



Call for action on housing

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Tax-deductible home loans, 60-year mortgages or shared-equity loans should be considered to make housing more affordable for young people and lower-income earners, government backbenchers say.

While Prime Minister John Howard recently ruled out increasing the first-home buyers grant and dismissed the idea of allowing young people to use their superannuation as a home deposit, six coalition backbenchers have called on him to consider new ways of easing the affordability crisis in joint party meetings over the past two weeks.

West Australian senator Alan Eggleston said the government could consider following the US example of allowing home loan interest to be tax deductible, or adopt Germany's path of allowing 60-year mortgages to reduce the monthly or weekly repayments.

Queensland Liberal MP Cameron Thompson said the 2003 proposal by the Liberal think-tank, the Menzies Research Centre, for banks to take an equity stake in the family home was a "cracker idea" with the

potential to be useful to people "from the cradle to the grave".

It is understood Mr Howard and Treasurer Peter Costello nodded in agreement during the party room discussion that housing affordability was a major issue for young voters but did not give any indication of a possible pre-election housing policy.

Senator Eggleston, Vocational and Further Education Minister Andrew Robb, Nationals senator Paul Neville, WA Liberal MP Michael Keenan and Queensland's Steven Ciobo have also called for affordability measures to be considered.

Mr Costello yesterday announced a six-month Productivity Commission inquiry into the property market for retail tenancy leases after fears by small business tenants that they had little or no control over the commercial leases presented to them.

Franchise Council of Australia chief executive Richard Evans welcomed the inquiry into the "feudal" behaviour of retail landlords towards small businesses.