REDWatch Forum

Public Housing – what is it, where are we, how did we get here and where are we going?

6 July 2017

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What is public housing?

- Govt financed, developed, owned & managed housing
- Allocated according to non-market rules
  - e.g. by ‘need’, by queue (wait turn)
- Offers subsidised rents (i.e. below cost/market)
- One form of ‘social rental housing’
  - term includes housing run by non govt. orgs.
  - e.g. community & Indigenous housing providers, housing coops
- Public housing today
  - 80% of Australian social housing
  - 4% of all dwellings (400,000)
  - < 1% of new construction

Beginnings

- Early 20th C projects
  - e.g. Dacey Gardens 1912
- Housing Commissions established
  - 1939 (SA) to 1947 (WA); NSW 1942
- Response to
  - Poor housing conditions (slums)
  - Housing shortages
  - Public health concerns
- National program from 1945
- Public housing intended for *'those …in need of proper housing and who…did not desire or were unable to purchase their homes'* (Parliamentary Record 1945)

Heyday

- 1945 -1955: first Commonwealth-State Housing Agreement
- 96,000 homes built
- 14% of all house building
- Targeted on returning servicemen, working class families, residents displaced by slum clearance
- Historic cost rents

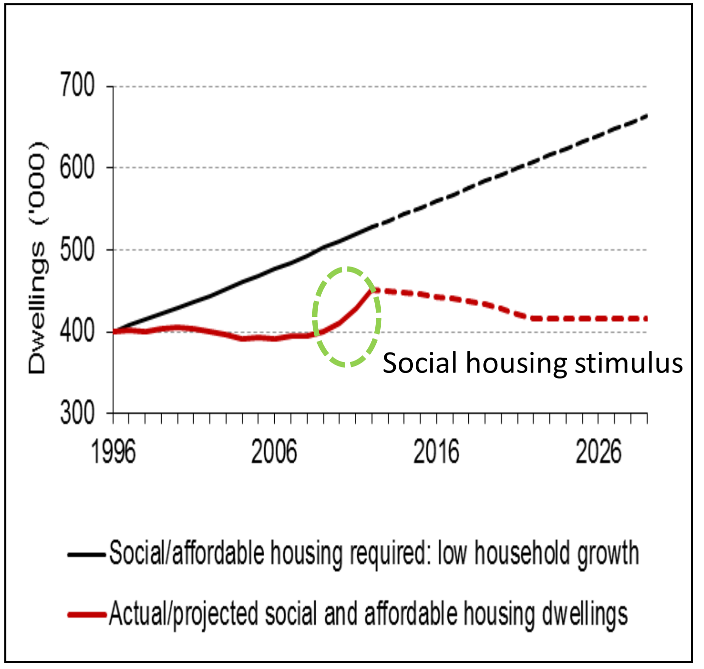
Shift to home ownership

- 1956: major C/W policy change (supported by states)
  - To promote home ownership
- Involved
  - Discounted sales of public housing to sitting tenants
  - Building for sale
  - Public mortgage finance
- Result
  - Of 840,000 dwellings initially funded by govts. 1945-81, only 120,000 remained as public housing in 1981 (5% dwellings)
  - 'Super lot' estates and flats dominated retained stock
- Ended with cessation of sales except at market value from 1972 (Whitlam Govt.)

The long decline

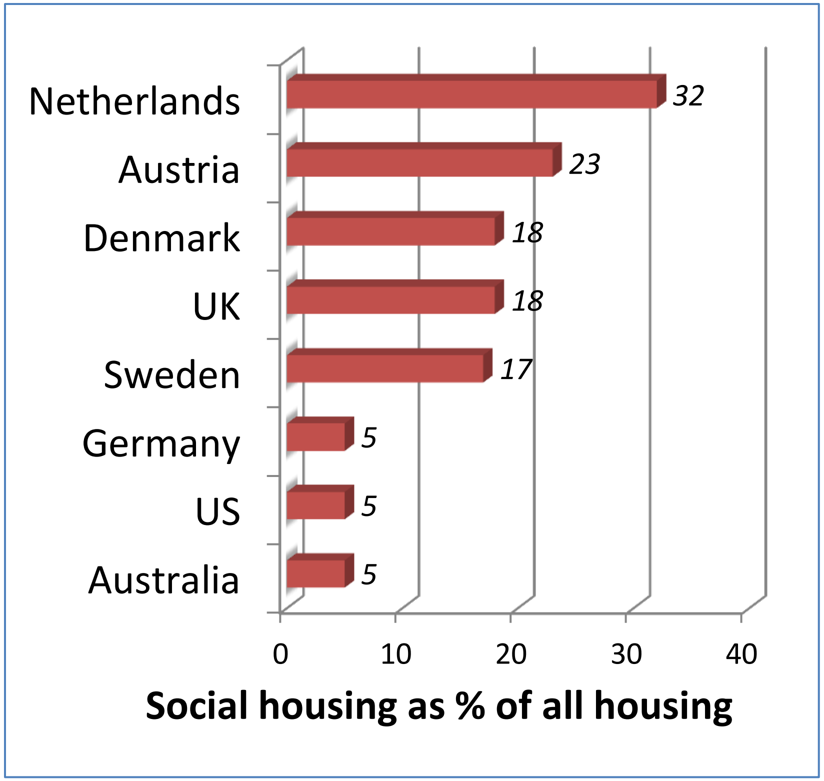
- Outcome was policy to target remaining housing (‘welfare’ model adopted)
  - 1972: Means testing of access
  - 1978: Market rents
  - 2000s: Increasing allocations by ‘priority ‘ of need
  - 2005 +: Fixed term tenancies; intensifying ‘conditionality’
- 1980s also saw major shifts in demand
  - Single parents
  - Deinstitutionalisation (supported tenants)
  - End of long boom – unemployment
  - Non-aged singles
- By 1990s 85% public housing tenants received rent rebates
- 1996 : permanent funding cuts & end of C/W requirement for new supply
- Long-term operational viability of public housing becomes a major concern
  - Combined result of falling average rents, rising operating costs, ageing under-maintained stock, funding cuts
- ‘Community housing’ alternative emergent at small scale from 1980s

Share of social housing 1996 – 2026 (projected)



Elsewhere

- Diverse role of public/social housing
  - Western & Northern Europe – larger social housing systems, mostly non govt. providers
  - Eastern Europe – almost 100% privatised after 1989
  - Singapore & Hong Kong – large high density public housing schemes
  - Southern Europe – very little, reliance on family
  - NZ, US, Canada – small highly targeted systems like Australia



Today

- Public housing portrayed as the problem
  - 'welfare' model has accelerated decline of political & community support
- Decline worldwide but ours from a low base
- Local strategies
  - Management transfers – limited vision, funding driven
  - Renewal via privatisation of high value estates
  - Role limited to emergency, temporary & 'special' needs
  - Increased reliance on (weakly regulated) private renting
- An alternative future?
  - Secure affordable rental housing as a solution – long term value
  - Revival of building (10,000+ per year) – productive investment not a cost, market-shaping (e.g. WA)
  - Not-for-profit redevelopment (potential for cross subsidy, flexibility & innovation)
  - Enhanced role for diverse social (not-for-profit) landlords
  - More grass roots (tenant & community led) schemes (e.g. community land trusts)
  - Enhanced Tenancy Regulation – quality, security, management standards

UK viewpoint

> ***'had there been a greater sense of tenant and community ownership in social housing it would have been much harder for Governments to undermine its vision and purpose'.***
>
> **Housing and Communities Research Group (2016) The Future of Social Housing**