

Kelly, Sydney, NSW

[REDACTED]

24 April 2017

Dr Peter Boxall
Chair
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Dear Dr. Boxall

I write to make a
Submission to IPART's Review of

- Affordable Housing
- Review of Social and Affordable Housing Rent Models

Following the release of IPART's draft report Review of Social and Affordable Housing Rent Models Recommendations: -

- maintaining the contribution made by social housing tenants at 25% of their income
- implementing a sustainable funding model for housing providers
- reforming the allocation system to better match tenants' needs and, where possible, preferences for housing with the social housing available, and
- creating stronger incentives for tenants who can find work and/or private housing

Dear Dr. Boxall & et. al

I would like to make the following submission based on my own 'lived' experience as a social housing tenant {born and breed}, as a former private market rental tenant and now as someone who has a mortgage.

I believe that the recommendation to **maintain the contribution made by social housing tenants at 25% of their income** should be supported. Social housing tenants are now also required to pay for water rates in addition to their rent. As you can appreciate there are a significant number of tenants that are on a fixed income {Centrelink payments} be that as Aged Pension, Disability Support Pension, Single Parenting Payments or any other government assisted payments. Social housing eligibility criteria concentrates on assisting social housing for: -

- Clients on low income that need support to help them live independently, and
- Clients on low income that have problems finding affordable housing in the private market that is suited to their needs.

For the above reason alone it would seem fair, right and just in our society that no more than 25% of a person's income should be paid to rent. It is widely stated that anyone paying more than 30% {on a low income} of their income for accommodation can cause undue financial distress.

With the ever increasing costs of living; food, utilities, fuel, insurances etc. a capped cost for accommodation will in some small way alleviate some of the burden caused.

My mother raised 3 children on her own with no financial assistance from my father and without much assistance from the Commonwealth. She worked hard, laborious jobs from the time she was 14yo with limited education or any other support(s) or services. She was fortunate to obtain social housing in her 20's.

I have long held the view and shared it publicly that social housing could **implement a sustainable funding model for housing providers**; such as Housing for NSW (HNSW) by accessing the equity it already has in existing stock throughout the State. This equity could be used by the State to bolster the diminished stock that is available for social housing and/or community housing providers. Again, the equity could be used as borrowing leverage for the State. In addition, HNSW should re-introduce the scheme for current continuous lease holders to purchase properties they reside. This scheme once offered; only offered to dwellings with no common walls, free standing only. I suggest that the State could capitalise on these purchases by current tenants by utilising the deeds of the properties until final payment of the loan is made. The scheme should include ALL properties as it would seem the State sells common wall properties now; therefore making that requirement of free-standing conflicting. If they sell them privately, why not offer them for purchase by existing tenants?

The community housing sector; such as City West has been seen to be successfully **implementing a sustainable funding model for housing** since its inception several years ago. The State could model its funding through strategies used by City West to retain maintenance and purchase and/or build new properties to house the bulging waiting list for the Housing Register by modelling strategies used by them. In short; whatever they're doing is working. They must be doing something right. They've been able to grow as an organisation and build NEW properties since inception; therefore housing more people in affordable housing in the Inner West.

In my view the current system is well due for **reforming the allocation system to better match tenants' needs and, where possible, preferences for housing with the social housing** available. This could be achieved in part by reforming the categories used. For example, Priority, Urgent, Crisis etc. These categories are currently outdated along with the computer system used by HNSW. It is my understanding the computer system is modelled off a UK one for 'council housing' that is insufficient in its functions for use by our State public servants. A new computer system that has automated alerts would be more useful for allocations. One that has consultation with the very users that are front-line. I know that some of the codes being currently used for say 'over 55's identification' have a 2-factor step that can sometimes be missed by staff when allocating a property. Thereby housing a tenant that is not over 55!

I also believe that where there is a lack of State housing stock available to prospective tenants the State should be utilising Head Leases and/or subsidising rent to assist tenants with obtaining a private rental history as well as housing them adequately until the State and/or community housing stock becomes available.

In my view the current system HNSW and/or community housing providers offer for tenants lacks any incentive financially for tenants to increase their income and/or seek accommodation in the private sector. One way for the State to **create stronger incentives for tenants who can to find work and/or private housing** would be not to financially penalise them (by charging more rent on income). Instead the additional funds could be 'held' by HNSW and/or the State in a fund similar to how Fair Trading holds tenancy bonds. This fund could be accruing interest. That surplus interest

used again to feed back into social housing sector for backlog of maintenance and/or building and/or purchasing of new stock to house the bulging waiting list on the General Housing Register.

In addition, as mentioned above to incentivise tenants into the private rental market the State should be utilising Head Leases and/or subsidising. The Private Rental Guarantee is one which the Landlord and/or Real Estate Agent benefits from only; again, why not use this Guarantee to deposit into a fund accruing interest that can be utilised by the State until after the Lease expires and/or the tenant has paid rent due without delay for 6 months. And further, set long-term leases (5yrs+) by the private market will assist in housing those on low-moderate incomes. Security of tenancy is a factor for those seeking affordable housing. This could give some incentive to prospective tenants in the private market; rather than adding extra strain on the already bulging waiting list of the Housing Register.

Generally speaking there are 3 basic needs of a human being; food (including water), shelter and clothing. I whole heartedly believe that if shelter (housing) is provided a person will flourish. They have security. They feel some ownership. They have consistency. Look at any studies all over the world and it will be demonstrated how a person will succeed in any and all facets of their life if they have adequate, affordable and stable accommodation. In saying that though, as a young person raised in social housing I was very well aware that the property '*wasn't ours*' and this was a driving force for me to become a home owner.

In addition to the above I feel it prudent to mention the State Environmental Planning Policy (Affordable Rental Housing) 2009. While the State has made it 'easier' for home owners to erect 'granny flats'; the rents being charged by Landlords and/or Real Estate agents is anything but affordable. There seems to be no oversight of affordability following the introduction of this Policy and what is being charged as rent to tenants in the private market once the property is installed & leased.

I would also like to note that banking institutions should also consider and/or be drawn into this review. Capping mortgage repayments at 25% of your income to allow more people the possibility of home ownership would be beneficial for the whole community. It does not factor in the (1) cost of increasing unaffordable purchase prices or (2) the 10-20% deposit required but it would allow for more spending to bolster the economy for existing home loans. There have been many recent reports outlining no '*real*' wage growth for several years. It's a no wonder that the average wage earner and/or those on fixed incomes are continually struggling financially! And the economy locally stagnated.

It is worth noting that as a single parent of 2 children I have sold property and moved 4 times since 2010. From Rydalmere to Merrylands West to Greystanes and now Hamlyn Terrace. I am now travelling 200km DAILY for my full-time paid work due to the lack of affordable housing. I am trying desperately to keep a roof over my children's head. Along with all the other costs associated with living: -

- Mortgage
- House & contents insurance
- Car insurance
- Car maintenance, road assistance, registration, greenslip
- Before & after care {holiday program costs}
- Food/groceries
- Fuel
- Energy
- Gas
- Internet

- Mobile/home phone
- Water rates
- Council rates
- Health insurance etc. etc.

It is becoming increasingly difficult to service my home loan.

Another possibility for sustained affordable housing to be considered could be a directive from The Federal Government to all Superannuation companies to diversify some of their profits into affordable housing; namely for front line service workers such as, Police, Fire, Nurses, Teachers, Ambulance etc. A model for achieving this could be considered much like assisted housing through the Australian Defence Force (ADF) and <https://www.dha.gov.au/>

The following article once again highlights the current crisis that has been growing for the past 15yrs in Australia with regard to housing affordability - <https://www.domain.com.au/news/which-nightmare-sydney-housing-horror-scenario-is-right-for-you-20170428-gvu3yb/>

Thank you in advance for considering my Submission to the Review as a member of the public.

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