



**MEDIA RELEASE FOR RELEASE AT 6AM ON TUESDAY, 17 APRIL 2018:**

**Fictional premise and factual omissions undermine Productivity Commission's housing recommendations on choice in human services report**

Housing policy peak body National Shelter is deeply concerned about the fiction at the heart of the housing section of the Productivity Commission's latest report and recommendations on providing choice in the provision of human services.

National Shelter Executive Officer Adrian Pisarski said that the report builds a dangerous tower of recommendations based on the fiction that choice through portable housing benefits would be a panacea to all of our affordable housing challenges. "National Shelter agrees that improved consumer choice is a good thing however, the report fails to examine a number of relevant factors", Mr. Pisarski said.

"The report calls for a modest increase (15%) to Commonwealth Rent Assistance and for the payment to be extended to people in public housing to encourage them to exercise choice to move into the private market. This major recommendation which guides the Productivity Commission's approach to social and affordable housing comes with no critique of the market's capacity to deliver affordable housing to people living on low incomes and only cursory attention to the additional barriers many marginalised people face to accessing housing.

The report calls for States and Territories to provide additional supplements to meet the gap between tenants' capacity to pay rent, plus CRA, and actual market rents. It's not clear how States and Territories would fund this supplement, while continuing to provide social housing for people who can't access the private market. Slyly, the report fails to point out that increasing CRA and extending it to public housing tenants would likely mean the end of the National Housing and Homelessness Agreement (NHHA). The cost of extending CRA to public housing tenants is roughly the equivalent to current NHHA funding.

Introducing their report, the Productivity Commission claimed that the social housing system is broken. National Shelter contends that our broader housing system is broken, distorted by perverse tax incentives, unable to return the value of publicly generated increases to land value to a social purpose, divided by access to jobs, opportunities, inflated by stamp duties, competition pressure from investors and with insufficient specific supply strategies.

National Shelter supports reform of social and affordable housing but is calling for a strategy focused on supply solutions including leveraging private finance to establish a broader social and affordable housing system, redeveloping and growing existing public housing mainly through building the scale, capacity and capability of the not for profit sector. Alongside these more substantive reforms, a single CRA payment system might make more sense.

**ENDS**

Contact: Adrian Pisarski 0417 975 270 [adrian.pisarski@shelter.org.au](mailto:adrian.pisarski@shelter.org.au),

To read the full National Shelter Submission [click here](#)