

30 July 2013

AUDITOR-GENERAL'S REPORT **PUBLIC HOUSING COULD BE BETTER USED**

There are 55,000 eligible applicants on the social housing waiting list, with some people waiting for more than ten years to get a house. The waiting list could be more than 86,000 by 2016 unless things change.

Social housing only meets about 44 per cent of need in New South Wales even though we have the largest social housing portfolio in Australia. Social housing falls into three groups. About 80 per cent is public housing which is owned and operated by government. The remaining stock is community housing and Aboriginal housing.

"Much of today's public housing stock was planned years ago and is now the wrong size and in the wrong place," said Mr Achterstraat.

The time has come for the government to set a new, sustainable direction for public housing in New South Wales.

Many homes are under-occupied despite the growing waiting list. Around 30 per cent of all three or more bedroom dwellings only have one or two people living in them.

"Under-occupancy has continued to grow over the past decade and government has had little success in managing this trend," said Mr Achterstraat.

If the current arrangements continue it is likely that public housing will either run down or be sold off. The cost of keeping each dwelling has nearly doubled in the last ten years, from \$15,000 to almost \$27,000 per dwelling. To meet the increasing costs of keeping public housing available the government has:

- sold existing stock to support operating costs
- delayed some maintenance expenditure, upgrading and capital building programs.

"Key questions need to be answered" said Mr Achterstraat. "How can government ensure that tenant's homes match their needs? How best to use community housing providers? How will the gap between supply and demand be managed? How will it be funded?"

Meeting the major challenges including increasing demand (due to more tenants with complex needs), the ageing and inappropriate dwellings, and maintenance costs, is no simple matter. Practical steps to make the best use of public housing could include:

- place greater priority in matching household size to dwelling
- move tenants when their needs change
- consider other rent setting models such as charging more for more expensive locations
- avoid developing concentrated areas of the neediest tenants.

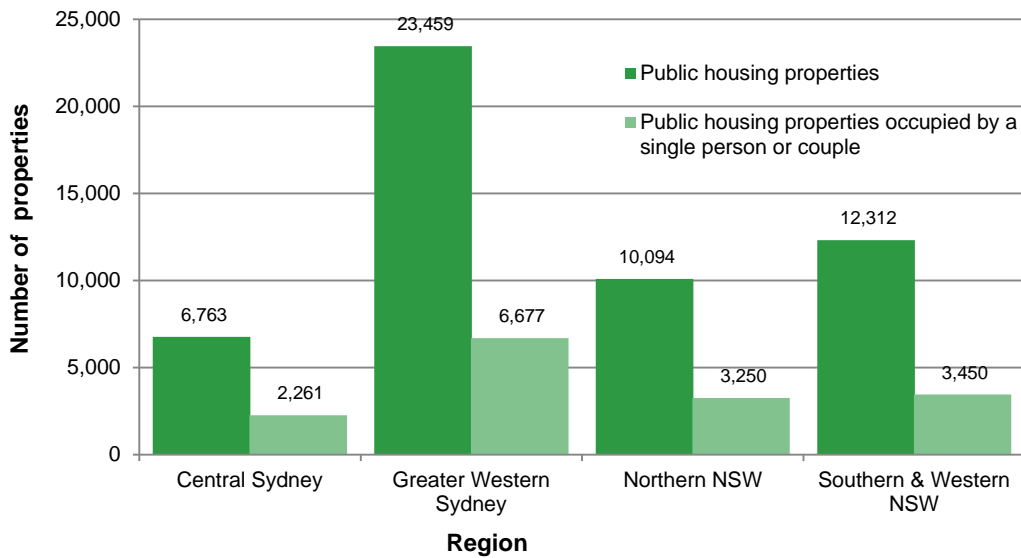
The Auditor-General summed it up:

"It is crunch time for public housing in New South Wales. The government must make difficult decisions about public housing priorities".

Further information:

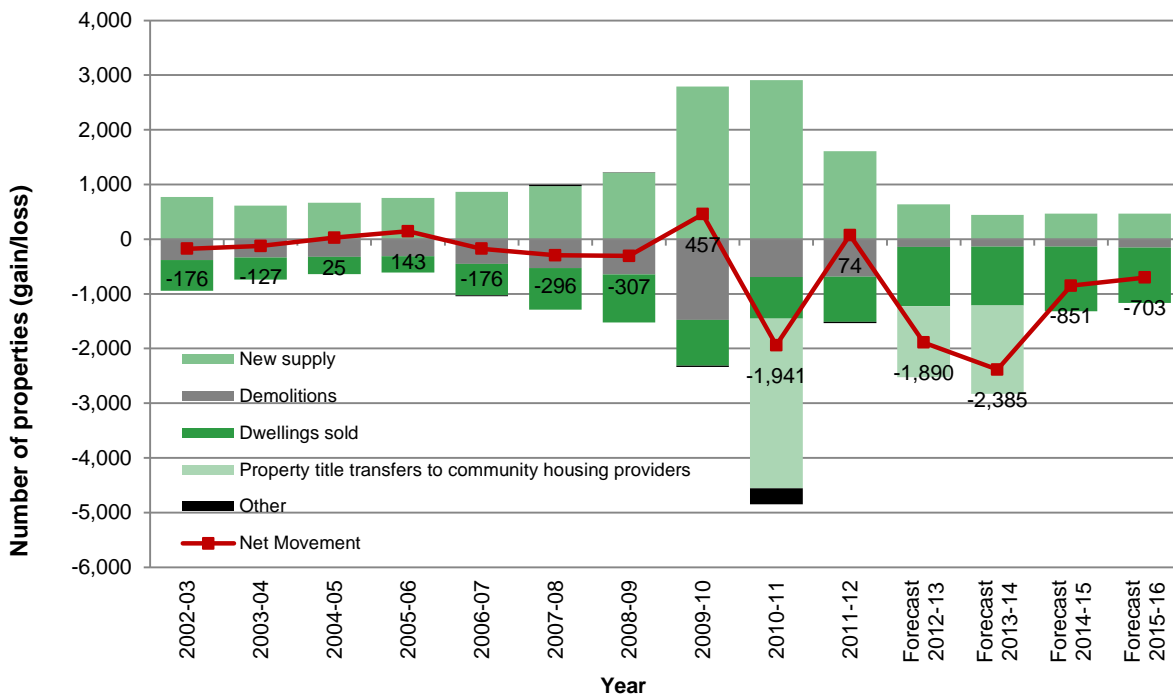
Barry Underwood, Executive Officer, on 9275 7220 or 0403 073 664; eMail: barry.underwood@audit.nsw.gov.au

Three or more bedroom properties occupied by a single person or a couple, February 2013



Source: Housing NSW April 2013

NSW Land and Housing Corporation's owned housing stock movement (including properties managed by community housing providers) between 2002-03 to 2015-16



Source: NSW Land and Housing Corporation March 2013

Note: Excludes NSW Land and Housing Corporation's properties used for short-term 'crisis' accommodation.