

SUBMISSION

SELECT COMMITTEE
DEPARTMENT OF THE SENATE

HOUSING AFFORDABILITY IN AUSTRALIA

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AIM:

The aim of this submission is to highlight the problem of casualisation within the Australian workforce and the effect upon housing affordability. While some regional disparities are considered, the problem of casualisation remains a central issue in all states.

Casualisation seriously affects opportunity to secure loans and mortgages from banks and financial institutions.

This submission is not intended as a definitive, all-encompassing study. It provides a brief outline of a major problem.

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INTRODUCTION:

Casualisation of the workforce has become a greater problem in recent years. It was used by the business-classes and employers throughout the Howard Government years as a way of reducing trade-union influences in the workplace. It formed part of a sinister agenda aimed at penalising workers, and, in particular, trade-union members.

In contemporary Australia a large section of the workforce are denied the basic rights of full-time, permanent, secure employment with a standard 38-hour working week with Award and EBA conditions and paid leave entitlements. Casual workers are forced into a precarious financial existence, subject to the whims of the business-classes and employers. Possessing little bargaining-power those affected are often denied recourse to challenge employers for fear of termination of employment and livelihood.

The extent of the problem is widespread although for the purposes of this submission has been established by those classified in Australian Bureau of Statistics (ABS) tables as subject to 'no leave entitlement'.

While regional differences in property prices also affect housing affordability, the issue of casualisation remains decisive. Those denied security of employment are invariably denied opportunity to raise loans and mortgages with banks and financial institutions.

Australia, in 2008, is a society divided between those who can afford their own homes and those denied the opportunity. The development has also taken place during a period marked by a decline in public housing availability, exacerbating an already serious problem.

The issue strikes to the very heart of basic trade-union values.

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SUBMISSION:

INFORMATION FROM THE AUSTRALIAN BUREAU OF STATISTICS,
REVEALS:

1. EMPLOYMENT

GENERAL WORKFORCE = 8,776,900

EMPLOYED ON FULL-TIME BASIS = 70 per cent

EMPLOYED ON PART-TIME BASIS = 30 per cent

AVERAGE MEAN WEEKLY EARNINGS - ALL JOBS = \$862

ANNUAL SALARY, THEREFORE, = \$44,824
(REFERENCE 4.1)

2. EARNINGS

MEAN WEEKLY EARNINGS - NATION-WIDE = \$1020.5

ANNUAL SALARY, THEREFORE, = \$53,066
(REFERENCE 4.2)

2.1 MEAN WEEKLY EARNINGS - SOUTH AUSTRALIA = \$935

ANNUAL SALARY, THEREFORE, = \$48,620
(REFERENCE 4.3)

3. CASUALISATION

NO LEAVE ENTITLEMENT

ALL EMPLOYEES - NATION-WIDE = 21.7 PER CENT

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INFORMATION AVAILABLE FROM THE REAL ESTATE INSTITUTE OF AUSTRALIA (S.A.), REVEALS

- 4. MAXIMUM LOAN/ MORTGAGE AVAILABLE OVER 30 YEARS:
 - 4.1 ANNUAL SALARY \$44,824 = \$313,000
 - 4.2 ANNUAL SALARY \$53,066 = \$393,000
 - 4.3 ANNUAL SALARY \$48,620 = \$350,000

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CONCLUSION:

While property prices differ greatly between states, joint husband and wife/partner incomes provide some opportunity with housing affordability. In South Australia, where property prices are cheaper, greater opportunity exists for those in full-time permanent employment. The issue of casualisation, however, remains a fundamental consideration when assessing opportunity to raise loans and mortgages with banks and financial institutions.

The problem of casualisation restricts over a fifth of the Australian workforce with housing affordability.

No doubt other studies about this issue will explore the subject matter more comprehensively. I doubt, however, if subsequent findings will differ greatly from those in this submission.

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RECOMMENDATIONS:

I would like to recommend the Rudd Government:

1. Address and take immediate action to deal with the problem of casualisation and its effect upon housing affordability.
2. Begin a large-scale public housing building programme to:
 - 2.1 provide housing for workers;
 - 2.2 regulate the private housing market by providing an alternative to private ownership.