

APPENDIX 4

Glossary

accessibility	scope for new home buyers to enter the housing market (sometimes used to distinguish from 'housing stress' suffered by current owners)
ACOSS	Australian Council of Social Service
adaptable housing	housing for which the initial design of the building allows its structure to change
ADI	authorised deposit-taking institution: a bank or similar financial intermediary supervised by APRA
affordability index	compiled by the Commonwealth Bank and the Housing Industry Association, the index relates the monthly loan repayment on a typical 25 year mortgage loan large enough to pay 80 per cent of the cost of a house with the median price paid by first home buyers, to household income
AHURI	Australian Housing and Urban Research Institute; a network of Australian academics working on housing issues
APRA	Australian Prudential Regulation Authority; the supervisor of banks and other financial intermediaries
cooperative housing	a form of housing tenure where a corporation or similar legal entity owns real estate, with each shareholder granted the right to occupy one housing unit
Commonwealth-State Housing Agreement	a joint Commonwealth-State arrangement which aims to assist both renters and purchasers obtain appropriate accommodation. The main identified funding priorities of the CSHA are public housing, community housing, crisis accommodation, Aboriginal rental housing, private rental support and home ownership support.
community housing	housing that is funded primarily by government but managed and sometimes owned by a non-profit community organisation

CPI	Consumer Price Index: Australian Bureau of Statistics measure of price change based on a set basket of goods and services
CSHA	Commonwealth State Housing Agreement
debt-servicing ratio	the cost of making interest and principal mortgage repayments as a proportion of gross household income
Demographia	a consultancy operated by road transport lobbyist Wendell Cox, which compiles a cross-country comparison of housing affordability
deposit gap	the amount by which the average house price exceeds the amount which a household on an average income can borrow
effective demand	the willingness and ability of potential buyers to pay for housing at existing market prices
FaHCSIA	Department of Families, Housing, Community Services and Indigenous Affairs
FHOG	First Home Owners Grant: a Commonwealth scheme introduced in 2001 giving a lump-sum grant to first home buyers
Generation X	definitions vary but the term broadly refers to those born between the mid 1960s and the mid-to-late 1970s; the first offspring of the 'baby boomers'
greenfield sites	former farmland land on the periphery of towns and cities rezoned for urban development
HECS	Higher Education Contribution Scheme
HELP	the successor scheme to HECS
HOME	Household Organisation Management Expenses Advice Program: a pilot early intervention programme aimed at assisting families experiencing difficulties in maintaining tenancies or home ownership due to personal or financial circumstances.
Housing Affordability Fund	Commonwealth government scheme to commence on 1 July 2008 investing \$500 million over five years in infrastructure linked to housing developments

housing stress	(low income) households that pay more than 30 per cent of their gross income in mortgage repayments; see 30/40
hypothecate	earmarking particular revenues for particular expenditure purposes. For example, in the US, spending on highways is financed by petrol excise
ICEHA	a Western Australian scheme for building homes to house workers for small business, under the <i>Industrial and Commercial Employees' Housing Act 1973</i> .
inclusionary zoning	whereby councils require developers to either contribute a percentage of new homes for low-cost housing or pay the equivalent in cash to build social housing elsewhere
infill sites	housing development within existing suburbs (as opposed to 'greenfield development')
mortgage stress	condition of households (in the bottom two income quintiles) that spend more than 30 per cent of their gross income on mortgage repayments
National Rental Affordability Scheme	Commonwealth government scheme funding tax incentives for investors to build up to 100,000 new affordable rental properties
negative gearing	taxation arrangement whereby when costs exceed investment income, the loss may be deducted from other taxable income
paraplanners	town planners with only a one-year diploma qualification, who could deal with routine low-value planning applications to free up more qualified planners for more important assessments
peppercorn lease	a lease where there is only a token rent payable
public housing	housing that is funded and provided by government directly
RBA	Reserve Bank of Australia; the central bank responsible for Australian monetary policy
rental stress	households that pay more than 30 per cent of their gross income in rental payments

SAAP	Supported Accommodation Assistance Programme: a joint Australian and State and Territory government programme providing accommodation and support services to people who are homeless or at risk of becoming homeless
securitisation	a financing technique that converts illiquid assets such as loans into marketable securities. The securities, which are backed by pools of assets, are then sold to institutional investors.
shared equity	a form of tenure where the resident and another (public, community or private) investor jointly own a property and share capital gains
social housing	an umbrella term to describe both public housing and community housing: subsidised housing, usually rental
UDIA	Urban Development Institute of Australia: a federation of five state associations that aims to promote the urban development industry
UDIA/Matsuik measure	classifies a housing market as unaffordable when a household spending 30 per cent of the average income in that region on repayments (with a 10 per cent deposit) could purchase less than 15 per cent of houses in that region
underlying demand	estimate of the number of new dwellings needed based on past growth in population, migration, living standards and the demolition of existing housing (as opposed to 'effective demand')
'30/40' rule	a measure of housing affordability which defines mortgage stress as those households in the lowest 40 per cent of the income distribution spending more than 30 per cent of their gross income on housing