



Public Housing reform

The Carr Government has announced that it will end security of tenure and increase rents in public housing. If implemented, the proposals will place all new tenants on fixed term leases, some as short as two years, and terminate their tenancies at the end of the fixed term if their incomes have risen above new eligibility thresholds.

The plan aims to free up housing by encouraging people on what it calls "moderate" incomes to move into private accommodation. The rent for people in this group, whose incomes start at \$29,000 a year after tax, will increase by 20 per cent from November.

There are about 350,000 tenants in 145,000 public housing properties across the state, with a further 71,000 people on waiting lists. The proposed changes will affect about a third of the tenants, lifting their average rent by \$15 to \$88 a week. Additionally, tenants will soon be charged for their water use which will incur a bill of about \$5 each week.

The Government plans to use the extra funds as part of a \$2.7 billion plan to build or buy 12,000 homes, refurbish another 8000 homes and modify a further 10,000 homes to suit people with disabilities.

Currently, tenants may remain in public housing as long as they abide by their lease. As their income increases, and they pay an increased rent which subsidises the operation of the public housing system.

From July 2005 the Department will offer one-year leases to all new tenants and on the expiry of those leases they will be offered fixed term leases in line with the new policy, if they are eligible.

The Tenants Union believes the whole public housing system will suffer as a result of the policies announced. While it is correct that funding cuts by Federal Government have seriously undermined the viability of the public housing system, the current proposals verify the continuing decline and marginalisation of public housing in New South Wales.

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