

Mandatory Disclosure of Energy Efficiency Ratings

- Under the Coalition of Australian Governments (COAG) National Strategy for Energy Efficiency, mandatory disclosure of residential building energy, greenhouse and water performance at the time of sale or lease will be required. This will commence with energy efficiency by May 2011.
- Whilst these requirements are aimed at reducing green house emissions and providing savings to households through the reduction of energy consumption, there will still be upfront costs which affect housing affordability.
- The proposal places considerable costs on home owners wishing to sell and places agents in a position of educating vendors and ensuring their compliance with requirements.
- Buyers of existing dwellings have told agents that energy efficiency ratings are well below other factors as a priority in determining housing choices.

Key Areas for Action

That the incoming Government:

- take note of REIA's opposition to mandatory disclosure based on market feedback of buyer priorities;
- pursue low cost options for mandatory disclosure, and;
- ensure agents do not carry any unnecessary burden, including the education and compliance of vendors.



Have your say about issues affecting your profession

Do you want to impact the Government's decision making on issues that directly affect you and your profession?

You can assist REIA in calling the Government to action on issues identified in this brochure by writing or emailing the Government, Opposition, Greens, Independents and your local Members of Parliament.

Having your say will mean playing an important role in bringing key issues to the attention of the Government in the lead up to the 2010 Federal Election.

Below is a list of key email addresses to assist you in getting started.

- julia.gillard.mp@aph.gov.au
- tony.abbott.mp@aph.gov.au
- senator.bob.brown@aph.gov.au
- senator.xenophon@aph.gov.au
- senator.fielding@aph.gov.au

For further information and tips for writing a successful lobbying letter, visit www.reia.com.au.



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2010 Election

Real Estate Institute of Australia
Key Areas for Action

First Home Owners

Response to the Henry
Review of Taxation

Housing Affordability

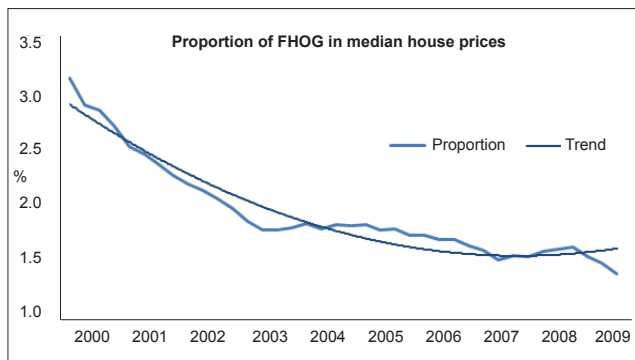
Mandatory Disclosure
of EERs





First Home Owners

- Introduced in July 2000, the First Home Owners Grant (FHOG) is one of the most important housing policy instruments in assisting first home buyers with housing affordability.
- Over time, the relative size of the incentive has been eroded as house prices have risen.
- The graph below shows the contribution of the grant towards the purchase price has more than halved from 3.2% to 1.5% over the period.



Key Areas for Action

That the incoming Government:

- set the FHOG at \$15,000 for new and established homes, and index it to median house price movements annually, and;
- give first home buyers voluntary access to superannuation contributions for the purchase of a home.

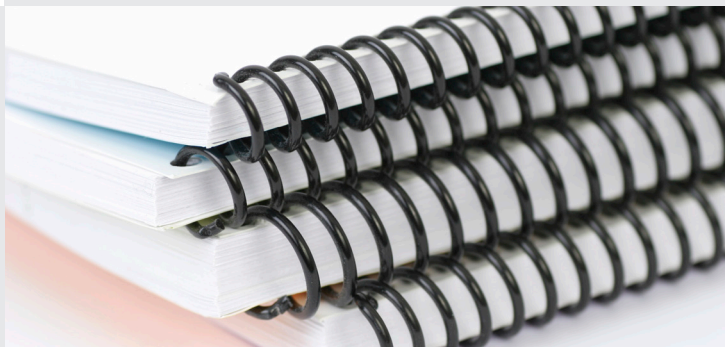
Response to the Henry Review of Taxation

- In its submission to the Henry Review, REIA highlighted that property taxes are inequitable, inefficient and an unstable source of revenue for states and territories.
- Economic analysis indicates that there are economic benefits – economic welfare, economic activity and investment – from reducing property taxes and placing a greater reliance on other, more efficient, taxes. The benefits are greatest in those states that have a greater reliance on property taxes.
- The Governments initial response to the Henry Review was benign for the property sector. The Henry Review, however, did canvass a number of areas for action.

Key Areas for Action

That the incoming Government:

- commit to establish an ongoing consultation with stakeholders on efficient state property taxes raised in the Henry Review, with the aim of abolishing them;
- retain negative gearing in its current form for the purpose of property investment;
- commit to not imposing a capital gains tax on the family home, whatever its value, and;
- commit to not increasing capital gains tax on property investments.



Housing Affordability

- One of the major contributors the decline in housing affordability is the lack of supply.
- Without action, this is a situation that will be exacerbated with anticipated population growth and changes in household composition. The table below highlights the demand-supply gap:

Date	Cumulative Demand-Supply Gap
2010	202,400
2011	228,300
2012	254,800
2013	281,600
2014	308,000

- The Government has created a Housing Affordability Fund (HAF) and the National Rental Affordability Scheme (NRAS) to improve the affordability of housing.

Key Areas for Action

That the incoming Government:

- monitor and review the effectiveness of the HAF and NRAS to observe their effects on housing supply and to conduct a review which considers additional measures to bridge the demand-supply imbalance.