

HOUSING

“The CFMEU views decent, affordable housing as a basic social right.

Public policy in housing must address all forms of tenure. Homelessness is a massive problem in Australia; a problem at odds with our status as an advanced and prosperous society. Social housing, crisis accommodation, Indigenous housing, rental and affordable ownership must all be areas of priority action for government.

The CFMEU argues that Governments, State and Federal should dramatically increase their direct contributions to the provision of public housing. The CFMEU supports the Federal Government’s proposed National Affordable Housing Agreement. To the extent that it attracts substantially increased private investment in supply, it will aid the problem. To this end, the CFMEU believes that direct government investment as well as private investment must rise to resolve the current affordability problem.

Australia is currently experiencing a housing affordability crisis:

- *Reserve Bank of Australia data shows that 9.5% of household income is now consumed by mortgage interest repayments today – the highest level it reached under the Hawke Government was 6.1% in September 1989;*
- *The average housing mortgage repayment to income ratio for typical first home mortgages has increased from 17.9% in 1996 to 30.7% today; and*
- *Housing affordability as measured by the HIA-Commonwealth Bank Affordability Index is down 40% from 167.5 in 1996 to 97.8 today.*

Rising interest rates are placing considerable pressure on the ability of working families to service their mortgage. A significant and growing number of working families are experiencing mortgage stress or mortgage crisis.

The private rental market is also in crisis (particularly at the lower end) with vacancy rates at record lows and prices soaring, particularly in the major cities.

The CFMEU supports the Federal government in taking decisive action on this critical issue. In particular we support:

- a) The need for housing policy coordination at a national level through the Minister for Housing;*
- b) Reform of government planning frameworks to reduce costs;*
- c) Strategies to reduce the cost of development and supply of housing, but not at the expense of workers’ wages and conditions;*
- d) Strategies to increase the supply of affordable private rental properties;*
- e) Review of the operation of Commonwealth Rent Assistance scheme; and*
- f) Proposals to boost the supply of social, emergency and Indigenous housing.*

The CFMEU also supports the National Rental Affordability Scheme in its commitment of \$603 million to increase the supply of low-rental housing for lower-income households. Further, the Rental Tax Incentive provides a welcome incentive to encourage institutional investors, amongst them industry super funds, to invest in projects with a high social as well as financial value.

Recent announcements in relation to the Residential Infrastructure Fund are also welcome. Critical to solving the housing problem is the provision of adequate and timely infrastructure to areas in which rapid housing growth is occurring or anticipated.

The CFMEU believes that such positive policy should be taken in good faith by developers and the opportunity to contribute to broader social objectives should be met. The CFMEU does not believe that the new assistance should be crudely added to profit margins by business at the expense of working Australians. The CFMEU will be active in monitoring the implementation of these infrastructure proposals to determine if the government assistance is actually being passed on to the public.”