

## **Brief submission**

Thanks for the opportunity to make a submission on the preliminary findings report. I have limited my response to the section on social housing. 1. Some acknowledgement in the opening paragraph of 3.1 of the inputed subsidies that flow to landlords and homeowners in the form of negative gearing and capital gains tax exemptions. Otherwise it reads as if low income households are the main beneficiaries of government largesse. 2. It should be noted that CRA eventuates as a subsidy for landlords, as the money provided to the tenant is handed on. Any extension of CRA to extend choice is likely to lead to landlords increasing the rent they charge tenants. 3. It is assumed in the report that an extension of user choice and contestability will improve the social housing system. But this assumption is not backed up by any tangible evidence. The main problem for low income households is a lack of supply of inexpensive good quality housing. Unless government interventions lead to an increase in supply of social housing, any 'demand-side' reforms will prove ineffectual in reducing homelessness and housing stress. 4. Establishing competition and choice as the driving rationale of a housing reform agenda is likely to prove futile and also expensive. The best reform option for the government would be to commit resources to enable state housing authorities to build new stock. 5. In conclusion, the PC recommendations, if implemented will achieve little in the way of addressing the current shortage of low-cost housing. It is an appropriate time for the government to reduce subsidies to homeowners and landlords and instead commit funds to building new social housing.

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