

Submission
No 8

INQUIRY INTO SOCIAL, PUBLIC AND AFFORDABLE HOUSING

Name: Name suppressed

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Partially Confidential

60 years ago it was called a "green belt". It was the area held back from subdivision housing development to inflate the cost of housing following the post war expansion.

Developers want cheap land but not too much competition, certainly none from owner builders or small scale developer/builders, or from Government authorities like the Housing Commission - what do they do these days? I guess they have been name-changed out of existence or usefulness.

The Liberal Government is doing an admirable job for the development lobby. (I always thought Lobbyist were the conduit to bribe officials but now they are out in the open like Financial Planers). I know of two young families returning from NGO's OS in the housing market at the moment with no hope with all the Chinese students and immigrants inspecting properties in BMW's. Our developer exploitation of this market cost the locals.

The answer to low cost housing is the Department of Housing, they used to put out tenders. I used to win some- houses with cheap icing but solid underlying structure far beyond Developer's Project Houses, they couldn't compete. Housing Commissions all over Australia were post World War II the most efficient at economical housing, it is the only model that will work. Politicians who close down research facilities to sell to developers are not going to fool developers without lobbyist to invest money where those that do will not. Small low cost housing is a Government procurement responsibility.

So re-establish the Housing Commission, try and get back some pre Bob Carr structure, don't mix public servants with private industry people, neither is any good at the others job. It was the demise of the Department of Housing in my opinion. Don't treat different ethnic groups differently, if one cannot/willnot adhere to the contract terms and conditions apply the contract penalties. Finally in housing procurement provide funding. Following the influence of failed private industry operators in the public service many long established large building operations failed and went into bankruptcy at great cost to government. The model is, industry wide, you do Government contracts for cash flow, builders live on cash flow, the Government has to pay every month (not net 30 days and certainly not 90 or at the discretion of some failed developer blow-in. With the cash flow the contractor develops his own projects. All builders live on cash flow to the extent they are operating on profit? of two or three projects into the future they haven't yet tendered. When the Government pulled out the finance from under them by requiring them to finance Government projects they failed. All this was done slowly by changing contract terms and conditions by MBA's with nothing else to do. Who would be interested in supplying low cost housing to Government any more. This is my personal opinion from a career in the industry.