



# SUBMISSION TO THE TREASURY, AUSTRALIAN GOVERNMENT Housing Legislative Package

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## About the SDA

The Shop, Distributive and Allied Employees' Association (the SDA) is one of Australia's largest trade unions with over 210,000 members. Our members work in retail, warehousing, fast food, hairdressing, beauty, pharmacy, online retailing, and modelling.

The majority of SDA members are women (60%, approximately 131,000), under 35 years (57%, approximately 120,000 workers), and low-income. Retail and food services are two of the three lowest industries for median weekly earnings.

The SDA has a long history of advocating on behalf of members. We do this through enterprise bargaining; making submissions regarding Awards and the National Employment Standards to provide a relevant safety net; and through numerous submissions made to parliamentary and government inquiries and other important reviews.

The SDA has 10 policy principles that guide our engagement in these reviews. For a list of these, see Appendix A.

# SUBMISSION TO THE TREASURY, AUSTRALIAN GOVERNMENT

## Housing Legislative Package -

## Housing Australia Future Fund Bill, National Housing Supply and Affordability Council Bill, and Amendment Bill

### Executive Summary

The Housing Legislative Package is about enabling a comprehensive housing reform agenda that creates safe and affordable housing and supports wellbeing and jobs.

- There is a crisis in housing in Australia and there is a range of ways to respond to the issues.
- The legislation is evidence of the Government's welcomed focus on:
  - the supply and building of homes, as opposed to a focus on demand; and
  - affordable housing in the broadest sense, including social and community housing as well as other forms of public and private rental, pathways to owning, and home ownership.
- There remains a need to focus on:
  - the quality of affordable homes to ensure that homes are liveable and communities are serviced adequately, and
  - enablement of jobs and the economy through housing, especially in the regions where critical shortages of labour are exacerbated by a lack of housing.
- Change to superannuation regulation is needed to remove disincentives to investing in housing so that one part of a solution to the housing crisis can progress, given the impact on retirement.
- The Housing Australia Future Fund needs a structure through which to demonstrate it adheres to the UN Sustainable Development Goals, including decent work and economic growth (SDG8), gender equality (SDG5), and no poverty (SDG1).

The SDAs recommendations aim to help the Government realising the vision of affordable housing, which is intended to be enabled by the Housing Legislative Package.

### Recommendations:

1. Continue to focus on
  - a. 'supply' of 'affordable' homes, and increase focus on quality including liveable design and access to services; and
  - b. enablement of jobs, especially in the regions where critical shortages of labour are exacerbated by a lack of housing.
2. Acknowledge the role of housing as a fourth pillar in retirement and change the annual performance assessment to push up performance of funds while alleviating the barrier to investment in affordable housing.
3. Ensure the legislation outlines how the Housing Australia Future Fund will adhere to standards of custodianship, governance, and stewardship that can be measured, including labour and social infrastructure standards.

## There is a housing crisis in Australia

The crisis in housing in Australia is evident across types of housing – from increasing poverty and homelessness<sup>1</sup>, through to increasing rental<sup>2</sup> and to mortgage stress. Mortgage stress is at its highest since April 2018 with 22.6% of mortgage holders now ‘At Risk’.<sup>3</sup> There is also excessive property ownership for unfair tax gains.<sup>4</sup> This housing crisis is also exacerbating issues with jobs and skills.<sup>5</sup>

A range of measures are available to Government which would impact the housing crisis, and many are not in policy areas traditionally associated with housing policy such as homelessness and state-based public housing. These include changes to taxation, urban planning processes and superannuation settings.

On taxation, there have been shifts. The ACT’s 20-year tax reform includes a shift from stamp duty to land tax and exemptions for first homeowners and for off-the-plan properties at affordable prices. Whilst there is some emerging evidence of the desired outcome having been delayed the policy objectives remain sound. The NSW Government is looking to an opt-in scheme for an ongoing land tax instead of stamp duty and advocates are seeking the same in Victoria. The Commonwealth could assist by looking at the GST and the margin scheme, as this impacts the decisions of investors as to whether they choose to invest in schemes to become landlords, that create pathways to ownership and that sell for affordable housing and/or mixed use.

Urban planning is a major social and environmental challenge. There are parts of the inner city which can be medium density to avoid patchy high density living in zones that are not near public transport and there are opportunities to develop areas and bring jobs to them.<sup>6</sup> There are also regional cities that have critical labour shortages, not brought on by needs for skills or migration policies, but brought on by the sheer lack of homes for workers.<sup>7</sup> The tendency of landlords to choose short term holiday rentals over tenancies has made this even worse, notably in Brisbane where the Council noticed and responded to the doubled rate of short-term rentals advertised on sites like Airbnb, Stayz and Booking.com.

Superannuation settings are discussed under the header “Superannuation settings need to change urgently in response to new policy” on page 4 of this submission. As superannuation commentary is often focussed on the superannuation sector, it should be noted that superannuation settings are one, and one part only, of the solution to the crisis. There is a need for the kind of actions announced in the October Budget 2022-2023.

## The focus on housing in the October Budget 2022-2023 is welcome

In October 2022, the Budget included “working together to fix the housing crisis”, “A target of one million

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<sup>1</sup> Detailed evidence of this can be found in the final report of the Inquiry into homeless in Australia, released on 4 August 2021. See [https://www.aph.gov.au/Parliamentary\\_Business/Committees/House/Social\\_Policy\\_and\\_Legal\\_Affairs/HomelessnessinAustralia](https://www.aph.gov.au/Parliamentary_Business/Committees/House/Social_Policy_and_Legal_Affairs/HomelessnessinAustralia) (Last accessed Sep 2022).

<sup>2</sup> “The number of low-income private renters (those in the lowest 40% of incomes) has doubled in number over the past two decades to 2.65 million people and as a cohort most spend more than 30% of their incomes on rent, what is considered to be living in ‘rental stress’” See <https://national.sda.com.au/rentalnation/> (Last accessed Sep 2022).

<sup>3</sup> “The latest Roy Morgan data into the Australian housing market shows mortgage stress is up during 2022 with 854,000 mortgage holders (19.4%) now defined as ‘At Risk’ in July 2022, up 171,000 on a year ago during a period of extensive lockdowns in NSW and Victoria.” See <https://www.roymorgan.com/findings/9078-mortgage-stress-risk-mid-2022> (Last accessed Sep 2022).

<sup>4</sup> Several economists and writers have pointed to the issue of negative gearing. See: <https://mckellinstitute.org.au/research/articles/negative-gearing-reform-has-never-been-more-important-heres-why/> ; <https://grattan.edu.au/news/the-great-australian-nightmare/> ; or <https://www.crikey.com.au/2022/09/12/jim-chalmers-negative-gearing-capital-gains-revenue/>

<sup>5</sup> For an economic analysis in the context of skills policy, see *Housing Critical: The role of housing in solving critical skill shortages across the regions* (24 August 2022) <https://everybodyshome.com.au/resources/housing-criticalthe-role-of-housing-in-solving-critical-skill-shortages-across-the-regions/> (Last accessed Sep 2022).

<sup>6</sup> See Urban Development Industry of Australia (UDIA) for some evidence of the challenges of urban sprawl. “The frenetic performance of the national greenfield sector has been a critical component of Australia’s strong economic performance through the pandemic. While this has been great news for market confidence and strengthened a housing-led economic recovery, it is also a warning for Governments for the need to act now to ensure development-ready supply is brought online. Failing to do so, and quickly, will impede the economic recovery and further impact housing affordability.” <https://udia.com.au/research/udia-state-of-the-land-2022/> (Last accessed Sep 2022).

<sup>7</sup> See Ibrahim, S., Jackson, S., Lloyd-Cape, M., *Retail in the Regions: Strong Foundations for a Secure Future*. [https://national.sda.com.au/wp-content/uploads/2022/04/Retail-in-the-Regions\\_FINAL.pdf](https://national.sda.com.au/wp-content/uploads/2022/04/Retail-in-the-Regions_FINAL.pdf) (Last accessed Sep 2022).



new homes under a national Housing Accord”, “Planning for the future of Australia's housing”, “Investing in social and affordable housing” and “Helping more Australians to realise their dream of home ownership” through programs known as Regional First Home Buyer Guarantee, Supporting veterans to purchase a home, Help to Buy, and Helping older Australians who want to downsize.

The crisis will not be fixed by one solution – there is a need for a National Housing and Homelessness Plan, which: “helps more Australians to buy a home, helps Australians who rent, and helps put a roof over the head of more homeless Australians.”<sup>8</sup> If done well, it will make it easier to save for and buy a home, make it easier and more secure to rent, increase and improve the quality of housing; and ensure people experiencing homelessness can access both a home and support. The focus on supply and building homes as opposed to focussing on demand is refreshing in the context of many years of demand increasing policies related to tax benefits for investors and grants for buyers.

As the policy work continues, defining ‘affordable housing’ broadly is critical to the success of a wide and complex issue like housing in Australia. Social and community housing is an important focus of governments be they federal or the states and territories. There is also a need to focus on other forms of housing such as public and private rental, pathways to owning a home and outright home ownership. This would provide the opportunity to make a difference across the pipeline of housing, which is consistent with the Budget announcement and its focus on the economy broadly.

Some of the models are explored in the paper “Rental Nation: A plan for secure housing in Australia” where the John Curtin Research Centre explored for the SDA the issue of housing security and the rights of those who rent following regular feedback from members that this was a critical social and economic policy issue. The rights of those who rent in Australia have not kept pace with the structural shift towards renting that has occurred in recent decades. We should not view renting as some precarious waiting room for home ownership. Whether an individual or family rents out of choice or necessity they are entitled to a sense of security in that housing arrangement.<sup>9</sup>

Another area needing focus is the role of work. Too many Australians don’t have the kind of job that enables them to have a place to call home—a job that is secure, pays good wages, and delivers enough hours of work. The housing market, whether it be to buy or rent, is increasingly out of reach due to insecure work. While there are some projects for affordable housing, these are neither large enough in scale nor comprehensive enough to deliver an affordable housing solution for all Australians.

One SDA member said “I have noticed a lack of full-time jobs. Everyone seems to be hiring casually or part-time but full time has become limited. I believe there are enough jobs, but I think the pay has really dropped how do we keep up with the housing market when we struggle to find well paying and secure jobs?” (Female, Regional City, NSW)<sup>10</sup>

This remark was made in a report that included data showing that in some regions the main impact of the pandemic has been on the cost of housing, not on the local economy. An influx of new arrivals has created a new economic divide between homeowners and renters, particularly in regional cities.

Affordable housing allows people to participate. If you have a safe home it improves physical and mental health, personal relationships and quality of family life, education and employment outcomes. But it can only do that if the home is liveable and is serviced adequately – and is located near jobs.

## **Recommendation:**

### **1. Continue to focus on**

#### **a. ‘supply’ of ‘affordable’ homes, and increase focus on quality including liveable**

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<sup>8</sup> p.139 ALP National Platform: As adopted at the 2021 Special Platform Conference. Available at <https://www.alp.org.au/about/national-platform> (Last accessed Sep 2022).

<sup>9</sup> See <https://national.sda.com.au/rentalnation/> (Last accessed Sep 2022).

<sup>10</sup> See “State of the Regions Report A snapshot of regional Australia in a time of pandemic September 2021”

- design and access to services; and**
- b. enablement of jobs, especially in the regions where critical shortages of labour are exacerbated by a lack of housing.**

## Superannuation settings need to change urgently in response to new policy

### **The Government's Mandate – A four pillar system that includes housing**

A focus on housing in the context of superannuation is consistent with the Government's mandate. On Saturday 21 May 2022, Australians elected a new government with a platform of dignity and security in retirement. The Government policy is that "older Australians have made their contribution to Australia's prosperity during their working lives, continue to make a contribution and deserve to share in Australia's rising community living standards and to live with dignity and financial security in retirement, financed through a combination of adequate superannuation savings, private savings, the age pension and home ownership."<sup>11</sup> This new policy, a four-pillar approach, contrasts with the policy settings of the previous political regime.

The Retirement Income Review Report, authored by a panel, suggests the reviewers' job was to improve understanding of the system and that one area of confusion was these pillars. The review explains the confusion, pointing to the fact that "The 'pillars' of the retirement income system are commonly seen as being the Age Pension, compulsory superannuation, and voluntary saving (including housing). Some see housing as a separate pillar. Others would add more pillars, such as labour force participation, social transfers in kind and the JobSeeker Payment (formerly Newstart Allowance)."<sup>12</sup> The Report works within the view that, on the basis of terms of reference drafted under the previous political regime, the pillars are: 1) a means tested Age Pension, 2) compulsory superannuation, and 3) voluntary savings, including home ownership. The Review report, despite the political view of the day, concluded on the question of pillars that "the most important consideration is whether it is actually operating as a 'system'."<sup>13</sup>

### **The Government's Policy – Super as one part of the solution to the housing crisis**

Since it was elected, the Government's statements setting the tone for achieving a sensible response to housing needs through superannuation have been clear:

- On 15 December 2021, the statement on "Supercharging Superannuation to Build a Better Future" was made.<sup>14</sup>
- Released in May 2022, the "Statement on Labor's Economic Plan and Budget Strategy" included that the new Government "will establish an all-of-government framework for facilitating partnerships between super funds and projects of national importance like large-scale and regional infrastructure projects, affordable housing, seed investment or farm and manufacturing technologies."
- On 22 August 2022, the Treasurer further outlined his three-point plan for superannuation: climate, housing and an investment roundtable<sup>15</sup>. In his article, the Treasurer noted that from 2014 to now, infrastructure has gone from 3.7 per cent of the 'book' to 6.6 per cent of the book, whereas residential housing has only gone from 7.4 per cent to 8.5 per cent. That means "the percentage of growth in infrastructure investment has not been matched by what we would like to see in residential housing as well."

<sup>11</sup> par.95, p.15 ALP National Platform: As adopted at the 2021 Special Platform Conference. Available at <https://www.alp.org.au/about/national-platform> (Last accessed Sep 2022).

<sup>12</sup> p.23, Retirement Income Review: Final Report, July 2020. Available at: <https://treasury.gov.au/publication/p2020-100554> (Last accessed Sep 2022).

<sup>13</sup> p.26-7, Retirement Income Review: Final Report, July 2020. Available at: <https://treasury.gov.au/publication/p2020-100554> (Last accessed Sep 2022).

<sup>14</sup> See <https://www.stephenjones.org.au/media-centre/media-releases/supercharging-superannuation-to-build-a-better-future/> (Last accessed Sep 2022).

<sup>15</sup> See <https://www.afr.com/policy/tax-and-super/chalmers-three-point-plan-to-move-beyond-superannuation-wars-20220822-p5bbrg> (Last accessed Sep 2022).

- In September 2022, the Jobs and Skills Summit included an outcome that read: “The Government will work with investors, including superannuation funds to leverage greater private capital into national priority areas, including housing and clean energy.”<sup>16</sup>

Not only is the Government policy on the role of Superannuation clear, so too is the need outlined above under the header “There is a housing crisis in Australia”.

### **The role of housing in the retirement system**

Superannuation has a part to play in solving the housing crisis because of the material impact on members retirement outcomes<sup>17</sup> and Superannuation can play that role, in part, through investment in housing initiatives. For example, superannuation funds

- have a role in providing good advice to members about the interaction between the retirement pillars.<sup>18</sup>
- are investors for their members and should maximise the value of their assets while mitigating risks so that members of the funds get a decent return and good retirement. That good retirement is predicated on a housing system, and the collective assets of those effected by the housing crisis should be leveraged to be part of the solution.
- are focussed on the long-term, and as such are required to incorporate long-term factors into their investment and ownership decisions. Having an ethical and internal obligation lens, rather than being focussed on short term financial gain assists with a focus on affordable, liveable, environmentally friendly housing.

Arguments against investment in housing by institutional investors are riddled with:

- vast generalisations (such as that the only type of housing that can be invested in is Public Private Partnerships and the nature and longevity of demand),
- deeply held assumptions (such as expectations of returns – comparing the returns to premium commercial property rather than say, cash like returns – and the role of investment being solely about being the ‘top’ or ‘ethical’ performer not in the ‘best’ interests of members retirement outcomes which are materially impacted by housing affordability), and
- a culture of self-interest (such as competitive positioning with government, plainly ignoring the change of policy that comes with a new government and continuing to see the pillars as not including housing).

There is already a range of investments in housing by superannuation funds and the Government should prioritise removing cost free barriers to these contributing to the solution to the housing crisis.

### **Barriers to investment in housing by super funds**

As outlined above under the heading “There is a housing crisis in Australia”, a range of measures are noted as available to Government which would impact the housing crisis including changes to taxation, urban planning processes and superannuation settings.

The reference to superannuation settings is primarily regarding the annual performance assessment which has created an incentive to “hug the index” rather than invest in innovative or other assets like housing. It also stops investment from operating as ‘system’ because hugging the index doesn’t allow super funds to consider other aspects of the system such as the material outcome at retirement of its members. Operating as a system was – according to the Retirement Income Review Report – “the most

<sup>16</sup> p.13 *Jobs and Skills Summit September 2022 – Outcomes* <https://treasury.gov.au/employment-whitepaper/jobs-summit> (Last accessed Oct 2022).

<sup>17</sup> p. 121-124, Retirement Income Review: Final Report, July 2020. Available at: <https://treasury.gov.au/publication/p2020-100554> (Last accessed Sep 2022).

<sup>18</sup> See Proposal 5, Quality of Advice Review: Consultation paper – Proposals for Reform, August 2022. Available at: <https://treasury.gov.au/consultation/c2022-307409> (Last accessed Sep 2022).

important consideration”.

As Housing is part of retirement income system, and there has been a decline of home ownership<sup>19</sup>, a decline of rental affordability<sup>20</sup> and the role of the home in security for aged care has been solidified.<sup>21</sup> This necessitates housing as a focus for superannuation measures.

The annual performance assessment provides a disincentive for investment in other Government priorities, namely: “projects of national importance like large-scale and regional infrastructure projects, affordable housing, seed investment or farm and manufacturing technologies.”<sup>22</sup>

Now that the system has been in place for two years and has resulted in several mergers and cessation of funds, it is now an opportune time to changing the Meaning of Benchmark to be a more effective at holding investors to account and pushing up performance. Detail on this proposal can be found in the SDA Submission to The Treasury, Australian Government Review of Your Future Your Super Measures.

### **Recommendation:**

- 2. Acknowledge the role of housing as a fourth pillar in retirement and change the annual performance assessment to push up performance of funds while alleviating the barrier to investment in affordable housing.**

## **Housing Australia Future Fund and ethical investment**

The object outlined in the exposure draft of the Housing Australia Future Fund Bill 2023 is to address acute housing needs, including the acute housing needs of Indigenous persons, women, children, veterans, and to enable support to be provided to increase the availability of social housing and affordable housing.

Social and Affordable Housing is a noble objective and, not unlike the objective of the Superannuation Industry (Supervision) Act 1993 which relates to pensions, that objective is underpinned by investment of commonly owned monies. The Housing Australia Future Fund is a common investment vehicle and as such needs to operate with custodianship, governance, and stewardship methods.

There are a range of principles used by investors internationally to support this kind of work – UN Sustainable Development Goals, the Principles for Responsible Investment, the UN Global Compact, and a swathe of others<sup>23</sup>. There are also a range of structures and standards of reporting that could be drawn from in setting measures. These vary depending on context, and the two most used standards for reporting are those set by the International Sustainability Standards Board (ISSB) and the Global Reporting Initiative (GRI), where work has begun to align these structures.<sup>24</sup>

### **Labour Rights**

Investors should implement respect for fundamental labour rights across their asset portfolios. UNGPs and OECD Guidelines for MNEs establish investors’ responsibilities to uphold human rights, including fundamental labour rights. Importantly, fundamental labour rights are considered “enabling rights” because they can foster respect for other human rights such as gender equality, health and safety and

<sup>19</sup> “In the past two decades, from 1999–00 to 2019–20, the percentage of Australian households that own their own home decreased from 71% to 66%.” See <https://www.abs.gov.au/statistics/people/housing/housing-occupancy-and-costs/latest-release> (Last accessed Sep 2022)

<sup>20</sup> “Over 1.0 million low-income households were in financial housing stress in 2017–18, based on the 30/40 rule (ABS 2019). Households with low income in the private rental market were more likely to be in housing stress, spending on average 32% of income on housing costs, compared with home owners with a mortgage (29%) or home owners without a mortgage (6.0%)” See <https://www.aihw.gov.au/reports/australias-welfare/housing-affordability> (Last accessed Sep 2022).

<sup>21</sup> This is a reference to the Refundable Accommodation Deposit (RAD). “For consumers, the disadvantage of the refundable accommodation deposits is that the family home may need to be sold to pay for a RAD. Proceeds from the sale remaining after paying a RAD are treated as an asset in the pension assets test, potentially reducing the pension amount.” See <https://www.health.gov.au/resources/publications/the-role-of-refundable-accommodation-deposits> (Last accessed Sep 2022).

<sup>22</sup> p.8, Statement on Labor’s Economic Plan and Budget Strategy. Available at: <https://alp.org.au/policies/labors-economic-plan-and-budget-strategy>

<sup>23</sup> See also p.23 to 32 of SDA paper, *Who Care’s: Challenges of work, family and care - Briefing for Institutional Investors 2022*. Available at: [https://sdaea.sharepoint.com/:b:/s/SDA2/ESCsNUfBilFjO\\_JEiqsCEsBIzsf8\\_mKlmx-scxmcV9sAA?e=fU4fOm](https://sdaea.sharepoint.com/:b:/s/SDA2/ESCsNUfBilFjO_JEiqsCEsBIzsf8_mKlmx-scxmcV9sAA?e=fU4fOm)

<sup>24</sup> See <https://www.ifrs.org/news-and-events/news/2022/06/issb-and-gri-provide-update-on-ongoing-collaboration/>



decent working conditions. The ILO Core Conventions are considered the minimum standard of “enabling rights” that serve as a precondition for the attainment of other rights related to the improvement of work conditions. The ILO Declaration on Fundamental Principles and Rights at Work obliges all ILO member states to respect, promote, and realize fundamental labour rights, irrespective of whether they have ratified individual conventions.

The Committee on Workers’ Capital Baseline Expectations for Asset Managers on Fundamental Labour Rights (“CWC Baseline Expectations”)<sup>25</sup> is a framework for investors that is specific to labour rights. It suggests tangible steps that investors can take, with a progression from “baseline” to “leading practice”. Asset ownership confers responsibility to act, regardless of the form ownership takes. Asset owners who contract with asset managers for the stewardship of their investments still have responsibility for those investments and may, through explicit procurement policies, communicate their expectations of their asset managers regarding labour rights. For example, through asset manager selection and oversight, asset owners can make clear the labour rights policies they expect their asset managers to adopt and implement as they carry out their contracted investment stewardship activities. Through contracted investment stewardship providers, all investors can implement these guidelines and benefit from meaningful dialogue with trade unions, national and global union federations, the ILO and other authorities on work and labour relations. Trade unions have extensive knowledge and experience in the implementation of labour rights. They can aid policy development, assist oversight, and support risk mitigation.

Investor respect for fundamental labour rights requires a clear policy commitment that is publicly available and actively circulated internally and externally. It should describe the processes that they have in place to perform due diligence, respond to concerns from trade unions, escalate engagements and provide remedy as appropriate. The policy advocacy that investors participate in should reflect their commitments to respecting fundamental labour rights. Asset ownership provides investors many tools for the implementation of their labour rights responsibilities, however not all tools provide the same value. Appropriate policy commitments, governance structures and due diligence mechanisms that are supported by trade unions are therefore vital.

## **Ethical investment**

For the Commonwealth of Australia, it is paramount that its investments adhere to the UN Sustainable Development Goals, especially decent work and economic growth (SDG8), gender equality (SDG5), and no poverty (SDG1). The 17 UN Sustainable Development Goals are:

- Goal 1 ..... No Poverty
- Goal 2 ..... Zero Hunger
- Goal 3 ..... Good Health and Well-being
- Goal 4 ..... Quality Education
- Goal 5 ..... Gender Equality
- Goal 6 ..... Clean Water and Sanitation
- Goal 7 ..... Affordable and Clean Energy
- Goal 8 ..... Decent Work and Economic Growth
- Goal 9 ..... Industry, Innovation and Infrastructure
- Goal 10 ..... Reduced Inequalities
- Goal 11 ..... Sustainable Cities and Communities

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<sup>25</sup> Available at: <http://www.workerscapital.org/baseline-expectations-for-asset-managers-on-fundamental-labour-rights>

- Goal 12 ..... Responsible Consumption and Production
- Goal 13 ..... Climate Action
- Goal 14 ..... Life Below Water
- Goal 15 ..... Life on Land
- Goal 16 ..... Peace, Justice and Strong Institutions
- Goal 17 ..... Partnerships for the Goals

While sustainability reporting and modern slavery declarations are now common place in major Australian companies, they will be necessary in the context of investment by common investment vehicles.

### **Exposure Draft – Housing Australia Future Fund Bill 2023**

The legislation should provide clear definitions of what “social and affordable housing” is. It should also include measures to ensure such housing is of a decent standard – that is liveable design and appropriately serviced for community cohesion.

Any Federal Government investment vehicle, such as this Fund, should require that any entity receiving investments or any other form of support from the Fund, is ensuring that:

- (i) any worker it employs or engages directly or indirectly has their labour standards respected and that,
- (ii) these investments are creating secure, local jobs.

The Bill, as currently drafted does not provide for either of these. We encourage the Government to amend the Exposure Draft Bill to include:

- Explicit commitments to these two objectives in the purpose of the fund.
- Require the fund to make policies with regard to these two objectives, and ensure that any entity it invests in or receives assistance from the fund is bound by these policies.
- Require those entities, as well as the Fund itself, to report on implementation of those policies.
- Provide a complaints mechanism to enable a potential breach of those policies to be quickly remedied.

Further, the work of the Fund should also be consistent with the Government’s Buy Australia Plan, and its Apprenticeship Guarantee, especially as the Fund will drive investment into residential construction.

### **Recommendation:**

- 3. Ensure the legislation outlines how the Housing Australia Future Fund will adhere to standards of custodianship, governance, and stewardship that can be measured, including labour standards.**

## Appendix A: Rationale for SDA policy positions

SDA policy is driven by providing value to our members whose work is regulated by a broken industrial framework. We seek an economic system that supports, protects and advances the interests of working people in this country.

Our predecessors built the conciliation and arbitration system which provided the foundations to our nations prosperity over a century ago, it is now our responsibility to build a system for the next generation.

Since the introduction of the Fair Work Act 2009 and subsequent radical changes to the financial and digital context inequality has grown and economic and political power has concentrated in the hands of a few.

We believe that fundamental not incremental change is needed. In contributing to policy, we seek to drive a new system that acknowledges the change that has occurred and will withstand the emerging world of work.

We engage in topics that help us drive this agenda and are guided by ten principles that we believe will create value for our members. Those principles are:

- 1. Address Inequality & Enshrine Fairness**  
Minimum expectations must be set and adhered to.
- 2. Equity & Empowerment**  
All workers must be supported to progress so that no-one is left behind.
- 3. Mobility & Security**  
A socially successful economy must provide opportunity for all, regardless of their background. Systems must be built in a way that support success and adaptation in a rapidly changing world of work.
- 4. Delivering Prosperity & Growth For All**  
A foundation for prosperity and economic growth must be achieved.
- 5. Protection in Work & Beyond**  
Workplaces and the community must be healthy and safe for all workers and their families during and beyond their working lives.
- 6. Workers Capital & Superannuation**  
Workers capital and superannuation must be an industrial right for all workers and treated as deferred earnings designed for dignity and justice in retirement.
- 7. A Strong Independent Umpire**  
A strong, independent, cost effective and accessible industrial umpire and regulator must be central to the future system of work in Australia.
- 8. Protection & Support for Our Future**  
Protecting and supporting our future requires a strong and vibrant retail industry and supply chain providing jobs with fair and just remuneration and contributing to the economy including through skilled workers.
- 9. Work & Community**  
Work is a fundamental human activity that provides for personal, social and economic development. Work as it operates in community must build and protect a balance between life at work and life so that workers can contribute to society through the wider community.
- 10. Institutional Support for Collective Agents**  
Institutional support must provide for collective agents (registered organisations) so that they are recognised, enshrined and explicitly supported as central to the effective functioning of the system.

Details of specific policy positions can be discussed by contacting the SDA National Office.

