



Resolution Number Eleven

Submitted by National Secretary, Paul Howes.

Housing Affordability

Background

For decades after the conclusion of the Second World War, the aspiration of private home ownership was one of the most significant features of Australia's collective identity. In our society, home ownership provides working Australians with a real means of financial security throughout their working and post-working years, and allows families to be raised in a more stable environment.

Unfortunately, the reality of private home ownership is increasingly escaping the grasp of a substantial amount of hard working Australians, particularly young people who have just entered the workforce. This phenomenon is having a very real and profound impact on the ways in which our society is constructed, and has the potential to have very pressing economic and social implications if it continues unabated.

From the 1950's to the early 1980's, average house prices in capital cities were equivalent to three years' average earnings. Now, in 2009, the average price of a house is equivalent to seven years' average earnings.

During this same period, over fifty percent of dwellings sold would have been accessible to the median young household. Nowadays, that proportion has declined to less than thirty percent.

The situation has deteriorated so much that about two-thirds of the households in the lowest forty per cent of income distribution are spending more than thirty per cent of their income on housing, which is often conveniently described as "housing stress".

There are many varied and complex factors that interact to give rise to this situation. In some geographical areas (eg. the Pilbara in West Australia), the situation is much more pronounced and acute than elsewhere in the country. However, regardless of the cause of the problem, the effects on ordinary working families are the same. It should not matter that the problem arises because of geographical proximity to resource rich areas; higher real wages in some industries; lack of integrated local and state government infrastructure planning and development; increasing developer charges; state government stamp duties; skills shortages in the construction industry or immigration levels – a consistent and uniformly agreed solution to the problem must be found soon.

We must also remember that the effects of housing shortages are most felt by those in our society who are least able to afford it, and who are least able to meet it. In particular, housing shortages affect the standards of living of indigenous Australians, the elderly, disabled and those that are homeless.

With the effects of the recent global economic crisis starting to bear reality for Australians, it is now more important for all relevant stakeholders, including federal, state and local governments, to meet this challenge head-on and to develop a multi-



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faceted and integrated response, incorporating financial, taxation, superannuation, infrastructure development and social elements into the equation.

Whilst the federal government's response to the global economic crisis in tripling the value of the First Home Owner's Grant is understandable and commendable in the short-term, it is but one of a number of equally important measures that must be undertaken to address this complex issue with a view to a long-term solution.

The aspiration of home ownership should again become a reality for working Australians.

Resolution

This National Conference calls upon the Federal Government to undertake all measures to coordinate a national strategy to address the housing affordability crisis, including involvement from local and state governments, unions, indigenous organisations, rural bodies, and housing and construction industry stakeholders.

In doing so, the Federal Government should give consideration to the range of issues identified by the Senate Select Committee in its report of June 2008 into Australia's housing affordability crisis, particularly with respect to –

- The First Home Owner's Grant scheme;
- stamp duty exemptions for first home buyers and retirees downsizing their residence;
- Accessibility to superannuation funds;
- Securatised mortgage schemes;
- Taxation arrangements for first home buyers;
- Integrated resource planning and development;
- Public transport facilities;
- Environmental sustainability;
- Rental assistance programs;
- Social Housing programs

Moved:

Seconded:

Outcome: