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Government Policy Contributes to Affordability Problems

"The current housing affordability crisis is the product of two decades of policy neglect," HIA Managing Director Shane Goodwin said today.

"It is the core issue that HIA has championed fixing, and is responsible for the affordability challenge facing Australian cities.

"For too long governments have chosen quick fix options to the very long term problem of housing affordability. Australia needs brave and bold policies that go to the heart of the affordability problem," Mr Goodwin said.

"We need to resume the discussion around tax especially where it cascades applies to land and housing and put an end to upfront taxes that are keeping so many first home buyers out of the market.

"We need to get serious about planning reform, these things are the keys to solving housing affordability which have largely been overlooked by State and Federal Governments.

"We need all tiers of government back at the table, driving these discussions and implementing change.

"HIA has said for a long time now that the problem of housing affordability in simple terms, comes down to supply and demand - more land needs to be freed up, and the punitive taxes like stamp duty that come with buying a home need to be done away with.

"State governments should take on policies like fixing planning rules to allow more homes to be built in inner and middle-ring suburbs of our largest cities, and continue to support the supply of new land around our cities to achieve the right balance of housing supply.

"It is pleasing that today's Grattan industry report mirrors HIA call for reform, but HIA cautions against any changes to migration.

"The problem of housing affordability is one of supply and demand - houses will not get built if the population doesn't grow, and the main driver of population growth in Australia is migration.

"Migration issues aside, HIA is urging State and Federal Governments to get moving on reform, rather than sticking to the current politically safe and largely ineffective measures of dealing with housing affordability," Mr Goodwin concluded.

For further information please contact:

Joe Shanahan, National Media Manager HIA 0410449556
Tim Reardon, Principle Economist HIA 0423141031

MEDIA RELEASE

