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**Speech - Housing Australia Future Fund Bill 2023**

Deputy Speaker

**Introduction**

Why does this Labor Government's actions never line up with its words?

During the election and for the months after, all we heard from this Government was how they were addressing the housing shortage, how they would be making housing more affordable and that they would somehow build hundreds of thousands of new houses for Australian families.

Their rhetoric could not be further from the policy they are actually implementing, and it seems that it will be Australian families that will suffer the most from this Government's missteps.

While we will be supporting the National Housing Supply and Affordability Bill and the Treasury Laws Amendment (Housing Measures No.1) Bill, the Coalition will not be supporting the establishment of the Housing Australia Future Fund (HAFF), and it is this Bill in particular that I want to focus on, because it promises the world and fails to deliver when compared to the efforts of the previous Coalition Government.

For what may become a regular occurrence for me, I want to outline just how Labor's are failing to live up to their own words.

### **Issues - Labor Policy**

The introduction of the Government's Housing Australia Future Fund (HAFF) will only compound the incredible inflationary pressures, currently being faced by Australian households and lacks crucial detail in many aspects within this Bill.

The HAFF will be capitalised with \$10 billion of additional Commonwealth Government borrowing.

More borrowing at a time that Australians can least afford it.

With the 10-year government bond rate approaching 4% and rising, the \$10 billion borrowing will cost the Commonwealth approximately \$400 million per annum in interest servicing costs on the debt.

This increased borrowing will add to inflationary pressures in the economy leading to higher interest rates.

An irresponsible measure at a time when the Government is trying to cover its own shortcomings in failing to address continued rate rises by attacking the Reserve Bank.

It is fiscally reckless to deflect blame in one breath, but then increase spending and borrowing in another.

The RBA itself can only respond to economic conditions, not dictate them.

If the Government was truly committed to bringing down interest rates for struggling households, they would be implementing policy which avoid adding to the already high inflationary pressures within our economy.

The measures in this Bill, would suggest that Labor cares not for the Australian public, pushing ahead with further spending and risking further inflation.

Unfortunately, if the Government continues to fail on addressing inflation, the RBA is only really left with one option.

Additionally, it seems that the scant detail which has been made available has created its own concerns.

The mechanism from which the proceeds of the Fund are distributed through contain very little oversight and could operate as a slush fund for the Housing Minister to fund projects without any independent cost benefit analysis, and therefore will be highly susceptible to abuse.

The International Monetary Fund has already warned the Government that the proliferation of such funds should be avoided.

Somehow in one Bill this Labor Government has been able to further back the RBA into a rate rising corner, while completely ignoring warnings from the IMF.

Yet, they would like the public to think that they have a plan for Budget repair.

While what is included in this Bill is concerning, what is left out is far more damning.

Labor begins by failing to define what you would expect to be simple terms.

There is no answer for a clear definition on social housing, affordable housing or acute housing.

Furthermore, the Investment Mandate has yet to be released, restricting further scrutiny and key information on the Fund's capability to deliver the Government's election commitments.

Without an investment mandate this legislation is essentially a shell, with all key aspects to the operations of the Fund likely to be contained in that mandate

Why has this not been made public?

On this basis alone, it is enough for Coalition to not support this Bill.

The Investment Mandate should undergo a public consultation process, it is astounding that this has not occurred here.

External stakeholders have also voiced their concerns on a number of issues which have not been addressed.

They criticised the limit on annual drawdowns - highlighting the lack of funding certainty with no mechanism/performance criteria to assess effectiveness of the grants.

The Bill itself prescribes a 5-year review timeframe which is wholly inadequate given the uncertainty surrounding this funding model.

Stakeholders have requested a much shorter period for review to ensure the proposed grants from the Fund are meeting their intended objectives.

It is concerning they are so many unknowns on what should be an exhaustive Bill, following the commitments made by Labor in the housing space, during the last election.

### **Coalition Record**

In contrast, the Coalition has a strong record with support for home ownership along with funding for social and affordable housing.

We want more people being able to own their own home and so, sooner - our actions proved this.

During our last three years in Government, the Coalition's housing policies supported more than 300,000 Australians with the purchase of a home.

The Coalition also supported the more than 21,000 social and affordable homes through the establishment of the National Housing Finance & Investment Corporation - soon to be renamed Housing Australia.

When it came to first home buyers, the Coalition were their biggest supporters.

First home buyers reached their highest levels for nearly 15 years.

With the number of first home buyers rising from approximately 100,000 when we came to office to nearly 180,000 in our last full financial year in Government.

We did this through a number of key measures.

The Coalition supported more than 60,000 first home buyers and single parent families into homeownership through the Home Guarantee Schemes - consisting of the First Home Loan Deposit Scheme, the New Home Guarantee, the Family Home Guarantee and the Regional Home Guarantee - with a deposit of as little as 5% or 2% respectively.

Of these Guarantees:

- 52% of the 60,000 guarantees issued were taken up by women, well above the market average of 41 percent women entering into homeownership.
- One in five guarantees issued went to essential workers, almost 35% of which were nurses and 34 percent were teachers.
- 85% of Family Home Guarantees were used by single mums.

We also understood the value for young people being able to use their superannuation to assist in a home purchase.

After all, it's your money.

By establishing the First Home Super Saver Scheme, 27,600 first home buyers were helped in accelerating their deposit savings through super.

Although we are no longer in Government, our commitment to first home buyers has been reiterated with a recommitment to the Super Home Buyer Scheme, which will allow first home buyers to invest up to 40% of their superannuation, up to a maximum of \$50,000, to help with the purchase of their first home.

When it comes to home ownership, the Coalition also:

- Established the National Housing Finance & Investment Corporation, which was established to operate two key activities:
  - o the National Housing Infrastructure Facility:
    - a \$1 billion perpetual facility financing critical housing-related infrastructure to speed up the supply of new housing through the provision of loans and grants and the making of investments; and
  - o an affordable housing bond aggregator (Bond Aggregator) providing cheaper and longer-term finance to registered community housing providers.
- NHFIC has been a landmark Coalition achievement and since its creation has delivered:
  - o \$2.9 billion of low-cost loans to community housing providers to support 15,000 social and affordable dwellings, saving \$470 million in interest payments to be reinvested in more affordable housing.
  - o unlocked 6,900 social, affordable and market dwellings through the Coalition's \$1 billion

Infrastructure Facility to make housing supply more responsive demand.

- Protected the residential construction industry with more than 137,000 HomeBuilder applications, generating \$120 billion of economic activity.

## **Conclusion**

After promising the world to Australians, this Labor Government's housing policy is already falling apart in less than a year.

First home buyers have drastically decreased.

None of the promised 30,000 new social and affordable homes have even been started.

Rents have continued to spike.

Now, they want to add further fuel to the inflationary flame and put upwards pressure on interest rates.

These consequences follow a common thread with other areas of this Government's policy.

There is and never was a real plan to change anything for the average Australian.

While the rhetoric may have struck a chord, the Government's actions are dead on arrival.

Most disappointingly, it will be everyday Australians that will be left to pick up the pieces.



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