

To the Housing affordability enquiry team

Of course government at all levels should reduce/eliminate all taxes to make housing more affordable but all now this won't occur and in any case the federal government has no control over states in relation to related state and local council taxes they charge home purchases.

The first home owners grant was a huge mistake as for starters it was never means tested and all now it was rorted by many people i.e parents purchasing home's in the Childs name to receive the grant.

Low interest rates and conveniently slow land releases by governments to cash in on the property boom and allowing land speculation also contributed to this.

The matter needs to be addressed in a holistic way starting with taxation reform including lowering tax rates and abolishing tax minimisation of salary and reducing negative gearing deductions and increasing capital gains tax.

It is quite simple to make housing more affordable for first home buyers and i will suggest a few of these ideas below

- * Make mortgage interest tax deductible for first home owners (genuine and means tested too who do not own property either singular or jointly) as well as have a capital gains tax on the sale of the family home as part of this scheme and genuinely for houses sold over a certain amount.
- * Only allow persons who own their home/flat/terrace outright to purchase an investment property - allowing people to purchase an investment property based on the inflated increase of the value of their home when they do not yet own it has also had a dramatic effect on housing prices - this would also stop these so called investment guru's from conning people to sign up for get rich quick schemes too.
- * Reduce the current tax deductions allowable for property investors and increase the capital gains tax to 50%
- * Allow people access to their superannuation by way of a mortgage offset scheme - the genuine first home purchaser borrows money from the superannuation fund whilst their superannuation (personal and employer contributions) is paid into their superannuation account along with their salary - I am sure superannuation funds would like a guaranteed 6 or more percent earnings on the money in these funds instead of investing it on the volatile local or overseas sharemarkets.- The benefit also is that the superannuation money is not taken out of the fund by the home buyer as is the case in some countries overseas.

Once the house has been paid up the person's) can up the percentage of their superannuation contribution to as much as 50% of their salary or more if they possible could and or be allowed to sell equity (up to 75%) in the house upon retirement (they still reside in the house) to self fund their retirement.

- * Allow people to buy property for as little as 25% of the value of the property with the bulk made up from investors via a property share investors scheme system.

There are many ways to make housing affordable and many ways that housing can be purchased as above is only a few of these suggestions.

Regards

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