

I am very concerned that current housing policies will not enable my grandchildren to purchase a house and have identified a number of changes that would help to restore housing affordability (see [fairdealforland.com.au](http://fairdealforland.com.au) ). Please indicate whether you and your party will, if elected, support these changes so I can inform readers as they make their voting decisions.

Please add any comments you would like passed on to my readers.

Name: \_\_\_\_\_ Party: \_\_\_\_\_

| Action  | I support<br>[Yes/No] | Party<br>Support<br>[Yes/No] | Comment |
|---|-----------------------|------------------------------|---------|
| <b>Stop upward pressure on land prices</b>  |                       |                              |         |
| · Enable Local Governments to release more land for development through infrastructure development.   |                       |                              |         |
| · Encourage State Governments to stop putting a floor under land prices through annual Site and Unimproved land valuations based only on Market Value..   |                       |                              |         |
| · Abolish negative gearing.   |                       |                              |         |
| · Recognize the true value of owner occupation of housing to the owner, the community (through greater disposable income after a few years) and the government (through a stronger economy and less rent assistance in later life). |                       |                              |         |
| <b>Assist first home buyers</b>   |                       |                              |         |
| · Stop Capital Gains Tax discounts except for sales to first home buyers.   |                       |                              |         |
| · Expand the Home Guarantee Scheme to include all first home buyers . Replace the property price cap with a cap of \$250000 (same as the Financial Claims Scheme) on the deposit guarantee.   |                       |                              |         |
| · Allow Superannuation to be used for a deposit for first home buyers.  |                       |                              |         |
| · Provide means tested government assistance through grants or equity sharing for a deposit for first home buyers.  |                       |                              |         |
| · Allow interest payments to be tax deductible for 5 years for first home buyers.   |                       |                              |         |

Please forward completed surveys to [fairdealforland@gmail.com](mailto:fairdealforland@gmail.com)

## Election Survey on Housing Affordability

Neither of the major parties is offering any significant reform of the housing system, although the need for significant reform has been identified for years.

*"He (Australia Institute's chief economist Greg Jericho)said housing affordability needed to be "front and centre" of the upcoming federal election.*

*"25 years of the tax system incentivising housing speculation through the 50 per cent capital gains discount combined with negative gearing has left Australia with a housing affordability crisis," Jericho said.*

*"The 50 per cent discount and negative gearing now cost around \$12bn a year with \$7.2bn going to the richest 10 per cent.*

*"After 25 years, we need to stop doing what isn't working and start fixing things."*

[Housing deposits further out of reach than ever, new numbers show](#)

There are a number of significant changes that could be made to improve housing affordability.

| Action  | Notes  |
|---|--|
| <b>Stop upward pressure on land prices</b>  |  |
| Enable Local Governments to release more land for development through infrastructure development.   | The greatest upward pressure on land prices comes from low supply and high demand. This is due to slow Local Government approvals, often caused by a lack of appropriate infrastructure. This also puts prices up as LGs make approvals conditional on large contributions from developers. Eg Botanica, a 300 household development at Wellington Point, is giving Redland Council \$10 million for infrastructure development. |
| Encourage State Governments to stop putting a floor under land prices through annual Site and Unimproved land valuations based only on Market Value..   | The State Government puts a floor under exorbitant land price increases through annual Site and Unimproved land valuations, effectively locking in higher land tax, rent and stamp duty receipts. It also provides a base for land investment and development decisions.   |
| Abolish negative gearing.   | Negative gearing and Capital Gains Tax discount costs the budget about \$20 billion per year. Government policies are focussed on benefiting an investment/rental market at the expense of home ownership. It support the rich at the expense of the poor. 25% of investment properties are owned by 1% of the population.   |
| Recognize the true value of owner occupation of housing to the owner, the community (through greater disposable income after a few years) and the government (through a stronger economy and less rent assistance in later life). | Owner occupied homes provide good value to the community and the government. It is reasonable that governments contribute to lessen the financial burden of purchasing a home, particularly off first home buyers.   |
| <b>Assist first home buyers</b>   |  |
| Stop Capital Gains Tax discounts except for sales to first home buyers.   | This will create downward pressure on the market by <ol style="list-style-type: none"> <li>1. Making investment properties less attractive</li> <li>2. Attracting more first home buyers into the market as sellers will realize greater profit through the CGT discount if they sell to a first home buyer.</li> </ol>  |
| Expand the Home Guarantee Scheme to include all first home buyers . Replace the property price cap with a cap of \$250000 (same as the Financial Claims Scheme) on the deposit guarantee.   | The limit on the value of a property is too restrictive in today's market. The FCS provides a \$250000 guarantee through selected providers without restriction. A similar limit on the deposit guarantee for the FGS would enable a lot more first home buyers to enter the market, with much greater return to the economy and government than the FCS.  |
| Allow Superannuation to be used for a deposit for first home buyers.  | Housing is a great investment and greatly reduces an individual's costs in retirement. As such it meets the purpose of superannuation.   |
| Provide means tested government assistance through grants or equity sharing for a deposit for first home buyers.  | Abolishing negative gearing and CGT will generate an additional \$20 billion for the budget. This could be used to increase grants for first home buyers.  |
| Allow interest payments to be tax deductible for 5 years for first home buyers.   | Interest payments and other expenses are tax deductible for investors who only pay 50% CGT. Allowing interest payments to be tax deductible for 5 years for first home buyers would be a much smaller tax concession than investors get, but would significantly ease the financial burden of home ownership in the first few years.   |