

# Labor a winner on home front

Robert Harley

Kevin Rudd put housing and urban affairs on the federal government agenda and, for most observers, has won the debate.

Since the election of the Howard government, and with the exception of the First Home Owners Grant trade-off for the GST, the Canberra door had been shut to housing and the problems of the cities.

But during the autumn, Mr Rudd and his shadow treasurer Wayne Swan, had an epiphany. They saw the opportunity in the housing squeeze. Not as esoteric policy, but as an everyday concern for a growing number of mortgage payers, renters and parents.

They understood that the growing inability to pay for enough bedrooms was a way to repudiate the economic claims of John Howard and Peter Costello. If the economy was going so well, why were so many working families struggling with the monthly mortgage or rental payment?

"The turning point came when affordable housing stopped being a policy issue and became a people issue," one observer said.

The lobby groups that had tried for years to bring the federal government into the urban realm were grateful.

"Housing affordability did emerge as an election issue, and that has been overwhelmingly positive because both parties have made commitments to housing initiatives," the managing director of the Housing Industry Association, Ron Silberberg, said.

Many of the Rudd initiatives reflect HIA policy work, like the First Home Saver Account and the Housing Affordability Fund for infrastruc-



'The turning point came when affordable housing stopped being a policy issue and became a people issue'. Photo: LOUISE KENNERLEY

ture. Similarly, the National Rental Affordability Scheme reflects the work of the National Housing Alliance, which brought together groups like the ACTU, the Australian Council of Social Service and HIA.

"At the end of the day, when we do a report card, Labor's housing policy is more compelling and embodies a commitment to a senior housing minister, which the coalition has ruled out," Dr Silberberg said.

Julian Disney, director of the Social Justice Project at the University of NSW and chairman of the National Housing Alliance's June summit conference, has come to a similar conclusion, if for different reasons.

"Labor has focused far more on those who are the greatest victims of housing affordability. The coalition

has tended to provide more help for those who don't need it," he said.

The Property Council is more circumspect, even though Mr Rudd chose a Property Council event in Brisbane to launch his housing ideas. "For the first time ever, there has been a policy bidding war, which is tremendous progress," chief executive Peter Verwer said.

"Both parties see the importance of supply, both see solutions on social housing and both have addressed the issue of rented homes as opposed to home purchase," he said. (The coalition's interest in renters extends only to garnishing ideas from the private sector on how social housing could be better funded when the current Commonwealth State Housing Agreement expires.)

The chief executive of the NSW Urban Taskforce, Aaron Gadiel, said that whatever happened on Saturday, Australia would have a federal government that was more involved in urban affairs and boosting home supply.

"You have to give credit to Kevin Rudd because he is the one that put it on the national agenda with his \$500 million Housing Affordability Fund, which the coalition have matched," he said.

"If there is a change of government, there will be a housing minister, and that is the first time for 11 years. Once you have a housing minister it it will be impossible for the federal government to walk away from housing as they have in recent years."

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### Labor

■ Establish a \$500 million housing affordability fund. The fund will provide new housing infrastructure such as water and transport in selected areas. The goal is to save homebuyers \$20,000 on a new house.

■ Establish a first-home saver account for those eligible for the first-home owner grant. It will be concessional taxed, as with superannuation. Funds will be accessible only after four years. The maximum amount that can be invested in the account in one year is \$10,000, half of which can be pre-tax income.

■ Provide a \$6000 rental tax incentive per dwelling per year to investors for up to 10 years if they rent to households that meet an income test. They must charge rent at 20 per cent below the market rate for that area.

Bring public, private and community sectors to tackle issue of affordable housing.

■ Re-appoint a senior housing minister.

### Coalition

■ Tax-free home savings accounts from birth with annual tax deductions of \$1000 a year.

■ Capital gains tax exemption for shared equity arrangements with family members.

■ Release of commonwealth land to allow the development of new homes.

■ Plan a \$500 million infrastructure fund for local government to reduce the cost of land development.

Source: ALP and coalition