SDA Submission on Social Housing to the Senate Economic References Committee

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About the SDA

The Shop, Distributive and Allied Employees' Association (the SDA) is one of Australia's largest trade unions with almost 200,000 members. Our members work in retail, warehousing, fast food, hairdressing, beauty, pharmacy, online retailing, and modelling.

The majority of SDA members are women (60%), under 35 years (57%), and low-income earners. Retail and food services are two of the three lowest industries for median weekly earnings.

The SDA has a long history of advocating on behalf of members. We do this through enterprise bargaining; making submissions regarding Awards and the NES to provide a relevant safety net; and through numerous submissions made to parliamentary and government inquiries and other important reviews.

The SDA has 10 policy principles that guide our engagement in these reviews.
For a list of these, see Appendix B.

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Introduction

- The Shop, Distributive and Allied Employees Association (SDA) is deeply concerned about the housing prospects of retail, fast food and warehousing and welcomes the opportunity to contribute to this inquiry which is uniquely focused on social housing.
- Government-owned housing was once an important economic response to labour shortages, and a keystone of Australia's economic and social development. After World War II, it housed hundreds of thousands of migrants who made Australia their new home. In suburban Canberra, it helped bring civil servants to the capital in the 70s, and to this day, it continues to support the military through defence housing. It also served the needs of vulnerable people – be that young people in or leaving care, single parent families with low incomes, or adults with complex support needs. It no longer does any of these functions well.
- To better understand the experiences and sentiments of approximately 200,000 of our members on housing affordability and security, from August to September 2025, the SDA conducted a national social housing survey. The highlights of the survey can be viewed in Appendix A.
- The survey involved the participation of over 3,500 members, and their responses reveal common concerns around housing stress, insecurity and inaccessibility. Approximately 60 per cent of respondents expect to spend more than 30 per cent of their income on housing, 33 per cent are sacrificing essential items like food to afford housing, and around 45 per cent indicated that meeting their housing goals was 'extremely unlikely'.
- Accordingly, the SDA recognises the positive impact of increasing social housing for affordable housing supply and housing security. With capped or subsidised rent costs that are substantively lower compared to rent costs for private dwellings, social housing allows low-income households secure access to housing.
- The SDA emphasizes that while real wage increases are crucial to alleviate housing stress, insecurity and inaccessibility, rents and house prices will still outpace real wage growth if supply continues to be constrained.
- In the context of expanding housing supply, public housing should nonetheless take precedence over community housing, as public housing assets are directly administered by state governments and can be constructed at scale to meet long-term housing objectives, whereas the supply of community housing relies on the capacity and investment decisions of individual providers.

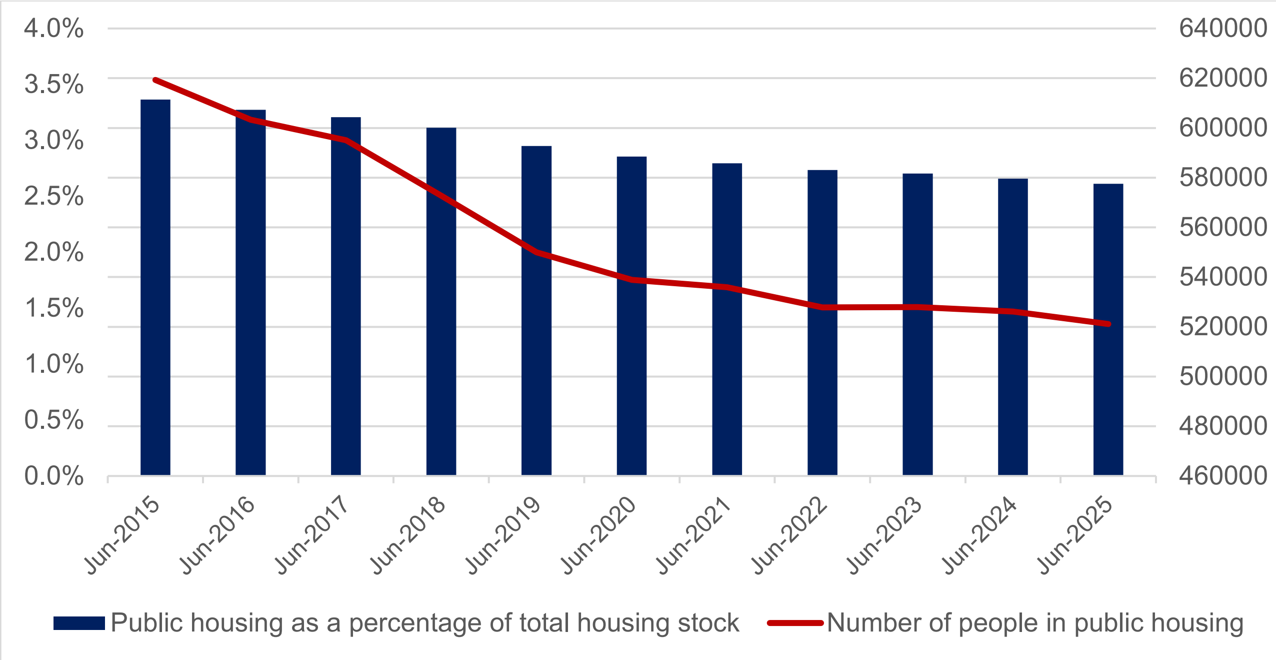
The market and housing supply

- Public housing has retreated from being a core pillar of Australia's housing system towards the end of the 20th century[1], to being a safety net reserved for the most disadvantaged members of society. The trajectory of this decline has not stabilised in the last decade.
- From June 2015 to June 2025, public housing stock as a percentage of total dwellings has declined from 3.4 per cent to 2.6 per cent, while the total number of people in public housing has fallen by 15.9 per cent[2]. The waitlist for public housing reached an all-time high of 189,536 in June 2025[3], showing that the decline of total number of people in public housing does not reflect improved rates

[1] Groenhart, L & Burke, T 2014, 'What has happened to Australia's public housing? Thirty years of policy and outcomes, 1981 to 2011', Australian Journal of Social Issues, vol. 49, no. 2, pp. 127-149.
[2] Australian Institute of Health and Welfare (AIHW), *Housing Assistance in Australia 2026: Households and Waitlists.*
[3] AIHW, *Housing Assistance in Australia 2026: Households and Waitlists.*

of social mobility, and that demand for public housing continues to outstrip supply.

Figure 1. Public housing stock as a proportion of total housing stock and number of public housing tenants, Australia, June 2015 to June 2025



Source: AIHW, Housing Assistance in Australia; ABS, National, State and Territory Population. Author's calculations.

- The increased reliance on the private sector to deliver housing supply has not been associated with better outcomes in housing affordability and security. From 2015-16 to 2024-25, the proportion of households on the lowest income quintile spending more than 30 per cent of their income increased from 29.1 per cent to 33.1 per cent[4]. Meanwhile, from June 2015 to June 2025, average rents and mean house prices have increased by 23.2 per cent[5] and 68.1 per cent[6], respectively, while average retail worker real wages have declined by approximately 3.6 per cent.[7]
- Why has an increasingly private-sector dominated housing landscape struggled to deliver positive affordable housing outcomes? Private developers are sensitive to macroeconomic conditions because they are primarily motivated by the profit motive. Global supply-shocks and their attendant interest rate hikes tend to dampen dwelling private construction activity, especially for affordable housing type-dwellings which generally carry weaker returns on investment compared to high density upper-market developments.
- Following the COVID-19 pandemic, a tight labour market for construction workers followed by a surge of population growth, coupled with supply chain disruptions, drove average house construction costs to grow by a staggering 29.4 per cent from June 2021 to June 2025.[8] Cash rate hikes, which attempted to arrest inflation during this time, subsequently eroded demand for mortgages and trebled financing costs for developers. As shown in the graph below, private dwelling commencements quickly responded to Cash Rate Target changes between June 2022 and June 2023, showing how sensitive private developers are to interest rates and broader macroeconomic conditions.

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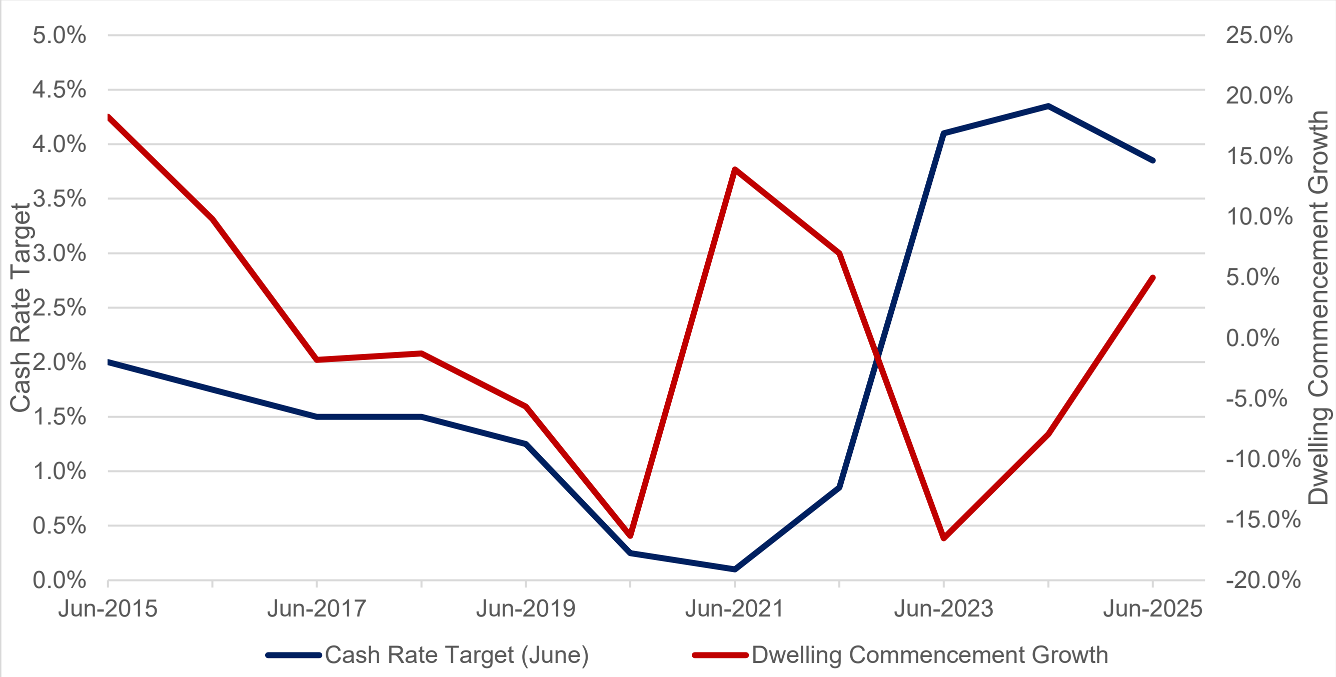
[4] AIHW, *Housing Affordability*
[5] ABS, *Consumer Price Index*. Author's calculations.
[6] ABS, *Total Value of Dwellings*. Author's calculations.
[7] ABS, *Consumer Price Index*; ABS, *Wage Price Index*. Author's calculations.
[8] ABS, *Producer Price Index*. Author's calculations.

Figure 2. RBA Cash Rate and private dwelling commencement growth, June 2015 to June 2025



Source: RBA, Cash Rate Target; ABS, Building Activity. Author's calculations.

- The consequences of lower private dwelling commencement rates are reflected in recent housing supply outcomes. As illustrated in the following graph, while the growth of total dwellings in Australia used to exceed the growth of residents, this trend reversed when macroeconomic conditions deteriorated after the end of COVID-19 restrictions. In turn, this has contributed to acute shortages and increased levels of housing stress.

Figure 3. Residential dwellings growth compared with estimated resident growth

Source: ABS, Building Activity; ABS, National, State and Territory Population. Author's calculations.

- Throughout FY25-26, private developers have continued to grapple with numerous demand- and supply-side pressures, including rate hikes, as well heightened labour costs exacerbated by the AI data centre construction boom and input cost spikes driven by the US-Iran conflict.

- During this period of elevated costs and weaker demand, around 3,472 construction companies became insolvent, accounting for one in four insolvencies nationally for the year[9]. The recent collapse of Bathla Group reveals the impact a major developer can have on housing supply: before entering into voluntary administration on 25 August 2026, the company had a pipeline of over 14,000 apartments, representing around 18.5 per cent of NSW's new housing for this year.[10] These insolvencies and setbacks to supply in FY26 and the beginning of FY27 have made it difficult for Australia to meet its National Housing Accord targets for 2029.[11]
- Private developers struggle to keep up with housing demand when projects lose their feasibility and cost pressures mount. On the other hand, because state housing bodies are not motivated by the profit motive and are focused on providing housing as a social good, they retain the capacity to sustain dwelling construction activity even when financial incentives are modest.

Benefits of public housing

- Stronger public housing construction activity reduces the exposure of the housing supply pipeline to macroeconomic instability, which in turn, will improve affordable housing outcomes. Beyond this, increasing the stock of public housing creates many positive externalities, such as:

Reducing cost of living pressures

- State public housing jurisdictions cap rent at around 20-30 per cent of individual income. An increased supply of public housing could thereby apply downward pressure to rents, as private dwellings will face stronger competition from public housing units to retain tenants.
- Rising rent costs are a key source of cost-of-living pressures for our members and a principal component of consumer price inflation which has eroded real wage growth. Curtailing the growth of rent costs through an increased supply of public housing could alleviate cost-of-living pressures and allow wage growth to outpace inflation.

Increasing the 'speed limit' of the economy

- The capacity of the economy to grow without generating inflation, often dubbed as the 'speed limit' of the economy, has featured more prominently in recent economic discourse. Housing shortages remain a key supply-side bottleneck in the economy, creating frictions with labour mobility and contributing to underlying inflation via housing cost price pressures. Over the medium- to long-term, improving housing supply through public housing can help moderate house and rent price growth, expand productive capacity, and give greater room for the economy to expand without resulting in price pressures that add to inflation.

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[9] SBS News, 'If Australia has a housing shortage, why are so many home builders collapsing?', 2026.
[10] ABC News, 'Bathla's collapse exposes many issues in Australia's housing industry', 2026.
[11] ABC News, 'Housing goal slips further since budget as rates, tax changes and Iran war rattle sector', 2026

Improving productivity and access to employment

- Many workers are priced out of affordable housing in dense centres of employment in major capital cities, as respondents have indicated in our 2025 survey. By allowing workers to live close to their place of employment in areas with developed infrastructure, worker commute times can be reduced. Several studies in Australian[12] and international contexts[13] have demonstrated that commuter time significantly impacts worker wellbeing, and indirectly, productivity, via lower rates of absenteeism and higher rates of worker engagement. Reducing commuting times could therefore be one of many avenues to get Australia out of its decades-long productivity rut.

Recommendations

The SDA supports a comprehensive range of public housing policy objectives to ensure that public housing supply is substantially increased and accessible for a wider cross-section of Australians experiencing housing stress.

On the Commonwealth level, this includes:

- Increasing Commonwealth funding to state housing authorities, via medium-term funding instruments such as the National Agreement on Social Housing and Homelessness (NASHH), to boost public housing stock pipelines.
- Increasing investments in the training of construction workers to alleviate acute labour shortages across the sector.

On the State level, this includes:

- Ensuring that public housing dwellings can accommodate a broad mix of household types, including single-person households and families with children.
- Improving coordination of public housing and zoning policies to allow workers to reside close to dense centres of employment and developed infrastructure.
- Sequence state housing projects with other state major building projects to reduce labour market bottlenecks.
- Investigate the use of modular construction for public housing, which could enable an increased scale of construction activity while lowering construction costs where appropriate.

Other recommendations regarding housing policy can be viewed in the attached Policy Brief.

Closing note

- Housing is a social good that should not be overly exposed to the vicissitudes of the market. The increasing dominance of private developers over the past decade has not been associated with improved housing affordability outcomes. In this era of rising geopolitical instability and macroeconomic volatility, there is a greater need for public housing to be revived as a central component of Australia’s housing system. Only a renewed and revitalised commitment to public housing will help alleviate rising levels of housing stress.

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[12] For example: Li, T, Dodson, J & Goldie, X 2021, 'Urban structure, commuting burden, and employment status of labour forces in an Australian city', *Journal of Transport Geography*, vol. 93; Ma, L, Ye, R & Titheridge, H 2019, 'Does daily commuting behavior matter to employee productivity?', *Journal of Transport Geography*, vol. 76, pp. 130-141.

[13] For example: van Ommeren, JN & Gutiérrez-i-Puigarnau, E 2011, ‘Are workers with a long commute less productive? An empirical analysis of absenteeism’, *Regional Science and Urban Economics*, vol. 41, no. 1, pp. 1–8.

Appendix A: Retail Workers Housing Affordability Research

October 2025

In response to growing feedback from members, the SDA launched a national housing survey to better understand the experience of retail, fast food, and warehouse workers.

- **Survey period:**13 August – 1 September 2025
- **Responses:** 3,552 SDA members participated; 2,667 completed the full survey
- **Coverage:** National, with responses from all states and territories

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Findings:
18-34s dreams dashed, homeowners in financial stress, and a retiree crisis.

The research reveals that housing stress is widespread and worsening, particularly for younger and older retail workers.

- **All retail workers:**
  - 27% of members own the home they live in (This is nearly 2.5x lower than the national average)
  - 60% expect to spend more than 30% of income on housing, 36% expect to spend over 50%
  - 33% are sacrificing essential items like food and bills to afford housing
  - 59% say they are unlikely to meet their housing goals, including 45% who are ‘extremely unlikely’
- **Retiring retail workers (55+ years):**
  - 52% do not own their homes (This is 28% below the national average)
  - 10% expect to spend over 75% of income on housing next year
  - 51% feel unlikely to meet their housing aspirations
- **Young retail workers (18 to 34 years):**
  - 68% feel unlikely to meet housing goals
  - 74% support wage increases as the most effective solution

Recommendations:
Real wage growth, Housing Supply, and Planning and Housing Law Reform

The SDA research calls for urgent action across three key areas:

- **Real wage growth** to match rising housing costs
- **Supply solutions** including public housing, build-to-rent-to-own and rent-to-own models
- **Reform planning and housing laws** to release land, allow for development, and keep renters in secure and affordable housing.

Next steps

In light of these findings, the SDA is intensifying its efforts in the following areas:

- **Real wage growth is needed**
  - Until relatively recently the average Australian family could expect to buy a home on one wage, with prices three times the median household income. That was largely because from post WWII and pre-GFC, productivity was shared with the general population. Since 2007, almost 1/3 of every dollar earned goes to the top 10%.
  - Retail productivity is up 26%, while real wages are down -1%. This represents a Productivity Debt in retail of 27%. In real terms, the average total annual earnings for retail workers have fallen by $400 since 2007. Over this same period, profits in the industry have increased by $22 billion, in real terms. Since 2000, the industry-wide total annual earnings have fallen by $350 per week.
  - The benefits of increased productivity – however that is achieved – should be shared with workers and the community by business. It should not be putting social and economic pressure on workers resulting in the housing crisis.

- **Supply Supply Supply: Planning, housing, and taxation laws**
  - The benefits of increased productivity – however that is achieved – should be shared with workers and the community by business. It should not be putting social and economic pressure on workers resulting in the housing crisis.
  - To achieve that, there is a need for planning laws to shift to allow for the release more homes, for taxation arrangements to support an increase in supply – be that linked to shifts in policy related to owner grants, negative gearing or capital gains.

- **Housing, including public housing, is an economic policy**
  - The structural shift away from governments investing in social housing has put pressure on the private rental market, and private renters with more money and people who would have previously been able to get into public housing are competing for the same private rentals.
  - Major investment is needed, and it should have three outcome measures:
    - **Economic contribution**: housing as a driver of jobs and productivity.
    - **Social contribution**: enabling families and communities to thrive.
    - **Cost-benefit**: demonstrating value for public and private investors.

- **Member education and navigation support**
  - SDA will also produce information for members to assist them with knowing where to go to access housing information.

SDA Members Words:

Wages and income should meet housing costs:

- “The best thing would be is a pay rise so we can afford day to day basics.” | NSW, Younger, No permanent accommodation
- “Pay realistic wages.” | TAS, Younger, No permanent accommodation

Control of rental arrangements is front of mind for members:

- My rent has increased by over 40% in the last 3 years and I'm no longer able to save.” | NSW, Younger, Renter
- “Have long term affordable rental in private market offering leases that are more than 1 year long.” | VIC, Midlife, Renter

The view of value in property is shifting:

- “I paid $500k for my house and it's now worth over $1.5m but this does not benefit me as I will need somewhere to live regardless. Even if my home was worth $10m I am no better off. It only hurts people attempting to get a roof over their head.” | WA, Midlife, Mortgage

The view of grants and other demand programs is shifting:

- With reference to first homeowners grants, “You can’t fix this problem by throwing money at it. You have to throw homes at this problem.” | SA, Midlife, Rent-free
- Tax reforms is necessary to ensure residential housing is not a pathway to build wealth. A home is to live in.” | NSW, Older, Mortgage

The trade-offs SDA Members are making:

- “Needed my mum listed on the rental agreement as well for my application to be successful (according to their system, my income was too low to afford the rental weekly amount - which is an average amount in my town).” | WA, Younger, Renter
- “I sold my long service leave for a deposit.” | SA, Midlife, Own outright
- “Moved from major city to rural town.” | VIC, Younger, Own outright

How life would improve with better housing:

- “Stop withdrawing super to pay debts.” | NSW | Midlife | Renter
- “Not live in a mould infestation.” | NSW, Midlife, Renter
- “Allow both my homeless daughters and their families to move our from our home.” | TAS, Midlife, Mortgage
- “Retiring in next 6 months and rental affordability will be a problem. Will still have to do some work still.” | QLD, Older, Renter

Appendix B: SDA Policy Position Principles

SDA policy is driven by providing value to our members whose work is regulated by an industrial system that has been reformed but had failed them for decades.

Australians need to be supported by an economic system that has working people at its centre. Our predecessors built an industrial system which provided the foundations for shared prosperity. It is now our responsibility to utilise the reformed industrial framework for the current and future generations. Decades of concerted attacks on our industrial relations system saw inequality grow, and economic and political power has further concentrated in the hands of a few.

The world of work has changed and will keep changing. There is an unprecedented intersection between work and care. Income and gender inequality have combined to increase disadvantage. Predictable, secure hours of work that provide a living wage are at the centre of decent work. But there has been growth in insecure work, digitalisation is now a matter of course, safety concerns have persisted, and automated, digital and generative technologies must be shaped to enhance, not undermine, decent work.

We believe that fundamental not incremental change is needed. In contributing to policy, we seek to drive a new system that acknowledges the change that has occurred and will be fit for purpose in the emerging world of work.

The SDA engages in topics that help drive this agenda and we are guided by ten principles that we believe will create value for our members. Those principles are:

1. **Address Inequality & Enshrine Fairness**
   Minimum standards must be set and adhered to.
2. **Equity & Empowerment**
   All workers must be supported to progress so that no-one is left behind.
3. **Mobility & Security**
   A socially successful economy must provide opportunity for all, regardless of their background. Systems must be built in a way that support success and adaptation in a rapidly changing world of work.
4. **Delivering Prosperity & Growth For All**
   A foundation for prosperity and economic growth must be achieved.
5. **Protection in Work & Beyond**
   Workplaces and the community must be healthy and safe for all workers and their families during and beyond their working lives.
6. **Workers Capital & Superannuation**
   Workers capital and superannuation must be an industrial right for all workers and treated as deferred earnings designed for dignity and justice in retirement.
7. **A Strong Independent Umpire**
   A strong, independent, cost effective and accessible industrial umpire and regulator must be central to the future system of work in Australia.
8. **Protection & Support for Our Future**
   Protecting and supporting our future requires a strong and vibrant retail industry and supply chain. The sector must provide decent work with fair and just remuneration and contributing to the economy including through skilled workers.
9. **Work & Community**
   Work is a fundamental human activity that provides for personal, social and economic development. Work as it operates in community must build and protect a balance between life at work and life so that workers can contribute to society through the wider community.
10. **Institutional Support for Collective Agents**
    Institutional support must provide for collective agents (registered organisations) in all industries so that they are recognised, enshrined and explicitly supported as central to the effective functioning of the system.

Details of specific policy positions can be discussed by contacting the SDA National Office.

As at 2 July 2026

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