

Banking 'spivs' at industry funds making housing worse, Doug Cameron says



By **Simon Evans** 18 Dec 2018 — 12:55 PM

Too many industry superannuation funds now have young "spivs" from the banking sector working for them and that's part of the reason they are reluctant to invest in affordable housing projects, Senator Doug Cameron said on Tuesday.

Senator Cameron, Labor's spokesman on housing and homelessness, said it was a "disgrace" that Australia's industry funds were big investors in infrastructure projects and many other assets as part of their asset allocation process, but weren't also investing in low-cost housing projects.

"They've got all these young spivs who've come from the banking sector," he said at a session on housing in the 21st century at the ALP national conference in Adelaide.

Senator Cameron said it was a "disgrace" that Australia's industry funds were big investors in infrastructure projects but weren't also investing in low-cost housing projects.

He said Labor's affordable housing announcement on Sunday [to build 250,000 affordable dwellings](#) over 10 years if it wins power would bring extra impetus to the low-cost housing market and presented an ideal set of circumstances for investment by industry funds.

He also said that on a personal level he was in favour of Australia gradually moving to scrap stamp duty which is a big impost on the housing market and replace it with other longer-term taxes, as the ACT had done. Industry funds in the United States, United Kingdom and Canada were all investing in affordable housing projects.

Later, Senator Cameron, who is bowing out of politics when his term expires, repeated his comments about the changing nature of some of the industry funds. "Yes there are some spivs in there," he said.

They needed to remember the reason why industry superannuation funds were set up originally to enable a dignified retirement for working people," he said.

"Without a roof over their head they can't retire in dignity," Senator Cameron said.

He acknowledged the obligations of super fund trustees in making investment decisions, but said there was room for a consistently-performing investment in affordable housing alongside other assets.

Labor frontbencher Tanya Plibersek told the session that the sheer scale of the 250,000 dwellings under the Labor plan would enable community housing groups to go to construction companies with big orders for uniform designs that would keep costs lower.

"The scale of the investment changes the market," Ms Plibersek said.

Adrian Pisarski, executive officer with National Shelter, said stamp duty was a highly inefficient tax which should be replaced with a broad-based land tax and that would help the housing market overall.

"The scale of the investment changes the market," Ms Plibersek said.

"It's just a bad thing," Mr Pisarski said.

Grattan Institute chief executive John Daley criticised the Labor plans on Sunday that the [affordable housing announcement](#) was an attempt to deflect criticism that [its negative gearing plans](#) would push up rents for [lower-income renters](#).

Mr Daley said on December 16 that Labor's announcement of a rental subsidy scheme to create 250,000 affordable dwellings over 10 years would also commit a Labor government to spending money on new housing that

the private sector would provide more efficiently, without subsidy, if the government changed planning rules to boost new housing.

"It has the appearance of helping people at the bottom, whereas the reality is it helps a small group of people at the bottom in a fashion much akin to a lottery," Mr Daley said on December 16.

They needed to remember the reason why industry superannuation funds were set up originally to enable a dignified retirement for working people," Senator Doug Cameron said.

Labor's plan involves giving an \$8500 rental subsidy to newly constructed properties leased to eligible tenants at 20 per cent below market rent.

Investors will be given a 15-year guarantee of government subsidy for new properties, as long as they are offered at 20 per cent below market rents.

The Australian Housing and Urban Research Institute has estimated there is a shortfall of more than 525,000 affordable rental properties in Australia.

The plan will cost \$102 million over the next four years, rising to \$6.6 billion over 10 years as more properties are finished.