

Research particularly overseas, has shown a lower incidence of end of the nineteenth century and early twentieth century. For example, the outbreaks of tubercular disease in the Rocks area at the important and relevant factor pre WW2 and even in the 1950s. The effect of bad housing on the health of the occupants was an

possible for many homeowners in the private sector. The main reason for the purchase of a dwelling is security of abode. Particularly in periods of high unemployment this was not

THE EFFECT OF BAD HOUSING

Further, the public sector can encourage innovation in both estate design and house design. For example, the in the 1960s the Housing Commission pioneered the use of brick veneer construction.

Benefits of public housing include economies of scale, provision of secure shelter to low income groups, extra employment, the increase in housing stock helps to reduce housing prices in the private sector.

Because of the problems of acquisition, the public sector is the only effective sector for the redevelopment or recycling of large deficit housing areas.

The large number of inputs required for the building of a large housing estate can be overcome by the state particularly, the amalgamation of land, construction of the infrastructure and provision of services.

The private sector can only provide accommodation where sufficient profit is made to warrant development. Low income families need security of tenure to enable proper financial development.

Public housing constitutes about 5% of all dwellings in Australia.

Therefore, it is considered to be the government's responsibility and concern when disadvantaged sectors of the community cannot afford housing. However, there is a greater economic argument for the central control of housing.

Shelter together with food and clothing is a basic need of mankind. In Australia as with most countries of the world housing is desired by most people particularly, those with families.

INTRODUCTION

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disease, fires, crime etc in new housing estates.

During the 1950s and 1960s there were pressures on metropolitan areas because of migration from not only overseas but also from rural to urban areas. Slum clearance was seen as a pressing problem in Sydney and Melbourne.

The idea of a better life for the inhabitants of slums had led to a number of social reformers and churches to support slum clearance programmes.

The Council of the County of Cumberland estimated that there were about 42000 sub standard dwellings requiring replacement within the County. This figure was increased to about 80000 in 1960.

THE DEPARTMENT OF HOUSING - NSW

The Department was created in 1986 by amalgamating the Land Commission and the Housing Commission of NSW. The Housing Act 1985, established both the Department of Housing and its associated statutory authority the NSW Land and Housing Corporation. The Corporation's affairs are managed by the Director of Housing.

The Corporation allows for land dealings to be undertaken outside crown land procedures a power considered essential for the effective management of the Housing portfolio. Other relevant acts are:

Housing Act 1912

Housing (Amendment) Act 1985

Land Commission (Housing) Amendment Act 1985

Public Authorities (Financial Accommodation) (Housing) Amendment Act 1985.

Public Finance and Audit (Housing) Amendment Act 1985.

*Housing Act .
Land Comm. Act 1976.*

The Department pursues the following objectives:

- (a) maximise the opportunities for all people in NSW to have access to secure, appropriate and affordable housing;
- (b) ensure that housing opportunities and assistance are available to all sections of the community with housing needs;
- (c) ensure that public housing is developed as a viable and diverse form of housing choice;
- (d) ensure that public housing reflects general community housing standards and is designed to cater for the ongoing needs of consumers;
- (e) maximise the opportunities for tenants of public and community housing programmes to participate in the management of their housing and in the development of public and community housing policies;
- (f) promote equity between levels of assistance provided to people living in public rental housing and those who own or are purchasing their own homes;
- (g) maintain an efficient housing administration to ensure the

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effective coordination and provision of all housing services;

- (h) encourage social mix and the integration of different housing forms in existing and new communities;
- (i) encourage the planning and development of new urban areas as communities with a full range of appropriate services and facilities available in the shortest practicable time;
- (j) promote a viable and stable building and construction industry in the residential sector;
- (k) facilitate the provision of an adequate supply of affordable home finance for persons in receipt of low and moderate incomes;
- (l) encourage the development of flexible and innovative financial arrangements to facilitate access to home ownership for persons in receipt of low to moderate incomes; and
- (m) ensure appropriate mechanisms and forms are established to allow input into housing policy by representative community organisations and non government agencies involved in housing policy and provision.

PUBLIC & COMMUNITY HOUSING ACTIVITIES

From the Department's Annual Report for 1986/7:

- (a) housing of 12176 new tenant households, highest achievement in the history of the State Housing Authority;
- (b) new eligibility rules to allow low and moderate income earners more equal access to public housing and to bring income limits more into line with wage and price increases since the last change in 1978;
- (c) the tenant participation programme increased with the number of tenant groups doubling from 70 to more than 150 and the formation of regional public tenants councils in all the Department's 8 regions;
- (d) the Department purchased or completed a total of 4551 dwellings and started work on a further 4726;
- (e) a dramatic increase in capital funding for the Community Tenancy Scheme with a record \$12.5m being allocated to the purchase of 190 dwellings;
- (f) purchase of 75 homes for the new Disability Housing Programme and renovation of the homes to meet specific needs of people with disabilities.

HOUSING FOR OLDER PEOPLE

The department completed a joint venture development of 137 units, Dougherty Apartments housing project at Chatswood.

Further, the Department won a competitive tender for the private joint development of 60 bed hostel at Canterbury to be built to a congregate pattern to allow groups of older people both private living space and common facilities together with live in support staff.

PRIORITY AND CRISIS HOUSING ALLOCATIONS

In 1943 the Commonwealth Government constituted a Housing Commission under the National Security Regulations to report on Australia's housing needs. The report stressed that the Commonwealth should take an active role in housing. Largely because of the report, the Commonwealth State Housing Agreement was drawn up in 1945 under which the Commonwealth agreed amongst other things to provide the state governments with funds for housing purposes repayable over a period of 52 years and at an interest rate of 3.00%. The Commonwealth also agreed to guarantee the states against certain losses and to allow for low income families to enjoy rental rebates. The agreement aimed to meet the extreme shortage of homes for new families when WW2 soldiers returned. Public housing was seen as a long term source of secure housing for the general public. In some respects this objective was met by the South Australian Housing Trust.

COMMONWEALTH INVOLVEMENT IN PUBLIC HOUSING

Despite a considerable increase in housing stock the waiting lists for public housing have shown considerable growth. The New South Wales waiting list would take up about 78% of the total existing public housing stock if it was available. The high figure for South Australia reflects the unique position the South Australian Housing Trust plays in the housing market.

SOURCE: NSW State Department of Housing 1988.

| STATE | TOTAL RENTAL DWELLINGS | NEW DWELLINGS ADDED 87-88 | WAITING LIST | WL AS % OF TOTAL AVAILABLE |
|------------|------------------------|---------------------------|--------------|----------------------------|
| NSW | 110621 | 4018 | 85972 | 77.7 |
| VICTORIA | 56876 | 3164 | 29308 | 51.3 |
| QUEENSLAND | 26879 | 1920 | 11984 | 44.6 |
| SA | 60655 | 1940 | 43760 | 72.1 |
| WA | 32553 | 1450 | 13812 | 42.4 |
| TASMANIA | 14000 | 594 | 4174 | 29.8 |
| ACT | 11716 | 485 | 2693 | 23.0 |
| NT | 9341 | 0 | 3081 | 33.0 |

State statistics show that the largest waiting list is for NSW reflecting the comparatively high values of Sydney's housing stock. The statistics for all states in 1988 are as follows:

WAITING LISTS 1988

In 1986/7 2013 allocations were approved for priority and crisis housing, about 16.5% of all allocations. This is less than the previous years high of 27.5%.

During this period low rents based solely on costs were set. However, in 1975 the Commission of Inquiry into Poverty in Australia reported that about 72% of public housing tenants were living above the poverty line. Applicants were mean tested but the test was not used for established tenants.

To better target needy tenants the 1978 CSHA established market rents as a way of mean testing households.

The demand for housing amongst pension beneficiaries and low income earners was widened in 1984 containing an "equal opportunity" clause guaranteeing equal access to public housing for young single people.

The deregulation of new savings bank loans for housing in April 1986 was accompanied by an undertaking by the Commonwealth Government to continue existing levels of funding for public housing.

The sustained funding of public housing has resulted in a record level of commencements or purchases of 5500 dwellings in 1986/7. Completions in 1987/88 were expected to be over 6280, the highest level for more than a decade.

TYPES OF GOVERNMENT INPUT

The involvement of government in housing today is much more complex than in previous years. The type of aid can be considered as either indirect or direct.

INDIRECT AID

Indirect aid is becoming more popular. Indirect aid consists of:

1. Rental subsidies in the private sector
2. Mortgage relief in the private sector
3. Joint ventures with the private sector.

RENT SUBSIDIES IN THE PRIVATE SECTOR

This system is similar to a number of overseas methods of assistance. It involves a voucher scheme whereby private sector renters can obtain a rent subsidy if they can show a need.

The scheme run by the Commonwealth is called the Supplementary Rent Assistance Scheme which pays up to \$15 a week.

In the UK the drastic reduction in the building of public housing accompanied by income support led to a reduction in the size of private rental tenure as a proportion of the whole housing market. The alleged supply growth failed to materialise.

Other problems with housing benefits include sharp differences in

rents between regions for example, the Sydney metropolitan area and elsewhere.

MORTGAGE RELIEF IN THE PRIVATE SECTOR

A record rate of settlement under the Affordable Home Loans scheme, for the first time, settlements exceeded \$100m.

The first settlement of loans under the new Premier Low Start Home Loans Scheme. By the end of year 2743 loans totalling \$65m had been committed and of these 5567 loans totalling \$28.4m had been settled.

In recent years the more prosperous tenants have been encouraged into the private sector through concessional mortgages. This increases the stress on the public sector by taking those people with the capacity to pay out of the system. That is, public housing is tending more and more towards "welfare housing".

JOINT VENTURES WITH THE PRIVATE SECTOR

The NSW Department has continued with its joint venture schemes with private developers in providing land and buildings particularly in the the western suburbs of Sydney. The corporate vehicle concerned with the provision of services house sites is Landcom.

Joint, marketing campaigns with leading builders, lending bodies and service authorities led to a revival in the first home buyer market and resulted in more than 800 homes being committed on Landcom estates.

Under joint venture arrangements with builders the department negotiated the sale of 750 blocks to builders in the last quarter of 1986/7 compared to 100 for the same period in the previous year.

Development sites were bought from public and private landlords at Pymont Point area where an innovative joint venture with private enterprise is being carried out. The project will result in 245 units of public and cooperative housing and 142 project homes for sale, housing a total of 1000 people.

In a major urban consolidation project 65 dwellings were completed in the first 2 stages of the Pacific Del Mar scheme at Tumbi Umbi on the central coast.

DIRECT AID IN THE PUBLIC SECTOR

The Department of Housing builds a number of houses, villas, units and townhouses to be rented out to those who meet the Department's criteria of need. The rent paid by the tenants is either a market rent or a rental rebate. Where the tenant pays a market rent the tenant is still better off in the public sector

because of greater security of tenure.

That part of the market rent not paid by the tenant is called a rental rebate. In 1987/8 NSW had a total rental rebate cost of \$207m while the Victorian Ministry of Housing & Construction had a bill of about \$95m. Tenants generally, pay no more than one quarter of their income.

"The present system is perpetuating a gross injustice. Assuming no further increase in funds for housing, the Commonwealth should restructure its assistance to explicitly accept responsibility

for income support for tenants" - Prof Cliff Walsh, Centre for Research on Federal Financial Relations at ANU.

About 75% of existing tenants are receiving a rebate and about 90% of new tenants are eligible for the rebate.

More and more housing authorities are targeting those for whom a mortgage is not a viable alternative for example, migrants.