

**Submission
No 51**

**INQUIRY INTO SOCIAL, PUBLIC AND AFFORDABLE
HOUSING**

Organisation: Hands off Glebe Inc

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HANDS OFF



Glebe

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SUBMISSION FROM
HANDS OFF GLEBE INC.
TO THE
NSW GOVERNMENT SELECT COMMITTEE
ON SOCIAL, PUBLIC AND AFFORDABLE HOUSING

INTRODUCTION

Hands off Glebe Inc is an incorporated community association which campaigns:

- Against overdevelopment and highrise in Glebe
- For decent public housing in Glebe
- To protect the low income community of Glebe
- To preserve the historic townscape of Glebe

We believe government has a responsibility to provide public housing for those in need..

The right to live in affordable housing is enshrined in the United Nation's Declaration of Human Rights which says in Article 25:

Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services...

Public housing has taken a hammering over recent years, with public housing stock gradually being privatised or neglected. The former public works departments that built and carried out maintenance on hospitals, schools, public housing, roads, bridges and other infrastructure have been dismantled and their functions privatised.

The definition of who is to be housed has been narrowed down to the frail, the sick, the dysfunctional and the addicted. In this climate housing estates are a byword for violence and social problems which provides governments with a ready excuse for withdrawing from housing altogether. Public housing stock is diminishing all over the country due to Restoration of a substantial program of building public housing would reduce rents through competition as well as provide security of accommodation for those in need.

THE CURRENT CRISIS

As house prices climb beyond the reach of more families, more and more Australians are experiencing housing stress. Instead of seeking solutions to this crisis, the NSW Government has turned its back on the problem in the vain hope that the market will solve it. The property market has no interest in people in stress or the homeless. The problems are set to get worse.

Over the last 40 years, public housing, previously available to low-income working families, has been restricted to the most vulnerable and disadvantaged Australians. These already disadvantaged tenants have been further marginalised by being abandoned in estates, often in city outskirts, with poor or no services or maintenance.

Vibrant inner city communities such as Glebe, Redfern Waterloo and Millers Point are being decimated by policies designed to drive the poor and welfare dependant out of the city area Swathes of housing have been demolished or earmarked for demolition in Redfern, Waterloo and in Glebe and in recent years many homes in Glebe and Millers Point have been sold.

The widespread inadequacy of public housing maintenance is a form of “demolition by neglect”. Most commonly roofs and gutters rust out and nothing is done to address consequent water penetration of homes, with the result that the homes become unliveable and the properties are then sold.

Governments use the excuse of housing stock deterioration and high maintenance costs to sell public houses off to the private sector or negotiate the sale of housing and all the responsibilities for its maintenance to smaller “Community Housing” initiatives. These organisations often have no proven track record or are driven by profit motive – neither of which factors augers well for continuing tenants.

Low-income working families have to find homes in an increasingly expensive private rental market which has, in its turn, produced housing stress. This is defined as when tenants have to pay over 30 per cent of their income on shelter. In some cases people are paying 57 per cent of their income, and even higher, on rent. Those renting in this market often have no security of tenure and we know of examples of people being forced to move from such properties at regular six monthly intervals over many years.

Cutting funding

In our view it is unacceptable that the NSW Government is selling off public housing to pay for maintenance of public housing while at the same time it has cut \$22 million from the budget for new social housing and \$37 million from this year's maintenance budget.

In the last financial year, the NSW Land and Housing Corporation sold more than 500 properties, raising \$165 million.

Last year, the corporation reported a \$330 million shortfall for maintaining the 150,000 properties it owns. It said it was balancing its budget by reducing maintenance and selling properties.

The corporation plans to sell more than double the number of properties it builds over the next four years.

Meanwhile the waiting time for properties has grown from two to five years to more than ten years.

The fallacy of subsidies

Public housing is subsidised housing. It is not free. Tenants pay 25 to 30 per cent of their income for housing.

By way of comparison, in the Harvester Judgment Higgins J allowed 16% of the basic male wage for the cost of housing a family

Private home owners attract six times more public money than public housing gets through first home owner grants, negative gearing, capital gains tax exemptions and other tax concessions.

Subsidies are widespread. Every litre of diesel used by mining companies attracts a subsidy. Car industry giants Toyota, GM and Ford have received subsidies.

Anglicare report

The depths of the housing crisis was revealed by Anglicare's report, *Rental Affordability Snapshot: April 2013*, which included the following statistics:

- 600,000 Australian families are in rental stress, paying more than 30% of income on rent.
- 200,000 affordable housing units are needed nationwide
- Of the **9,400** properties advertised for rent in the Sydney region over one weekend only **72** were affordable for people on the age or disability pension or the single-parent payment. Not one was available for someone on a Newstart allowance, even if they were prepared to share and move to the Blue Mountains, Gosford or Ulladulla.

Auditor General's report

The recent Auditor General's report showed that all the new federally funded housing stock is being passed over to NGOs, while Housing hangs on to older stock and tenants on lower incomes and tries to push tenants with more money onto NGOs or the private sector.

The apparent effects are that:

- after rising from about \$444 million in 2001 to about \$700 million in 2010, rental income has since remained static
- older buildings are more expensive to maintain, and Housing does not spend the money required for maintenance so that the housing stock deteriorates quickly
- Housing then assert that the older buildings are too expensive to maintain and sells them off, or demolishes them and makes the land available for private developments

- public housing tenants end up being pushed out of the city area.

Sydney Council's Vision 2030 anticipates a reduction of social housing tenancies from 10.4% in 2006 to 7.5% in 2030. Housing relied on this document to support the demolition of the Cowper Street flats. Tenants at the Rocks and Redfern Waterloo are also under pressure with properties being sold or redeveloped by developers other than Housing.

The Auditor's General's comments on the lack of focus and planning by the Dept of Housing are significant. There is no clear responsibility for public housing, with the functions split between two ministerial portfolios. Annual reports fail to address the statutory requirements.

Gratton report

Renovating housing policy, a recent report by the Gratton Institute, argued that housing policy in Australia is overdue for a major renovation. The report showed that all of the new federally funded housing stock is being passed over to NGOs, while Housing hangs onto older stock and tenants on lower incomes

"If you are living out on the fringes," the report points out, "you often can easily access only a small minority of jobs rather than those in the centre. It means employers face a thinner labour market and workers are locked into jobs they might rather not have."

The Auditor's General's comments on the lack of focus and planning by the Department of Housing are significant. There is no clear responsibility for public housing, with the functions split between two ministerial portfolios. Annual reports fail to even address the statutory requirements.

THE HUMAN DIMENSION

More than 176,000 households are on waiting lists for public housing in Australia. It is estimated that by 2020, one million Australians will be suffering from housing stress.

The wider social costs of homelessness; increased emergency accommodation demands, hospitalisation, depression and mental illnesses are generally ignored.

One example of the failure of government housing policy can be seen in Cowper Street in Glebe, but there are many other examples across "the city of villages" as Sydney is described by its Lord Mayor.

In Cowper Street in May 2010, 17 low-rise apartment blocks, housing a long-standing community of nearly 300 public housing tenants, were demolished, with the promise that the land would be used to house both public tenants and private owners.

The development was to involve a net loss of almost 50 per cent of the public land to the private sector and loss of about 100 places for lower socio-economic strata tenants. Four years after demolition Cowper Street is a wasteland of weeds, no families, no trees, no gardens, no birds – and with no immediate prospect of a building going up. A waste and a scandal!

The human cost of the dispersal of the Cowper Street community was appalling. Support networks built up over years were destroyed as tenants were scattered near and far. London's Lord Mayor Boris Johnson, a member of the Conservative party, described the policy of dumping public housing tenants in out-of-the way areas as "social cleansing". This is what is happening in our city too.

Within the Glebe estate we have also experienced the sale of individual houses to the private sector. These “million dollar” houses are purchased by wealthy profiteers who often become “absentee landlords” with a high turnover of residents moving through their properties.

This results in the social dislocation of neighbourhoods as people who formerly were known to and cared about by each other now have unknown neighbours who use their house merely as a “dormitory” and do not “live” in the street any longer. This has contributed to the breakdown of community and the alienation that accompanies isolation.

A BETTER WAY

The time has come for governments to accept that the way forward is massive investment in public housing. This will result in more and better accommodation for people in need, more affordable housing, less homelessness, falling rents, a decline in housing stress and better social and economic outcomes. Investment in public housing will deliver a much needed boost to the home building industry.

In Glebe, a suburb with a large and relatively stable public housing population, Glebe Public School is achieving school participation rates in excess of 93 per cent and access to tertiary education, training, employment programs and to jobs is greater for our young people than in distant parts of the greater metropolitan region.

At present six times more is spent on private housing than is spent on public housing. This trend must be reversed.

As Australia’s leading economy and largest state, NSW should commit to public housing and urge the Federal Government to do the same.

The NSW Government must take a leadership role in developing a systemic approach to housing policy, setting clear principles and objectives to achieve its goals. We need a public conversation about who wins and loses from current policy, and how to create a fairer playing field.

The time has come for local, state and federal governments to put a massive effort into public housing. The main responsibility falls on the Federal Government to reverse the policies of the past 40 years and get all levels of government working on public housing.

Hands off Glebe supports a national, publicly funded housing program, with rents based on a set percentage of the tenant’s income. All those on incomes of \$80,000 or lower should be eligible for public housing. This will provide a mix of people and not concentrate people in pockets of disadvantage.

