



# Suzanne Janine

## CHARTERED ACCOUNTANT

Registered Tax Agent & Business Consultant

7 September 2021

Committee Secretariat  
PO Box 6021  
Parliament House  
CANBERRA  
Canberra ACT 2600

Dear Committee Secretariat,

### **Inquiry into housing affordability and supply in Australia**

This is my submission to the inquiry into and report on the contribution of tax and regulation on housing affordability and supply in Australia. My view is based on experience dealing, from a tax & personal relationships perspective, with individual, micro & small business clients at a community level over 30 plus years. My own experience from childhood housing insecurity to property ownership is also relevant.

Negative gearing started to be used in the late 80's when I started studying & my thoughts at that time is that it was great to move housing out of public & into private hands as on a social basis rental is interspersed with private home ownership & moving away from social issues around public housing estates.

Through the 90s I started to see property ownership become an investment model & a business model grew around that. At the time I was concerned that this came from a multiple level of players looking to make money out of home ownership. As the years have evolved this has grown more & more & unfortunately, I believe, residential housing has become about making money rather than creating homes. We need to bring residential property back to being about making homes & housing people rather than investment and making money. Residential property needs to be moved from business model of wealth accumulation and back to community social model of housing.

Some ideas I have from my many years of experience in tax include the following:

- Main Residence CGT exemption to remain
- Residential Capital Gains rules to remove 50% CGT exemption unless the property has been let 90% as long term residential rental use with shading on CGT from 60% use (20% CGT exempt) to 90% (50% CGT exempt) over time asset held.

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- Maximum 50% CGT residential exemption on 1 long term rental property owned by Australian residents every 10 years eg if claimed 1 house 20% exempt they can only claim up to 30% exempt on other house (which may be 50% exempt) After 10 years they get exemption again.
- AirBNB & Holiday to be let only a maximum number of days per year (say half year) with tax deductions only allowed for same number of days as actually let (as opposed to available for let)
- Consider options to Tax empty residential housing (say more than half the year) (particular where someone house multiple homes at their disposal eg beach house, country house, city house)
- Consider options for higher tax on foreign ownership of residential property

If we fix the current state of residential housing (the above can help) I believe government housing could be funded for those with mental health, addiction and other issues (besides economic) which keep them out of housing.

As a society the growing gap between rich & poor will create many social issues unless addressed. Housing is a critical part of that. Someone having many homes & families being homeless is in my opinion abhorrent.

I believe my above ideas could be done without having a significant negative effect on current owners of residential property and will take homes out of the investment realm and increase long term rentals. I also believe the general population is aware of the issues around housing & would welcome changes along the lines of the above.

I would be happy to discuss & expand on my comments at any time.

Regards



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