

**Inquiry into home ownership**

# House Economics Committee

## Report into home ownership

The House of Representatives Standing Committee on Economics today presented its report on the inquiry into home ownership. This inquiry was established to assess issues related to home ownership in Australia, and potential policy responses by government.

Committee Chair, Mr David Coleman MP, said that a range of views on the challenges facing home buyers were canvassed throughout this inquiry.

The **key findings** of the report include:

- while demand for housing is strong in Sydney and Melbourne it must be noted this is not the case throughout Australia. Many parts of Australia have a relatively weak housing market;
- government policy in this area should predominantly focus on boosting dwelling supply in underserved markets;
- the Committee does not support tax increases on property investment. Increased rates of capital gains tax, and increases to income tax through the removal of negative gearing are not supported by the committee;
- the Committee notes that APRA has the capacity to seek to limit the growth of borrowing by property investors, should it deem this to be in the interest of financial stability. APRA acted in this manner in late 2014 and this action is widely regarded as having been successful. It is open to APRA to take additional actions in this area in the future if it deems it to be appropriate.

“Australia’s property market is not homogenous – it has very different characteristics in different locations”, Mr Coleman said. “Government policy is best focused on seeking to increase the level of stock in those markets that are undersupplied at present. Increasing rates of tax on property investment would have a negative impact on the economy, and is not supported by the committee. It’s notable that APRA has already acted to reduce the rate of borrowing by investors, and has the tools to take further action if it believes this is in the best interests of the economy”.

The Committee’s report also canvasses potential changes to stamp duty and land taxes, and finds that any such change should only be considered as part of an overall review of property taxation.

The report can be accessed from the Committee’s website at:  
[http://www.aph.gov.au/Parliamentary\\_Business/Committees/House/Economics/completed\\_inquiries](http://www.aph.gov.au/Parliamentary_Business/Committees/House/Economics/completed_inquiries)

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