

Big Issues survey 2017 comments

Other options to address the issue of housing affordability

Transport and infrastructure

Improve transport planning and infrastructure, including public transport. Increase housing density around public transport corridors. Reduce incentives for negative gearing.

Improve rail transport to regional areas to move population centres away from the city centres.

Very fast train project from Melbourne to Brisbane would help decentralise the country – get it done. Stop talking about and do it. Stop wasting money in other areas of government and do this project.

Look to apartment heavy overseas cities such as London re design. We need better design of apartments with communal spaces, rooftop gardens, etc so that families can live in an apartment and still have access to outdoor spaces. Also need access to parks and playgrounds locally if no access to a backyard.

Develop regional Australian cities to provide employment and affordable housing, all enabled by high speed rail connectivity to each other and the major cities.

Immediate significant investment in improved (availability, reliability and price) public transport; reducing delays and bottlenecks on such projects.

I am shocked you do not have the option of regionalisation via planning laws, transport planning and infrastructure provision – this option can also be used to handle rural migrants and prevent another western Sydney ghetto formation, and radicalisation occurring due to entrenched socio-economic disadvantage. The second advantage is the revitalisation of rural and regional Australia. We are over urbanised by any standard you care to mention, and further urban sprawl is not a solution.

Negative gearing

Change or eliminate negative gearing or restrict to new housing stock only.

Negative gearing – removal of this is paramount.

Limit negative gearing to two properties.

Planning

While adjusting planning laws to allow better densities, the real need is to demonstrate to councils, communities and developers the holistic benefits of densification.

Come up with some sort of vision for the country where perhaps certain types of industry is centred in different regional areas? Decentralise the government offices. Decentralise as much as possible.

Planning laws around housing density to allow home owners options to develop existing property for mini-house secondary dwelling/granny flat; provides income, enhanced housing affordability for owner and renter, and provision of affordable housing within more diverse stronger communities. This will require local government to support this option, particularly where preference has been given to large scale developers over home owner options.

Only adjust planning laws when it comes to mandating matters like inclusionary zoning, community housing provider involvement and ensuring long-term rental affordability.

Jobs near homes and homes near jobs. Stop the sprawl and minimise commuting – polycentric cities with multiple dense centres.

I would not favour any adjustment to planning laws to allow more "Fill-in " housing in inner city locations. The existing laws have allowed buildings which are a disaster in many areas. The building of many multistorey apartment blocks without any planning or provision of infrastructure is destroying many existing communities. The increased traffic, lack of public transport, lack of provision of open space, overshadowing of existing homes and their solar panels etc has spawned a whole new industry of objecting. Many of the new apartments are sold to Chinese investors and are not occupied. Others are used as Airbnbs. Neither contribute to the community in any positive sense or relieve the housing affordability.

Increase supply through zoning laws.

Adjusting planning laws and regulations to include mixed tenure housing, and make sure there are mechanisms for affordable housing to stay affordable over time i.e. affordable sale prices are maintained between owners and affordable rental mechanisms continue between tenants.

Renting

Need to facilitate affordable purchase and rent for those who can't afford the high prices.

Reality is, the rich people will own the land and we will be their money cow. Greater protection for long-term renters is needed as well as addressing pet ownership as too many animals are surrendered each year when people move and aren't allowed to bring their pets to the new rental.

Put in place rent-to-buy plans.

Stamp duty

Remove stamp duty (it's verging on immoral that state governments continue to collect these inflated revenues given how hard it is for young people to buy a house).

Stamp duty inhibits mobility and productivity. CGT discounts should be capped at a \$ amount. Urban infill essential.

Set a relationship between stamp duty as a percentage of revenue for States that changes Reserve Bank lending rules on a state by state basis, to soften bubbles and reduce highly speculative property plays.

Foreign ownership

Don't allow foreign ownership of properties. We cannot compete with the wealth coming out of countries like China. There are many other countries in the world who don't allow foreign ownership, but Chinese investment is driving us out of the market. The other items will have minimal impact if the demand for foreign ownership remains.

End foreign purchases of housing.

Tighten foreign ownership laws as much as possible

Deal with foreign buyers pushing housing prices up – compliance and enforcement action required.

Follow the Vancouver model and impose an additional tax on non-resident investors.

Investment and incentives

Remove all incentives for holding residential properties as investments.

First home buyers grant broadened and threshold increased.

Develop a comprehensive affordable housing policy backed by investment incentives and requirements on new development to include a proportion of affordable housing in new developments. Affordable housing includes social and public housing and housing for workers on low to median incomes.

Stop incentivising city dwellers to move to regional/rural areas and price local people out of the market.

Incentives and planning regulations should be to facilitate poorer people to help them own and develop an asset base, and to help people make dwellings available for affordable purchase or rent e.g. granny flats, multiple occupancies, and tiny house movement

Move industry to smaller regional centres somewhere via tax benefits and other schemes.

Make it attractive for companies to move, somehow. Yes, it is difficult, but we have the space.

Invest in Australia's smaller cities to build up viable alternatives to the capitals.

Providing incentives to limit investment in housing, and return it to it's true purpose of providing accommodation. For example, first home owners grant.

Encourage home ownership rather than investment by changing the tax system to reduce tax incentives for investment or create tax incentives for owning your own home.

Government needs to offer incentives for innovative and affordable housing and encourage housing density. The benefits of having 'smart/clever and creative housing density and infill near established metropolitan areas, combined with 'smart' liveable communities, should be a priority. In fact, smart innovative housing needs to take a much higher priority (with carrots for developers) over the 'sprawl' of developing more outer suburban areas (with 'sticks' on housing developers to cover the extra costs). Studies have demonstrated that the cost burden of the urban 'sprawl' on government is massive compared to investing in infill and liveable communities near existing transport and hubs. (Costs such as infrastructure for water, energy, etc far outweigh these same costs for infill solutions).

Taxation

Penalise property owners for keeping properties idle, through tax (such as in the UK).

Change the view that residential property is an investment by removing tax concessions for investors.

Most important is removing the advantages to multiple property owners through the taxation system.

We need a land tax, not a stamp duty. Transaction taxes cause misallocation of people to dwellings. We need to make it as easy as possible to move so that people can downsize without undue cost. Indeed, if we had a land tax there would also be incentive to downsize as taxes would decrease. And first-time homebuyers are capital-poor. The key way for them to build capital is to decrease income tax so they can build wealth. Income tax could be more than offset by a wealth tax (income and wealth are not even close to being the same thing) – e.g. land tax and estate tax. Progressive income taxes are a disincentive to work more; and perversely a lack of wealth/land taxes mean those with wealth can simply sit back and do little and not have that wealth eroded. In short, we need to redistribute wealth, not income.

Reduce the aged pension so that retirees have to capitalise on their assets and free up supply. There is too much wealth held by retirees who are not generating income tax revenue for the country.

Review taxation distortions systemically – in particular the relative tax incentives for property vs other productive investment. In this regard, this is about reducing net taxes on other investment to equalise incentives, rather than increasing net taxes on property.

Remove principal place of residence exemption from capital gains tax, and other ways the tax and transfer system skew investment to property as the main form of wealth creation in Australia e.g. residence asset exemption for pension.

To pick up two at once – move to greater land tax and lower stamp duties to facilitate downsizing. Also issues around linking taxation level to household occupancy to penalise holders of property planning to only benefit from capital appreciation, not rent.

CGT on property should be exempt for primary home, but taxed at normal marginal rate on investment properties given the benefit most get from negative gearing.

Governance

Governments should not significantly interfere with open markets. Government intervention should focus on making reasonable and affordable accommodation available to those who need it, without interfering with high demand areas, which will eventually equalise. However, banks should be reviewed to ensure clients are not significantly over committing.

If government can incentivise older homeowners to downsize (or remove barriers like stamp duty) it will release traditional homes for families, make transport and infrastructure more efficient and enable cities to be renewed through new construction and densification that provides variety.

All local governments should have planning policy that acknowledges and facilitates affordable housing driven by the State and Federal level.

Housing is a complex issue that requires integrated policy and a range of responses. The problem is essentially a failure of policy at both state and federal level. A reliance on housing markets and private entities to solve this problem will not work.

The family home needs to be included in the means-testing for any government aid. You do not get to receive money from the government when you are living in a mansion that your kids will inherit. It makes a mockery of people who have done the right thing and downsized so they can retire without getting handouts from the government. Reverse mortgages should be mandated if people want to stay living in their "family home". These sorts of stickiness in the system lead to low density for longer.

Remove the government imposed obstacles. This is an enormous country and it is insane that we are overpopulating Sydney and Melbourne. Absolutely insane, there is no vision for the future.

Let the free market operate. More government is not the answer.

The best description I've heard of this problem is that housing in Australia has shifted from being shelter, to investment. I believe in small government, however access to affordable shelter for its citizens could be one of the most important roles of government, particularly where the market approach has created significant imbalances and impediments to this goal. Government and regulation mostly makes problems worse, but this is one of the few instances where I'd support a sensible intervention. Not that I've yet seen proposals for a sensible intervention. Perhaps a cap on negatively geared residential properties? Many "mums and

dads" have increased their wealth through hard work and savvy investment over the years, and we don't want them punished for their success. But perhaps the distortions could be smoothed by removing tax subsidies for those moguls with > three residential properties? I'd be interested in seeing an assessment of such a proposal by people much smarter than me.

Government support for new home owners, perhaps through shared ownership schemes.

Social housing

Address market failure for affordable housing through provision of social housing. Require adequate minimum proportion of affordable/social housing or developer contribution-in-kind.

Ensure low rent housing for workers required for Aged Care in expensive suburbs and provide many more 'housing commission' houses/units especially for the elderly and people with disabilities in areas close to necessary medical facilities and specialists.

Addressing homelessness is also important and need to consider options outside the square where people have more communal living as some homeless people prefer that.

Minimum contribution of social/affordable housing for all developments over a certain size, this should be mandated. Federal government sanctions developments with no requirements or mandates to deliver – should be a minimum 10 per cent.

Support the rapid expansion of the community housing and expand their operations to providing long term secure rental housing for moderate income households.

Invest in social housing, using more innovative models of ownership and payment.

Funding specialist services to house difficult to service groups including low income singles coming from or at risk of homelessness.

Secure a percentage of social housing in all residential developments over 10 units.

More affordable housing targets as part of development approvals. Ability of social housing tenants to purchase their housing stock (as per UK).

Public housing transition to ownership plan (deposit is the biggest barrier).

Population\immigration

Reduce Australia's insane current rate of immigration, back to 50,000 p.a.

Slow the rate of population growth by scaling back migration targets.

Reduce immigration levels until housing supply improves and or immigrants can be directed away from Melbourne and Sydney.

Stop trying to increase population density with "economic growth" strategies.

General comments

Implement the findings of the Henry Review (2010)

Maintaining standards and quality of construction – lessons from Grenfell.

If the government can't or won't do the above list of things to any meaningful degree, then they should employ outright price controls. Increased home ownership provides many social benefits beyond housing, are socio-economic standards are dropping, we are becoming like the U.S. We need to stop this. Anyone who has been to inner-city, rust-belt America can tell you this.

Cost of construction?

All the above – housing affordability requires a thorough review to address key reforms needed.

Review the laws governing divorce for fairer outcomes.

Get over our fixation with Sydney and to a lesser extent Melbourne.

Dilute regulation on housing quality as an artificial supply side constraint. Allow a wider range of lower build quality but lower cost options to come to the market.

Remove urban growth boundary artificial supply side constraints.

Look at the European model where people have long term leases on properties owned by super funds and other investment houses – provides affordable housing with flexibility e.g. my mother in law in Holland was able to swap units when she needed to downsize with a family who needed more space.

Encourage big business to consider creating non-CBD employment hubs.

Legislate to enable first home owners to save within the superannuation environment for a deposit (as is currently proposed) – increase the amount that can be saved in this environment above what is currently proposed.

Somehow companies or the government need to subsidise cheap accommodation in the city for people under 26, maybe with a focus on those with creative aspirations. And by cheap, I mean accommodation that someone doing say two casual jobs while studying can afford. So max \$100 a week. This would help with vibrancy in the city and give young people the opportunity to live out of their family homes thereby developing skills in independence that will benefit society in the long run. And they'll spend their extra cash on living in the city. Having young people who don't want to rough it because all they've ever known are the comforts of the family home is not good for anyone. Sharing accommodation does a lot to develop young people and it's an experience which is sadly lacking. And the city needs more young people living in it.

Encourage innovative thinking:

- Tiny home communities – green space plus compact living plus forming community plus lower ecological impact
- Make it easier/cheaper to split residential blocks and encourage socially and ecologically smart designs of new homes
- Large residential blocks – discounts for building a granny flat/tiny home to provide rental accommodation/family accommodation.

This issue needs to be viewed beyond the vested interests of decision makers who already own a lot of land/housing. Housing costs needs to be pegged to income, otherwise we create a huge imbalance and increasing poverty. We also need to enable people to move to meet

labour markets across cities or between cities – by removing the cost of sale/ purchase impediments. This is not about housing – it's about what society we want and how flexible we want the labour market to be.

Encourage increased land supply by States.

Put the brakes on giving the construction industry everything they want. We need a diversity of housing and this should be driven by consumer demand not to appease builders.

Housing affordability issues are much less about demand, or supply in the sense of the dwelling itself (i.e. its cost, inclusive of construction labour etc) – affordability issues are primarily driven by increasing scarcity of prime land in most capital city locations for which to build new dwelling stock on.

Families can't save for their deposit – simple. Median price of \$880,000 so if you need 10 per cent before any other fees, you need to have \$88,000 in the bank.

Providing higher employment and reducing those on welfare flows through to the Housing sector. If you don't have a job, then you can't get and/or maintain a house.

More attractive options needed as the population ages, including efficient (cheap to run), safe, close to amenities and transport for older people. There could be a scheme to encourage re-purposing existing homeowner assets for younger people, by incentivising homeowners to move into more suitable facilities. Lack of housing and security are major contributors to the health and well-being of the population, no matter what age, which then impacts on the health care system.

Increasing supply and competitive pressures on prices/quality in established suburbs are critical. Once this is in place, working on cost drivers such as taxation, industrial relations, etc. can follow.

Housing affordability needs to be considered now as 'cost of living' in terms of access to information, education, health services, mobility and now also particularly cost of energy. We just need to get tough about two seat rides on public transport and the end of the Australian dream. Gen Y are living very differently already. Populations want experience not wealth now – a much higher desire for experientialism over survival when compared with previous centuries

Increasing financial literacy / counselling to achieve home ownership.

Stop counter-productive first home buyer subsidies, urban sprawl and the economic nonsense of decentralisation.

All of the above are important, but the key is that it is not housing that is unaffordable but land. We still have the quarter acre block when Melbourne and Sydney are similar in size to Rome or Berlin – which haven't had 1/4 acre blocks for decades.

Encourage more use of renewable energy and truly sustainable buildings that will be cheaper to run and will last well into future.

Develop Australia wide strategy to enable young people to get into housing market.

The market will sort itself out – just wait for the crash in Sydney and Melbourne.