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29 June, 2012

MEDIA RELEASE

## COAG report is evidence of need for housing reform

A new report released by the COAG Reform Council showing that Australia's housing affordability continues to worsen is further evidence of the housing pressures facing renters and home buyers, said the Housing Industry Association, the voice of Australia's residential building industry.

"Governments have not made the necessary headway to address the inefficient taxes, long planning and land release delays, and the myriad of other barriers which artificially push up the cost of new housing and restrict new housing supply," said HIA Chief Executive Officer, Mr Graham Wolfe.

"How much more evidence do we need before governments recommit to urgent and serious housing supply reform in this country."

The COAG Reform Council's report outlines results that are particularly concerning in terms of low and middle income earners. The Council found that low and middle income households in all jurisdictions could afford a smaller proportion of homes sold in 2010-11 compared with 2009-10.

The report also found that the proportion of the lowest 10 per cent of households by income in rental stress increased from 49 per cent in 2007-08 to 61 per cent in 2009-10.

"This latest report from the COAG Reform Council dovetails with the recent findings of the National Housing Supply Council which show that Australia's aggregate housing shortage has grown by a further 28,000 dwellings in 12 months. This is the crux of the issue – if you want more affordable housing in Australia then you need to reduce the cost of new housing and boost housing supply," said Mr Wolfe.

"The situation can be turned around, but it requires action and that action needs to occur now. The private sector can't fix these issues – regulations and taxes are set by our parliaments and local governments – these bodies need to take serious action to make inroads to the housing shortage and hence to affordability," said Mr Wolfe.

"As new dwelling commencements in 2011/12 approach 130,000 nationally, it is inevitable that housing pressures will continue to mount for the foreseeable future," added Mr Wolfe.

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