

Superannuation and Housing investment are key options for individuals in terms of long term asset investment.

They compete with one another for individuals' funds.

The recent caps in super have driven money towards property / residential housing investment. Also individuals can now buy property through their super. Both these policies have promoted investment in residential property making it difficult in terms of affordability for first home buyers as demand from investors has increased housing prices.

Can there be a cap on the negative gearing deduction for individuals just like there is a cap on concessional super contributions.

One of the great attributes of our society is EQUITY which has great benefits including an egalitarian society and lower crime rate. The current policy of unlimited negative gearing is resulting in lopsided asset ownership and many sections of the society permanently renting. Is this the kind of society we want?

There is also the unfair treatment of tax deductions and salary sacrifice where the maximum benefit is to the high income earners. If the deductions were converted to a rebate and were provided at the benefit that middle income earners currently get, then the benefit currently available to high income earners could be transferred to low income earners. Providing caps on negative gearing deductions or rebates as I am suggesting could also bring higher taxation revenue to the government.

Overall better socio economic outcomes for our country. Let's aim for optimum economic development (which incorporates social objectives in addition to economic growth objectives) rather than maximising economic growth without consideration of social outcomes in the long term.

Thank you for the opportunity to make a submission.