

Officer of the Treasurer
Parliament House
CANBERRA
ACT 2600

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Qld

Dear Sir

To achieve a meaningful conclusion to the question of First Home Ownership, the basic questions must be addressed, not plans and answers put forward by a group of eminent scholars and economists, whom, I'm afraid, do not know the feelings and aspirations of the many who have no chance of ever owning their own home.

The whole structure of the financial market is formulated to serve the few.

Over the years the cost of a home has become beyond the reach of the vast majority of the public. I know that we hear of the success of the few, but for every success we have hundreds who are unable to take that first step.

CAUSES.

The main and obvious cause is the cost of a Home. Not only the price of the home, but all the other incidental cost associated with the purchase, stamp duty, GST, bank charges. If one buys through a real estate, their charges and the list goes on.

We have to take into consideration the availability. Many of the less expensive home that were at one time available to the lower income families are now being purchased by the upper income brackets. These houses are re-modelled and rented. (as we all have heard one gentleman has 110 of these houses). This take 110 houses off the market for the lower income families. I'm in no way advocating that this type of action should be curtailed, but this is one of the causes why there is a shortage of lower priced houses available to the first home buyer.

The access to monies for the Home buyer in the lower income bracket is not available. No bank will advance money for a home loan to anyone on an income of \$450 a week.

To address the causes and eradicate them, the Government has to take a step back and do some soul searching.

Remove negative gearing on houses.

Reduce stamp duty on first home

Remove GST on first home

Government low interest loan on first home for low income home buyers

Re-define first home. (brought home in 1990, no first home grant, made redundant in 1999, unable to pay mortgage, has to sell. When situation changes, able to buy home. Not entitled to FHG.) When all the reasons that this person was made redundant was in some way either the banks or government policies.

Fixed interest on loan for first 10 years.

At present, the whole structure of the country is geared to the American financial way. We all know that this structure is sympathetic to the top end of the street, designed to look after the those that have the money. The tax structure favours those with money, the decisions regarding money favours those with money.

One of the actions required to make homes more available to the lower income earner is to remove negative gearing and other tax "evasions" on all rental properties. The lower income earner has no chance to offset their income, thereby subsidising the tax of others. This is a practice that is so blatantly unfair that a government that is heavily supported by the top end is unable to change. If a tax system that was fair, shall we say every wage earner pays 17% tax, no offsets, then we would have a fair chance to level the playing field and make homes available to lower income bracket. But that is a pipe dream.

The whole concept of housing goes much further than we can ever understand, (that is the lower income earner) it is a formulation of many concepts. We have to try to understand the minds of those that are willing to crush the minds and bodies of the under dog for their own greed. Gone are the days in Australia of the "Fair go" since past and present governments drive Australia into the American way of life, where one in eight are in poverty and unable to pull themselves out. This of course will increase, to ensure that there is a large pool of unemployed to serve the needs of the large multi-companies. All part of the Lima policies.

Yours faithfully

Stanley G CARLING