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**Labor's housing affordability proposals a welcome step: AIST**

The Australian Institute of Superannuation Trustees (AIST) has welcomed new measures proposed by the Federal Labor Party to tackle housing affordability.

AIST CEO **Eva Scheerlinck** said the measures, which include banning borrowing arrangements in Self-Managed Super Funds (SMSFs), could help first home buyers by reducing competition from investors and also help reduce risk in the super sector.

"Banning recourse borrowing by SMSFs was recommended by the Financial System Inquiry with good reason," Ms Scheerlinck said. "Allowing SMSFs to take on extra risk through borrowing potentially affects everyone as it is the taxpayer who ultimately underwrites this risk through the provision of the age pension when things go wrong."

Ms Scheerlinck also welcomed Labor's proposal for a bond-aggregator investment model that could make it easier for institutional investors, such as pooled super funds, to invest in housing and improve the supply of affordable housing for low income earners and vulnerable citizens.

AIST's recently-released report on home ownership by **independent economist, Saul Eslake**, highlighted the need for measures that tackle housing supply as opposed to measures – such as first home buyer grants or tapping into super - that simply fuel demand. The report noted that while many aspects of housing supply fell within the responsibilities of State and Territory Governments, the federal government had a role in providing support or tax incentives for institutional investment in new affordable rental housing.

"There are a number of hurdles that have made it difficult for institutional investors to invest in social and new affordable rental housing," Ms Scheerlinck said. "Measures to create new opportunities in this area are long overdue and will be closely examined by super funds."

AIST's report – *No Place Like Home* – calls for a summit for stakeholders and of all levels of government - including State and Territory Governments - with the aim of reaching agreement on shared objectives and a policy framework to improve housing outcomes.

**Further enquiries:**

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***AIST is the peak industry body for the \$700 billion profit-to-member super sector which includes industry, corporate and public sector funds.***