

## Media release

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### We're expecting the Government to take action

Real Estate Institute of Australia (REIA) president, Ms Pamela Bennett says REIA's pre-budget submission, lodged today, focuses on two very important issues for the housing market: housing affordability and inefficient property taxes.

REIA is calling on the Commonwealth Government to address the following issues in the 2011/12 budget:

- Retention of current arrangements for negative gearing of property investments.
- No Capital Gains Taxes (CGT) on the family home.
- No increase in CGT on property investments.
- Removal of stamp duty on property transactions.
- An increase in the First Home Owners Grant.
- The implementation of a scheme to allow first home buyers access to their superannuation for the purchase of a home.
- Monitoring of the Housing Affordability Fund (HAF) and National Rental Affordability Scheme (NRAS) to observe its effects on housing supply and to conduct a review which considers additional measures to bridge the demand - supply imbalance.
- Ensuring that the National Housing Supply publishes its *State of Supply Report* in a timely manner.
- The appointment of a National Small Business Commissioner.

"Inefficient state property taxes and the development of solutions to improve housing affordability and supply are key issues for the next financial year and we would like to see action from the Government," said Ms Bennett.

Stamp duties represent additional costs to property transactions, thereby discouraging turnover of housing and distorting choices between renting and buying, and between moving house and renovating.

"Whilst stamp duties are a state tax and not determined by the Federal Government, states will not act unilaterally on the matter unless leadership is shown by the Federal Government," Ms Bennett said.

Another extremely important issue for the housing market is the current level of the FHOG grant available to first home buyers. Introduced in July 2000, the grant is one of the most important housing policy instruments in assisting first home buyers with housing.

"The lack of financial assistance to first home buyers is an issue that requires considerable attention to ensure that property is affordable for young Australians and that they can one day aspire to own a home. REIA urges the Government to not only retain the grant but to review the amount currently provided as the relative size of the grant has declined markedly in relation to house prices," Ms Bennett continued.

"We expect the Government to consider REIA's submission carefully and make an accurate assessment of issues that are of great importance to the Australian housing market," concluded Ms Bennett.

**The Real Estate Institute of Australia (REIA) is the national professional association for real estate agents in Australia. For further information or interview opportunities, please contact:**

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