



Hon. Robert McClelland MP

Minister for Housing and Homelessness

MEDIA RELEASE

Wednesday, 21 December 2011

NEW HOUSING MINISTER WELCOMES STATE OF SUPPLY REPORT 2011

New Minister for Housing and Homelessness, Robert McClelland MP, today welcomed the release of the National Housing Supply Council's *State of Supply Report 2011*.

"The Council's report provides a valuable contribution to the Government's policy development in the area of housing supply and affordability," said Mr McClelland.

"The Labor Government has done a lot to increase the available housing stock, both public and private. However, as this report highlights, there is still a lot to be done to address the inescapable fact that growth in underlying demand for housing is outstripping supply."

"The report confirms that access to affordable housing is a challenge for many Australians. We need to make sure housing supply matches the needs of our changing population - that is why the Government is making an unprecedented investment to increase the supply of affordable housing across the nation.

"Initiatives include the National Rental Affordability Scheme, which is providing financial incentives for investors to build 50,000 new affordable dwellings for rental to low to moderate income households.

"The Government has also invested \$450 million in the Housing Affordability Fund and provides over \$1.2 billion each year to the states as part of the National Affordable Housing Agreement. The Government's Building Better Regional Cities program will assist the construction of more affordable homes in regional cities.

"The resulting surge in supply of affordable housing for people on low to moderate incomes over the past two years has been recognised in the report."

The Council was established by the Government in 2008 to provide forecasts, analysis and advice on the adequacy of land supply and construction activity to meet housing demand and improve affordability.

The Council's report provides independent and consistent data on housing supply, underlying demand and the supply-demand gap, as well as affordability. The report has become a trusted resource for both government and industry.

The report found that while housing supply has increased, it has risen at a slower rate than demand, with the gap between underlying demand and supply increasing by approximately

28,200 dwellings in the year to June 2010. While the report notes that rents have grown faster than wages in recent years, over the last fifteen years wage growth has outstripped rents.

The report illustrates there are some challenges in the housing market in future years.

For example, many regions may see a shift in the kind of housing being sought by Australians as demographics change. The report suggests that tackling the housing shortage is not simply about increasing the number of homes being built but about building the right types of homes in the right places.

Opportunities to address this challenge will be examined as part of the Housing Supply and Affordability Reform agenda. The Government is working with the states to finalise this examination of supply constraints in the housing market, with a report to be delivered to the Council of Australian Governments soon.

“I would like to thank Chair Owen Donald and the other Council members for their hard work and commitment in creating the report, which will be an invaluable tool for the work ahead of us,” Mr McClelland said.

The report is now available at www.nhsc.org.au.

Contact: Simon Ferguson – (02) 6277 7667 or 0427 934 112