

Dear Gary

I understand that the Productivity Commission will be releasing its Issues Paper for the Inquiry into First Home Ownership next week.

I also understand that at a recent meeting on Government service provision you invited early input from the States on key issues for the housing inquiry.

Please find attached some input from South Australia.

Regards.

Jim Wright  
UNDER TREASURER

The South Australian government submits the following key issues to the Productivity Commission for consideration in relation to the Inquiry into First Home Ownership in advance of the release of the Issues Paper in early September. It is considered that the Productivity Commission should:

- i. attempt to abstract from recent cyclical influences in the property market and consider the medium to longer term factors impinging on housing affordability;
- ii. take a broad approach to considering housing outcomes across the community, considering access and affordability issues in both ownership and rental tenures and the interaction between rental and ownership tenures;
- iii. consider the extent to which the concerns regarding housing affordability are influenced by broader trends in the distribution of income and wealth in the community;
- iv. to examine the factors influencing the demand for housing and how they impact on housing affordability;
- v. in relation to stamp duties to consider whether the likelihood that such imposts are capitalised into house prices undermines the contention that they impact on affordability of home ownership;
- vi. to consider whether the original policy rationale for the First Home Owners Grant should remain a permanent objective of Government policy or whether there is a stronger policy rationale for a more targeted approach;
- vii. the role of planning systems in terms of their impact on housing affordability, amenity and locational disadvantage in terms of access to services and employment etc;
- viii. the role of both Governments and private developers in land release;
- ix. the appropriate cost sharing arrangements for provision of infrastructure for new residential developments; and
- x. the overall role of Commonwealth, State and local governments in influencing housing outcomes and the appropriateness of an integrated approach to “housing policy”.