

Stanley G CARLING  
Qld

September 2, 2003

Office of the Treasurer  
Parliament House  
CANBERRA  
ACT 2600

Dear Sir:

In reply to your letter dated 28 Aug 2003.

Whilst it is said that the Commonwealth Government values highly the home ownership by Australian families and individuals the present climate is putting the ownership of the Family Home out of reach of the average citizen.

Let me lay a few facts.

If an average worker, Wife and two children, on an income of \$40,000, paying the correct amount of tax, equates to around \$28,000 a year take home pay. Of the pay, He has to pay between \$150 and \$200 a week rent, He takes the advice of your office, He then has to pay private medical coverage which is \$45 a week. If the children are at school, there is an average of \$20 per child a week. Also, as a worker, there will be a fuel bill for getting to and from work, depending on size and distance, an average of \$50 a week. Then comes the food, on an average a family of four will spend about \$200 a week on food. (I don't know if you have shopping of late, but the price of food has risen by leaps and bounds.) Without taking into consideration, cloths, recreation, and a few goodies He ends up with a disposable income of around \$30. The family allowance is kept in the bank to pay the electric and/or gas bill. As you know the cost of this service has risen.

Because the Government has allowed such a high tax relief on owning a second, or more homes, the top end of town has pushed up the price of housing to such an extent that it has become impossible for the average worker to buy a house.

Taking the example above. An average house now costing \$200,000 will require a deposit of 10%. On a \$200,000 house that works out to be \$20,000, plus all the other expenses, stamp duty, solicitors etc, the amount required will be around \$25,000.

Minus the \$7,000 First Home Grant He will have to find \$18,000 to purchase a home.

On the above it will take 600 weeks or 12 yrs before he would be able to even think about buying. That is if all things remain equal.

Now you tell me how this person can ever, in today's climate, afford to buy a house. His children would be grandparents before He could afford a home.

Sincerely,

Stanley G CARLING