



NSW GOVERNMENT EXTENDS RENT FREEZE FOR PENSIONERS AND URGES FEDERAL GOVERNMENT TO EXAMINE WAYS TO HELP PENSIONERS IN PRIVATE RENTAL ACCOMMODATION

Embargoed until 5am – Monday, 11 October 2010

The NSW Government will continue the rent increase holiday for single rate pensioners in public housing, following a request from the Commonwealth.

The decision means the one-off \$30 increase granted by the Federal Government in 2009 to single rate pensioners will not be included in the assessment of household income until the next NSW State Budget in 2011 – when it will again be reviewed.

This is the second year in-a-row the Commonwealth has made such a request of state governments.

As a result, the NSW Government will also set up an official Roundtable with pensioner and social housing stakeholder groups to discuss the impact the Commonwealth's request will have longer-term on the supply and financial sustainability of community housing, affordable housing and social housing.

The decision was announced by Premier Kristina Keneally and Housing Minister Frank Terenzini.

"We took the Federal Government's request to extend our rent increase holiday for pensioners seriously, which is why the Cabinet considered it in a thorough Budget Committee process," Premier Keneally said.

"This decision will assist the 70,000 single rate pensioners who live in NSW social housing with the costs of living.

"However, I am still very concerned about the cost of living pressures faced by pensioners in private rental accommodation," Ms Keneally said.

"While I understand many pensioners across the State may be struggling, pensioners living in public housing do have the advantage of paying just 25 per cent of their household income in rent.

"The Combined Pensioners and Superannuants Association agrees that many pensioners renting privately may be paying up 60 to 70 per cent of their income on rent alone."

Ms Keneally said that pensioners in private rental housing, unlike those in social housing, do not have access to low rent or guaranteed tenure, and are vulnerable to rent hikes applied by their landlord.

"I am calling on the Federal Minister for Families, Housing, Community Services and Indigenous Affairs, Jenny Macklin, to outline how the Commonwealth proposes to assist 190,000 pensioners in NSW who live in private rental housing."

Ms Keneally said that she and Minister Terenzini would also press the Commonwealth to ensure the funds available to state governments and community housing providers to build more social housing did not erode over time.

"The effect of Minister Macklin's request this year and last year is to re-set state governments' rent policies, which in effect means a loss of income to state housing agencies and to community housing providers each year," Minister Terenzini said.

"We expect the community housing sector in NSW will lose about \$2 million in foregone rent this year, as a result of the Commonwealth's request.

"It is our responsibility to ensure that we can provide housing to as many vulnerable people as possible, including women fleeing domestic violence, young people without family support and homeless people but also pensioners who may be struggling with high costs in the private rental sector."

Premier Keneally said that every dollar of social housing rent is used to help another person or family trying to find safe, decent accommodation.

"If this request from the Commonwealth becomes a standing request, it will mean that state governments and community housing providers across Australia will have a diminishing pool of funds from which to build more social housing – further exacerbating the cost of living pressures for vulnerable people," Ms Keneally said.

"I am asking Minister Macklin to clarify if the Commonwealth intends to make this an on-going request of state governments, and if so, what steps the Commonwealth would do to ensure that vital funds remain available on an on-going basis to state housing agencies and community housing providers."

Mr Terenzini said that he would be writing to stakeholder groups this week to convene a Roundtable later this month.

"The NSW Government is in the business of building houses for those most in need, and the Roundtable will be an opportunity for us to work together with community housing providers to ensure a sustainable future income stream to meet current and future demand."

Background

- There are 69,590 single rate pensioners in public housing and around 190,000 pensioners living in private rentals.
- The average rent for a single rate pensioner living in public housing will now be around \$74.80 per week, up from \$72.70 to incorporate the September CPI increase. If the rent holiday had ended (including CPI), rent would have increased to \$82.30 per week.
- The average weekly rents for a one-bedroom unit in the private sector are in Blacktown (\$210) and in Liverpool (\$200).
- The NSW Government is delivering record amounts of social housing, including over \$2 billion in social housing services and infrastructure this year alone. The bulk of housing being built under the Federal Government's Economic Stimulus Package will be managed by the community housing sector.