

HOUSING AUTHORITY — TENANTS — RENT ASSESSMENT

339. Hon SAMANTHA ROWE to the Minister for Housing:

I refer to the attached “Assessable Income Payments” list and changes to the calculation of assessable income in relation to public housing rents from 28 March 2016.

- (1) Which income or benefit categories on the attached list will continue to be assessed as part of the new calculation of assessable income?
- (2) If any income or benefits have been removed from consideration —
 - (a) has the Housing Authority revised its estimate of the number of tenancies the new calculation method will apply to by the end of 2016; and, if so, what is that number; and
 - (b) has the Authority revised the additional income it is likely to receive from the new calculation method for 2015–16 and 2016–17; and, if so, what is the revised revenue for each of these periods?

Hon COL HOLT replied:

I thank the member for some notice of the question.

- (1) I have asked the Housing Authority to re-examine commonwealth payments that have not previously been included as assessable income and confirm whether they should continue to be excluded. Pending this review, and as an interim measure, the Housing Authority has temporarily removed a small number of payments from the rent increase that occurred on 28 March 2016. I will inform Parliament of these changes in due course.
- (2) If any changes are made, I expect the impact on the number of tenancies and revenue will be minimal. Estimated revenue as a result of rent increases may vary due to a number of reasons, including the number of new public housing tenants, changes in household income, attrition, and changes in household composition. Even after rents are paid, public housing is still subsidised by taxpayers by over \$300 million per annum. These changes will ensure that all tenants within the public housing system make a fair and equitable contribution towards their housing costs, which in turn assists us to do things like fund the \$560 million social housing investment package that will create another 1 000 social homes, and halve the priority waitlist for vulnerable seniors and families with children. Twenty-five per cent of household income is a fair rent for public housing. People who are not in public housing but on the waiting list with comparable incomes are doing it much tougher. These people pay the going market rent regardless of income. These are the people who most need assistance. Currently, the majority of tenants are paying less than 25 per cent because of various exemptions and discounts applying to specific commonwealth payments that have accumulated over many years. This has resulted in some tenants paying the standard 25 per cent of household income as rent, but others pay as little as 18 per cent. This is inconsistent and inequitable. The change to what is considered assessable income reflects the principle that commonwealth payments that are regular, ongoing and are able to be used for general living expenses should be included in the calculation of rent.

Hon Sue Ellery: What are the interim changes? Why can't you tell us that now?

Hon COL HOLT: I said I will inform Parliament when I am ready.

Several members interjected.

The PRESIDENT: Order! The answer is the answer.