

Submission from Action for Public Housing to the IPART review of rent models for social and affordable housing

Action for Public Housing is a community organisation representing and advocating for public housing and the interests of many public housing tenants

We applaud IPART's finding in the Draft Report that an income-based rent model set at 25% of income is the only model that will not risk making public housing unaffordable for tenants. Public housing tenants are already among the most disadvantaged members of NSW society, and cannot afford increases in rent.

There are particular kinds of income (specifically, particular kinds of Commonwealth Government support payments) that are not intended to be put towards housing costs. For example, the Pension Supplement is intended to provide pensioners with financial assistance towards the cost of pharmaceuticals, utilities and telephones, as well as to offset the impact of GST on pensioners. Calculating rent payable against this income at 25% would reduce pensioners' capacity to cover these costs.

The Draft Report identifies that revising the types of income that are exempt from rental calculations could bring in an additional \$70 million per annum in rent for the NSW Government. However, it is not socially or morally acceptable that the government should look to the poorest and most vulnerable residents of this state to provide additional funding for essential government services.

Instead, to meet the existing shortfall, government should use its windfall in stamp duty to fund existing and new public housing. A society which looks to its poorest to meet the inflating costs of living is not a fair and equitable one.

Action for Public Housing and Hands off Glebe Inc agree that a plan is needed to support the future funding and delivery of new public housing. This public housing needs to be diverse (in terms of unit size and type) and geographically dispersed to ensure that housing is available where people need it.

The current trend of selling off valuable inner-city public housing must be reversed. There is no justification for the destruction of communities and importance of place that is taking place currently.

Public housing tenants should not be required to move periodically as their 'needs' change. Such policy risks upsetting the tenure security and stability that research has identified as being critical for improving tenants' lives.

Moreover, Action for Public Housing and Hands off Glebe Inc are concerned that assessments of tenants' 'needs' will not recognise the dynamic and complex nature of these needs, particularly with regards to tenants who require, or may in the future require, room for the overnight stay of carers and family members.

Instead of reallocating more tenants, the government should periodically assess needs and ensure that a supply of new, diverse public housing is delivered to meet the needs of new households entering the system.

Placing the Land and Housing Corporation on a commercial basis creates a set of incentives and imperatives that are likely to run counter to the purpose of public housing as a social good. The NSW Government must recognise that maintaining an adequate supply of public housing will require ongoing investment which should be funded from stamp duty.

Approaching public housing as a sector which must pay for itself risks jeopardising some of the core benefits of public housing. It sets up a range of imperatives that will likely see public housing moved from inner city areas to cheaper (and more significantly disadvantaged) areas on the fringe, where land is cheaper.

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We are opposed to the transfer of public housing units to community housing providers. These transfers are a form of privatisation of public assets and another step in NSW Government's plans to divest itself of all responsibility for public housing

Rents are usually enough to cover maintenance and wages but not fundamental repairs or the development or purchase of new properties by the private provider. This creates pressure for Community housing providers to select fewer social and more affordable tenants.

However, given that the government is continuing apace with such transfers, we agree with the findings of the IPART Review that decisions relating to allocations should remain in the hands of the government authority.

Allowing community housing providers to pick and choose may well result in the hardest-to-house (those with the lowest incomes or experiencing multiple, complex forms of disadvantage) remaining on the waitlist while others are selected. The government maintaining a single, centralised waitlist is the only way to ensure that allocations are equitable.

Choice within public housing allocations is important. If a choice-based letting scheme is to be introduced in NSW, tenants must be given adequate information where community housing providers are involved.

Community housing providers may have different policies for managing tenancies, and it is important that tenants are made aware of these differences before accepting a tenancy. Important differences, such as the lack of access to the NSW Ombudsman for tenants of community housing, should be made clear prior to tenants selecting a property.