

SOCIAL HOUSING RENTAL FRAMEWORK UNDER REVIEW

Monday 7 November 2016

The Independent Pricing and Regulatory Tribunal (IPART) is calling for submissions on a review of how rents are set for social and affordable housing tenants in NSW.

The IPART review is part of the NSW Government's *Future Directions for Social Housing in NSW* strategy. IPART has been asked to recommend how future rents should be set and how the current eligibility criteria and wait-list prioritisation for subsidised housing could be improved.

IPART Chair Dr Peter Boxall said all options are being considered to help make housing assistance available to those who need it in a way that is efficient, equitable and easy to understand.

"Housing assistance needs to be flexible enough to provide long-term support for people who need it while also offering opportunities to transition to housing independence for people who can," Dr Boxall said.

"The current system was designed when the majority of tenants were working families; today the majority are single-person households on fixed incomes which has led to underutilisation of dwellings, more people on the waiting list and declining rent revenues.

"Currently there is a waiting list for social housing of around 60,000 people, many of whose needs are just as great or greater than those currently in social housing, but receiving significantly less assistance; while the implicit taxpayer subsidy provided to existing public housing tenants has increased by 33% in the past five years to almost \$1.1 billion per year.

"We are looking to design a system with greater flexibility to meet changing individual and community needs and in which the mix of rental income and subsidies contributes to a financially sustainable model."

Dr Boxall said other housing assistance, such as affordable housing, private rental brokerage, bond loans and other products may assume a greater role in future.

Options the review will consider include changes to the way rent is set, which could be based on the income or size of a household, the location or size of the property, the costs of providing the service, subsidised market rents or a mix of alternatives.

"We are also looking at whether wait-list eligibility and social housing rents should be calculated in the same way for all tenants or in different ways for those with different needs," Dr Boxall said.

“All of these approaches will be assessed in terms of how they deliver affordability, simplicity, choice and incentives for tenants; while improving the equity, efficiency and financial sustainability of the social housing system.”

IPART’s recommendations will be provided to the NSW Government in June 2017.

Extensive consultation will be undertaken to help inform the recommendations. IPART has already begun meeting with representatives of the social and affordable housing sector and is accepting submissions to the Issues Paper until **16 December** 2016. Further consultation will be undertaken when draft recommendations are released in March 2017.

The Issues Paper *Review of rent models for social and affordable housing* is available on IPART’s website.

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