

Unions call on super funds and government to take action on affordable housing

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The Sydney housing market is in crisis for essential workers such as teachers and the issue is now being addressed by unions, political parties and even superannuation funds, Federation General Secretary John Dixon told Federation annual conference today (Tuesday 4 July).

Teachers, nurses, police and other emergency workers who once could afford to purchase their own home within a reasonable distance of their place of work have been either pushed out of the housing market and into the private rental market. They have also been pushed to the metropolitan fringes of the greater Sydney region or satellite housing markets on the Central Coast, Newcastle or Illawarra region.

At present, some teachers may even qualify for some NSW public housing under state government eligibility rules, Mr Dixon told the conference. "It may come as a surprise to most people that a teacher with a university degree and permanent employment with a government department may be eligible for affordable housing. However, under the NSW government's own eligibility guidelines, many classroom teachers would be eligible if such housing stock existed."



Different to "social housing", which is public housing for people on very low incomes provided by government or non-profits, "affordable housing" is defined as that which is appropriate for the needs of low to moderate income households and priced so it costs less than 30 per cent of gross household income, under NSW Department of Housing guidelines.

Under the current NSW Department of Housing "low-income" limit of \$67,700, a teacher on Step Five of the teachers' pay scale (earning \$65,608) would at present qualify for government rental assistance and be eligible for 'affordable housing' schemes, Mr Dixon says.

Even under the 'moderate' income limit of \$101,400 applied by the NSW Department of Housing, all classroom teachers up to and including step 13, (the top of the classroom salary scale) would be eligible for "affordable housing" schemes. "The problem of course is the lack of supply of suitable 'affordable housing' for key workers such as teachers," says Mr Dixon.

As a result of this crisis, some unions have now begun to look at the question of affordable housing for their respective members. Early talks have been held by Federation with First State Super and Teachers Mutual Bank about proposals to enable teachers to access affordable housing in the areas in which they work. The talks arose out of discussions initiated at Unions NSW in the context of the state wages policy and the restricted powers of the NSW Industrial Relations Commission.

As the "default superannuation fund" for public sector workers in NSW, First State Super is the logical fund to invest in affordable housing projects that can house teachers, nurses, police and emergency workers in affordable dwellings for purchase or rent.

In May, NSW Labor announced a policy that at least 25 per cent of new properties built on government land be set aside for affordable housing and 15 per cent of dwellings on privately-owned land zoned for housing be

designated for affordable housing.

“The Opposition says it will make tens of thousands of properties available each year to people who do not qualify for social housing, but do not earn enough to get into the current property market,” Mr Dixon told the annual conference when presenting a position paper on the issue.