

Media Release

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YOUNG AUSSIES BEING SHORT CHANGED ON TAX AND HOMES: IGR

The Real Estate Institute of Australia (REIA) has today (16 August 2023) congratulated the Treasurer on the release of the Intergenerational Report (IGR) but has said shows it has looming and unresolved headwinds for Australia’s younger property customers.

REIA President, Hayden Groves, said that the Treasurer’s report paints a scary picture for young Australians when it comes to housing and taxation.

“The sixth Intergenerational Report is a comprehensive snapshot of the headwinds and opportunities Australia will face out to 2063.

“But it does confirm what many young Australians are experiencing firsthand – a growing ‘us and them’ divide.

“The IGR highlights that home ownership fell by 18 percentage points from 1981 to 2021 for those aged between 30 and 34, and 17 percentage points for those aged 25 to 29.

“At the same time, we will be relying on these younger generations to pay the lion’s share of income tax to sustain growing areas of spending in areas like health, government interest rates and the aging population. They will also bear the brunt of the sustainability and climate transition economy.

“Income tax receipts are projected to grow from 50.5 per cent of total tax receipts in 2022–23 to 58.4 per cent in 2062–63.”

Mr Groves said these trends point towards two key interventions that need to be made to sustain Australia.

“One, we will face a growing population of ‘retiring renters’ and need to better use the accumulation period of superannuation to fund retirement housing as well.

“Two, we need holistic taxation reform – already ruled out by the Treasurer – to alleviate these pressures on the future workforce and critically look at antiquated taxes like stamp duty across the Federation.

“The IGR sadly once more reflects the short-term nature of Australia’s electoral cycle and the intractable nature of some reforms like tax and housing despite all the evidence pointing towards the need for a wholesale restructure of these areas to help our future generations succeed.”

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