concentrated among investors. The consequences are not only related to policy. Financial strain is a chronic stressor; major life steps get deferred, and mental health pressures intensify when housing insecurity becomes a long-term expectation.

Borrowing rules are an instructive starting point. Serviceability assessments have started to recognise that many renters already sustain payments comparable to mortgage repayments over long periods. Although counting rental histories in mortgage calculations yields a credible picture of repayment capacity, even so, this new cohort of buyers will struggle to find an affordable home. If borrowing power expands while supply remains constrained, demand rises quickly, prices respond, and affordability deteriorates. Ultimately, the intended beneficiaries are pushed back again by the same dynamics the reform sought to address.

Supply growth is often presented as the central remedy, but its delivery has jurisdictional barriers. Federal commitments like the National Housing Accord and Housing Australia Future Fund demonstrate funding ambition, but actual construction depends on state and local authorities that decide zoning settings, planning approvals, and the practical pace of development. When responsibility is split this way, approvals slow, coordination delays, and outcomes vary by state. Reducing approval times and tightening intergovernmental coordination are important steps, yet they still run into the barrier of a construction labour shortage.

Social and affordable housing is of serious concern. The current target of 55,000 homes does not resolve the demand. Waiting lists continue to lengthen, and the New South Wales figure, 57,401 households on the social housing waitlist in 2024, amplifies the scale of unmet demand. Without an explicit lift in direct public investment, the sector is structurally incapable of helping, and the households, already some of our most vulnerable people, are more exposed to instability.

There is room to redesign entry pathways into ownership that assists younger buyers and curbs speculative investment. One option would be to ensure housing is reserved for first-home buyers and closed to investors. Government-backed finance and the removal of lenders mortgage insurance might support such stock, extending the scope of existing measures by ensuring part of the new supply is not subject to investor competition. However, if prices are left to float freely, the market



will capitalise and push costs upward. This will force younger households to hold larger debts, so caps or other price regulations are integral.

Tax settings and the broader financial architecture are a significant part of the intergenerational divide. Incentives such as negative gearing and investor-friendly lending settings help maintain speculative pressure in a housing market where supply is already tight. A large amount of Australia's housing stock is not used efficiently for several reasons, including:

- Older owners not downsizing or holding onto the property as a high-value asset or tax advantages.
- Vacant properties owned by foreign investors.
- High volume of holiday letting properties in cities and in regional areas where supply is already thin.

The government can encourage better housing utilisation through incentives for downsizing. Phasing down certain incentives and tightening investor lending, through options such as stricter loan-to-value ratios, may help to shift conditions toward owner-occupiers. These require complementary reforms such as reviewing superannuation concessions tied to property wealth, lifting transparency around foreign investment, and introducing tools like vacancy taxes to deter underuse of dwellings and encourage fair occupation of the existing supply.

People are renting for longer and the financial burden of moving house impacts all generations within the household. Security and predictability are essential when renting has become much more longer-term. National rent stabilisation approaches could address the insecurity that drives stress, instability, and financial strain. To keep supply from contracting, diverse rental supply models, such as tax incentives for landlords who offer long leases, could align investor practices with sustainability for renters. Moreover, a national housing data system capable of tracking prices, rents, ownership patterns, and supply pipelines in real time would allow policy to respond to conditions more proactively. Accessible and reliable information is crucial to identify and assess what is working, and where the shortfalls are concentrated.

A sustainable agenda blends supply expansion with reform. Rather than leaning mainly on the demand side of assistance that helps individuals compete in an increasingly costly market, it could offer tax and finance reform, stronger rental protections, and realistically designed pathways to ownership. Narrowing intergenerational gaps will inevitably require not only policy reform but also that Australians 'unlearn' our entrenched belief that the housing market should be a



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consistently high performing revenue stream. Narrowing these gaps must be consistent with the long-term need for a housing system that is equitable and sustainable, rather than easier to navigate and access for a shrinking share of younger households.