

Letters

Rule of law can't exempt agencies

Peter Haggstrom ("Rule of law can deflect ATO probe", September 10) says that when he was special tax adviser to the commonwealth ombudsman (1995-1998) he was in a position to see how the Australian Taxation Office behaved and, in his view, the rule of law was often used by taxpayers to deflect the ATO from making legitimate inquiries. But Haggstrom makes no mention in his letter about the serious concerns he expressed at the time.

Since 2007 Haggstrom has been employed part-time by the ATO as a consultant to its rulings panels.

A lot has happened since he ceased to be special tax adviser, including conferring more and more coercive powers on government agencies, the administrative exercise of those powers and the

criminalisation of a vast range of activities. The issue of coercive powers is not ATO specific, but

relates to many government agencies. I fear the presumption of innocence and rule of law is in consequence under serious threat in

Housing bubble is a myth

Australia continues to grapple with the incessant hyping up of a fictitious housing bubble. Such talk is detrimental to consumer confidence and harmful to the wider economy.

Let's be clear about it, Australia is *not* facing a house price bubble. And those who control the flow of money agree there is no bubble. The Reserve Bank of Australia does not subscribe to the bubble view, nor does Treasury.

Rather than talking about bubbles, we should be talking about housing shortages and what we can do to fix them. Australian house prices are being driven by strong demand and low supply.

The National Housing Supply figures put the shortage of homes across Australia at 180,000. Housing Industry Association

figures are about the same. We need to be engaging in discussions about the housing shortage. How we can meet growing demand from population growth, how we can improve affordability, both for renters and those looking to enter the housing market and where can we get the necessary funding needed to supply new cities with the necessary infrastructure.

Those claiming that Australia's housing market could go the same way as the United States have no understanding of reality. Australia's market is vastly different to the US. We have a strong banking system, an unemployment rate almost half of the US, full recourse housing loans, and very low default rates.

A home is the largest asset most Australians will ever own and, as such, the topic of house prices

naturally elicits emotive discussion. It is fair and reasonable to inform Australian home owners that the strong house price growth of 2009 will not be repeated this year and that a period of relatively stable house prices is likely to ensue in the short term.

It is unfair and unreasonable to scare Australian households with fanciful, headline grabbing stories of a bubble that will become a crash, when such conjecture doesn't hold up to scrutiny.

Talk of a bubble is very unhelpful at a time when we require more investment in housing, especially affordable housing.

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