

***Review of rent models for  
social and affordable housing –  
Response to IPART’s issues paper***

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*CPSA is a non-profit, non-party-political membership association founded in 1931 which serves pensioners of all ages, superannuants and low-income retirees. CPSA has 108 branches and affiliated organisations with a combined membership of over 20,000 people living throughout NSW. CPSA's aim is to improve the standard of living and well-being of its members and constituents.*

CPSA welcomes the opportunity to respond to the issues paper published by IPART as part of its *Review of rent models for social and affordable housing*. As an advocacy organisation for pensioners and low-income retirees, CPSA has a keen interest in social housing. CPSA represents those people in receipt of the Age Pension, Disability Support Pension and Carer Payment, who form a significant proportion of the social housing tenancy base in NSW. CPSA also advocates for people over 50 who have not yet reached pension age, but are long-term unemployed with little prospect of returning to the workforce. This is a cohort of people who have effectively been forced to retire on Newstart Allowance, which for singles is 40 per cent, and for couples 28 per cent lower than the Age Pension<sup>1</sup>.

Historically, the Australian Government has played a significant role in ensuring a sufficient supply of housing, with multiple iterations of the Commonwealth-State Housing Agreement ensuring sufficient investment in increasing the stock of public housing held by state governments. Capital funding for public housing investment from the Australian Government is now almost non-existent, following a policy shift towards the provision of assistance to enter the private rental market<sup>2</sup>. Consequently, state governments have become increasingly responsible for maintaining and expanding the stock of public housing with a reduction in the funds available to do so. As a result, the stock of public housing has been reduced both relative to the population and in real terms. At the same time, the private housing market – both for owner/occupiers and renters – has become increasingly expensive, which has in turn increased demand for public housing as people are unable to obtain secure, affordable housing through the private market.

In NSW, growing demand for public housing amid dwindling stock has given way to extensive waiting lists. In the Sydney metropolitan area, expected waiting times for general social housing applicants are over ten years, while in regional areas expected waiting times range from between two and ten years<sup>3</sup>. In order to ensure that the available stock of housing is allocated to those most in need, the NSW Government has successively sought to tighten eligibility criteria in order to manage demand. While this

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<sup>1</sup> Newstart for singles is \$528.70 per fortnight and \$571.90 per fortnight for singles over 60 who have been unemployed for nine months or more. The single Age Pension is \$877.10, while the couple combined rate is \$1,322.40. According to ABS labour force data, 37,500 people aged between 50 and 54 and 71,900 people aged between 55 and 64.

<sup>2</sup> P82 Morris, A., 2013. Public housing in Australia: A case of advanced urban marginality?. *The Economic and Labour Relations Review*, 24(1), pp.80-96

<sup>3</sup> Housing Pathways (2015) 'Expected Waiting Times' NSW Department of Family and Community Services [Accessed 12 December 2016] Available: <http://www.housingpathways.nsw.gov.au/how-to-apply/expected-waiting-times>

appears to be a rational policy response, it has served to increase the concentration of disadvantage, meaning that the tenant base is comprised of the most marginalised and vulnerable households. Given that rent is set as a proportion of income, the concentration of very low income households in social housing has facilitated a reduction in rental income, which has in turn limited the capacity of the NSW Government to increase the supply of social housing.

The policy response to the overall shortage of public housing has so far centred on demand management and tightening eligibility criteria, however it is clear that more action is needed to ensure the housing needs of very low and low income households are met. Given the shortage of affordable rental properties in the NSW private rental market, increasing the stock of social and affordable housing must be a priority for the NSW Government. Any further attempts to implement demand management policies rather than addressing supply are likely to exacerbate the financial unsustainability of the NSW social housing system in the medium to long term by further reducing the income base generated through rent. This issue is becoming increasingly urgent as a growing body of evidence highlights the dire housing situation faced by very low to low income Australians. For example the AHURI estimated a shortage of affordable private rental options for low income Australians amounting to 271,000 dwellings<sup>4</sup>. While Anglicare found that just 76 of 15,000 available rental properties in the Sydney-Illawarra area were affordable for households whose primary income is Centrelink payments<sup>5</sup>.

- Recommendation 1: That the NSW Government develop an Affordable Housing Strategy, which commits to a substantial investment in social housing.

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<sup>4</sup> P.15 Hulse, K., Reynolds, M., Stone, W. and Yates, J. (2015) 'Supply shortages and affordability outcomes in the private rental sector: short and longer term trends', AHURI Final Report No.241. Melbourne: Australian Housing and Urban Research Institute. Available:

[https://www.ahuri.edu.au/\\_data/assets/pdf\\_file/0011/2081/AHURI\\_Final\\_Report\\_No241\\_Supply-shortages-and-affordability-outcomes-in-the-private-rental-sector-short-and-longer-term-trends.pdf](https://www.ahuri.edu.au/_data/assets/pdf_file/0011/2081/AHURI_Final_Report_No241_Supply-shortages-and-affordability-outcomes-in-the-private-rental-sector-short-and-longer-term-trends.pdf)

<sup>5</sup> Anglicare Australia (2016) 'Anglicare Australia Rental Affordability Snapshot' Canberra. Available:

<http://www.anglicare.asn.au/docs/default-source/default-document-library/rental-affordability-snapshot-2016.pdf?sfvrsn=7>

McKenny, L. Ting, I. (2016) 'Sydney's housing affordability crisis for low income earners is spreading, Anglicare finds' Sydney Morning Herald, 21 April 2016. Available: <http://www.smh.com.au/nsw/sydneys-housing-affordability-crisis-for-low-income-earners-is-spreading-anglicare-finds-20160419-go9tje.html?cb1=1>

## Criteria for IPART review

CPSA broadly supports the proposed assessment criteria. However, given that access to housing constitutes a basic human right, it is critical that meeting the housing needs of tenants constitutes the guiding principle of IPART's review. While CPSA acknowledges the need to ensure a financially sustainable social housing system, individual tenants cannot be held accountable for the successive failures of multiple governments at both a state and federal level to increase the stock of housing, which has given way to the current undersupply.

As a significant majority of NSW's social housing tenant base rely on Centrelink payments as their main source of income, it is unreasonable to expect these households to increase their financial contributions in order to improve the sustainability of the social housing system. These households have been allocated housing in recognition of the fact that they face extreme disadvantage and are consequently unable to obtain housing through the private rental market. These households, by virtue of being allocated social housing despite increasingly tight eligibility criteria do not have the capacity to pay more for housing. Accordingly, it is CPSA's view that the primary criteria in determining rental models in social and affordable housing must be the capacity of tenants to pay rent.

- Recommendation 2: That the primary criteria in determining rental models in social and affordable housing be the capacity of tenants to pay rent.

Given the financially marginalised status of working-age tenants, it is not realistic to think that the structure of their rent has a significant bearing on their willingness to work. Tenants understand that the rent they pay in social housing is below the market rate, so that a rent increase as a result of a higher income is not likely to be a disincentive to engage in long-term, secure employment, which would lead to an improvement in their overall financial status. However, the increasing concentration of disadvantage among social housing tenants means that a much greater level of support is necessary in order to transition into work and in turn out of social housing. It is also critical to note the structural factors which limit the opportunities for social housing tenants to gain long term, secure employment.

- Recommendation 3: That the review considers the structural and supply side barriers that limit the capacity of tenants to transition out of social housing.

## Defining tenant cohorts

The distinction between ‘safety net’ and ‘opportunity’ tenants is a crude one. The issues paper suggests that people who require support for an extended period of time – including the elderly, people with a disability, people with severe and chronic mental health conditions and carers with long term caring responsibilities – be classified as ‘safety-net group’ tenants. While those people with greater prospects of independence, such as families with young children, young people and job seekers be classified as ‘opportunity group’ tenants. It is not clear from the issues paper how the support services available to each tenant cohort will vary.

CPSA is concerned that it is unclear what level of flexibility there will be for tenants to move between cohorts depending on their circumstances. Circumstances change over time and it is critical that any classification of tenants can be reviewed and updated. Specifically, there is a need to explore how tenants who experience periodic illness would be classified. People experiencing periodic illnesses or periods of incapacity may well be classified as opportunity cohort tenants in times of relative health, but may also meet the criteria to be classified as a safety net tenant at other times. In addition to those experiencing periodic illness or incapacity, CPSA also highlights people over the age of 50 who are long term unemployed. The prospects of returning to employment are not good for this group and those who do manage to find a job generally end up in a low paid role with little security. Grandparent carers must also be considered as these households would appear to traverse the ‘safety net’ and ‘opportunity’ cohorts and substantial support is required.

CPSA is also concerned that the crude classification of tenants in either the safety net or opportunity cohort cannot account for the structural factors beyond the control of tenants that may limit their capacity to positively transition out of social housing. The assumption implicit in the definition of the opportunity cohort is that there are a sufficient number of long-term, stable and secure jobs available to social housing tenants. This is not the case, with the number of unemployed people far outstripping the number of jobs available<sup>6</sup>. Further, there has been an erosion in the overall quality of jobs available to jobseekers, particularly in low-skilled occupations, where work is increasingly precarious and employment generally occurs on a casual basis. CPSA is concerned that given the shortage of stable, secure, long term employment opportunities, tenants placed in the

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<sup>6</sup> Australian Unemployed Workers Union (2016) ‘Job Seekers V Job Vacancy Official Data’ [Accessed 12 December 2016] Available: <http://unemployedworkersunion.com/job-seekers-v-job-vacancy-data/>

opportunity category may face a disincentive to work based on the fact that accepting casual work may jeopardise their housing. All social housing tenants, regardless of their classification as either opportunity or safety net group tenants have a greater incentive to accept a job of kind, including short term insecure jobs, if doing so does not threaten their social housing tenancy.

- Recommendation 4: That the classification of social housing tenants in either the safety net or opportunity cohort be flexible and open to review as tenants circumstances change.

## Eligibility criteria for social housing

The current eligibility criteria for social housing are very strict, with criteria to join the priority waiting list even tighter. Accordingly, CPSA does not view the further tightening of eligibility for social housing as an option.

Those people who meet the currently eligibility criteria to join the general social housing waiting list face significant barriers to accessing appropriate, affordable and secure housing through the private market. The options for those people who have been placed on the priority waiting list are even more limited. Eligibility criteria have already been tightened to the point where social housing is only available to the most vulnerable and disadvantaged households. Further tightening eligibility would not alleviate this disadvantage, but rather reduce the limited support available and in turn increase vulnerability.

Further tightening eligibility criteria is likely to exacerbate the current mismatch between the housing needs of tenants and the dwelling available. In the early 1970s over 70 per cent of public housing applicants were families with children and this is reflected in NSW's social housing stock, which is largely comprised of three and four bedroom properties and a limited stock of one and two bedroom dwellings<sup>7</sup>. Today couples with children comprise around 10% of social housing applicants and this means there is a mismatch between the dwellings available and the needs of tenants<sup>8</sup>. The current housing stock held by the NSW Government and community housing providers must be a consideration when analysing the eligibility criteria.

- Recommendation 5: That the eligibility criteria for social housing not be narrowed any further.

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<sup>7</sup> Morris, A. (2013) 'Public housing in Australia: A case of advanced urban marginality?' *The Economic and Labour Relations Review*, 24(1), pp80-96

<sup>8</sup> Morris, A. (2013) 'Public housing in Australia: A case of advanced urban marginality?' *The Economic and Labour Relations Review*, 24(1), pp80-96



## Prioritisation process for social housing

Under the current system, a significant number of eligible households in NSW are locked out of social housing through extensive waiting lists. The 59,000 households currently on the waiting lists who do not qualify for priority placement face waiting times in excess of 10 years for a dwelling anywhere in Sydney. The dwindling supply of dwellings has meant that social housing has become a service of last resort for those facing the most dire circumstances. Whereas historically a large proportion of social housing was occupied by working families with at least one adult in waged work, new tenants are more likely to be severely disadvantaged, unemployed and living with a disability<sup>9</sup>. Any order of prioritisation in a social housing system as marked by endemic undersupply as the NSW social housing system is arbitrary. A system that divides applicants in priority and general applicants and then has to subdivide priority applicants into no less than five categories according to level of priority is a dysfunctional system and reviewing the order of priority is merely a way of avoiding a comprehensive review of (the inadequacy of) supply.

Currently three out of four of social housing dwellings are allocated to those on the priority waiting list<sup>10</sup>. While in many ways necessary, this has had the effect of concentrating highly disadvantaged people within social housing communities. In addition to issues generating sufficient rental returns to support the sector, this concentration of disadvantage has also resulted in an increase in anti-social behaviour. Many tenants, particularly older tenants have reported feeling increasingly threatened and unsafe in their homes<sup>11</sup>. The increasing concentration of disadvantage in the NSW social housing sector has not been accompanied by a parallel increase in the support services available to extremely disadvantaged tenants. Any further tightening of the criteria will thus only serve to exacerbate the concentration of disadvantage given there is already a lack of support.

- Recommendation 6: That IPART considers the impact of the increasing concentration of disadvantage among social housing tenants on the overall sustainability of the social housing system.

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<sup>9</sup> Morris, A. (2013) 'Public housing in Australia: A case of advanced urban marginality?' *The Economic and Labour Relations Review*, 24(1), pp80-96

<sup>10</sup> AIHW (2016) 'Public Housing Assistance in Australia 2016' *Australian Institute of Health and Welfare* [Accessed 12 December 2016] Available: <http://www.aihw.gov.au/housing-assistance/haa/2016/priority-groups/>

<sup>11</sup> Morris, A. (2015) 'The residualisation of public housing and its impact on older tenants in inner-city Sydney, Australia' *Journal of Sociology*, 51(2), pp154-169

CPSA notes that the current priority criteria are already so tight that many householders who face significant barriers to accessing housing are unable to access social housing. This is a particular concern for older people, with a significant proportion of older private renters experiencing financial stress as a result of the renting through the private market<sup>12</sup>. Currently only those people over the age of 80 are eligible for priority housing. However CPSA notes that this age limit is somewhat arbitrary, given that the barriers to accessing appropriate housing through the private rental market do not suddenly appear or become substantially worse when a person reaches 80. On this basis, there are grounds to reduce the minimum age for eligibility for priority housing from 80 to 70.

It is critical that older people are able to access secure, affordable and accessible housing options as this underpins their capacity to live independently. The insecurity of renting in the private market has a negative impact on the health and wellbeing of older tenants. However, of most concern is the growing number of older people either experiencing, or at risk of, homelessness for the first time later in life<sup>13</sup>. The shortage of appropriate housing options for older people has flow on effects to the health and aged care sectors as many older people must remain in hospital for lengthy periods of time or move into residential aged care if they cannot obtain suitable housing.

- Recommendation 7: That the age for getting on the priority waiting list be lowered from 80 to 70.
- Recommendation 8: That IPART models the impact of a shortage of appropriate housing options for older people on the health and aged care sectors.

Older unemployed people of working age also face significant hardship in accessing secure and affordable housing through the private market. Workplace discrimination against older workers is rife. This, in combination with an overall shortage of full time jobs, means that older people of working age are more likely than other age groups to experience long periods of unemployment<sup>14</sup>. Accordingly the outlook for older workers who lose their job and are renting in the private rental market is often bleak, as this group

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<sup>12</sup> Morris, A. (2016) 'The Australian Dream: Housing experiences of older Australians' *CSIRO Publishing*: Melbourne

<sup>13</sup> Petersen, M. Parsell, C. Phillips, R. White, G. (2014) 'Preventing first time homelessness amongst older Australians'. *AHURI Final Report No.222*, Melbourne: Australian Housing and Urban Research Institute. Available: <https://www.ahuri.edu.au/research/final-reports/222>

<sup>14</sup> Australian Bureau of Statistics (2011) 'Older unemployed workers struggle to find work' [Accessed 12 December 2016] Available: <http://www.abs.gov.au/AUSSTATS/abs@.nsf/Previousproducts/4102.0Media%20Release1Sep%202011?opendocument&tabname=Summary&prodno=4102.0&issue=Sep%202011&num=&view>

has no choice but to subsist on Newstart Allowance until they reach the eligibility age for the Age Pension.

- Recommendation 9: That the priority criteria not be tightened any further.

## Alternative assistance to social housing

New South Wales' and in particular Sydney's growing housing affordability crisis means there are a growing number of vulnerable low income and very low income householders who despite meeting the income threshold for social housing, are unable to obtain appropriate affordable housing through the private rental market. There is a need for extensive reform at both the state and federal level in order to address this growing housing affordability crisis. However, for the purposes of this review, increasing the supply of social and affordable housing remains the most effective means of assisting those applicants who meet the income threshold but who do not have a priority need for housing according to the criteria set out by Housing NSW. CPSA notes that these households are almost entirely locked out of the private rental market based on recent research<sup>15</sup>.

While CPSA supports moves to provide greater assistance to low income households who are currently forced to access housing in the private rental market, this will not solve the fundamental problem of a lack of social and affordable housing options. Given the current situation, CPSA is sceptical that providing alternative assistance for those applicants who meet the income threshold for social housing but do not have a priority need, will be in any way adequate to supporting their housing needs. This is because without fundamental changes to the regulation of the private rental market, significant reform to address issues with affordability and a substantial increase in the supply of affordable housing, the full needs of people who have been deemed eligible for social housing cannot be met through the private rental market.

Housing NSW currently offers a number of Private Rental Assistance products to assist households in establishing and/or maintaining a tenancy in the private rental market. The Australian Government also provides support in the form of the Commonwealth Rent Assistance payment, which is available to social security payment recipients renting through the private market or community housing sector. The payment is indexed twice each year in line with changes in the Consumer Price Index (CPI). However, median

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<sup>15</sup> P15: Hulse, K., Reynolds, M., Stone, W. and Yates, J. (2015) Supply shortages and affordability outcomes in the private rental sector: short and longer term trends, AHURI Final Report No.241. Melbourne: Australian Housing and Urban Research Institute. Available from: [https://www.ahuri.edu.au/\\_data/assets/pdf\\_file/0011/2081/AHURI\\_Final\\_Report\\_No241\\_Supply-shortages-and-affordability-outcomes-in-the-private-rental-sector-short-and-longer-term-trends.pdf](https://www.ahuri.edu.au/_data/assets/pdf_file/0011/2081/AHURI_Final_Report_No241_Supply-shortages-and-affordability-outcomes-in-the-private-rental-sector-short-and-longer-term-trends.pdf)  
Anglicare Australia (2016) 'Anglicare Australia Rental Affordability Snapshot' Canberra. Available: <http://www.anglicare.asn.au/docs/default-source/default-document-library/rental-affordability-snapshot-2016.pdf?sfvrsn=7>

rental prices in NSW have been increasing at a significantly faster rate than increases in CPI and this means that the Commonwealth Rent Assistance payment is no longer sufficient to adequately support social security payment recipients who are renting through the private market. The maximum fortnightly rate of Commonwealth Rent Assistance is \$130.60, while the median market rent is \$1,040 per fortnight in Sydney and \$900 across the whole of NSW<sup>16</sup>. This means that for a single person paying average rents, Commonwealth Rent Assistance only provides a subsidy of between 12%-15% off market rents. Given the limited availability of social and affordable housing in NSW and rapidly increasing prices in the private rental market, it is critical that the rate of Commonwealth Rent Assistance available to social security payment recipients is increased. Twice yearly updates to the rate of payment should be tied to increases to median house prices rather than CPI to ensure that the payment retains its value to recipients.

- Recommendation 10: That NSW Government urge the Australian Government to increase the rate of Commonwealth Rent Assistance.

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<sup>16</sup> For a one bedroom apartment according to: Table 2. Weekly Rents for New Bonds – Greater Metropolitan Region – All Dwellings – September Quarter 2016 in NSW Department of Family and Community Services (2016) 'Rent and Sales Report' No. 117 ISSN – 1440 – 0049

## Rent models

CPSA supports a rental model for social and affordable housing that is tenant centred. A tenant-centred rent model prioritises the affordability of rent from the tenant's perspective and incorporates a flexible approach to rent setting which ensures optimal outcomes for tenants. Accordingly, CPSA supports the retention of an income based rent model, but supports greater flexibility in how this model is used. Greater flexibility is needed in order to ensure that households have some security of tenure.

In principle CPSA supports the concept of changing the rent setting model for a household/dwelling as their circumstances change as this promotes security of tenure. Specifically, greater flexibility in rent setting would mean that households need not risk their housing by taking up one-off, casual or otherwise insecure work. Households would still retain the same dwelling, with the only change being the rent payable. This would provide a 'safety net' as households who may be paying higher rents could always return to the social housing rent model should their circumstances require it. However, CPSA is concerned that the difference between rent set at 25-30% of income and rent set as a proportion of market rent may be too significant an increase for many households to manage. There is also the issue that market rent varies substantially based on location and dwelling type.

- Recommendation 11: That the evaluation of rent models prioritises the affordability of rent for tenants.
- Recommendation 12: That the rent model is flexible enough to respond to changes in household circumstances while providing security of tenure.

CPSA has a number of concerns about the current rent model, specifically with the setting of rent as a percentage of household income. The vast majority of public housing tenants are in receipt of a Commonwealth Social Security payment and therefore live on such a low fixed income that the 30% rule for housing affordability loses much of its relevance. It follows that income supplements received as social security payments should not be included in assessable income. These supplements are paid for specific purposes and should not be diverted to lessen the social housing revenue-from-rent deficit.

Before proceeding with changes to vary the percentage of income used to calculate rent, it is vital to recognise that the 30% rule is an inadequate measure for determining the

housing or financial stress of social housing tenants. However, in the study cited by the issues paper, the AHURI found that according a low cost budget standard which measures a minimum level of consumption necessary in contemporary Australia, 69 per cent of public renters have an affordability problem.<sup>17</sup> This is unsurprising since a single person on Newstart receives \$264.35 a week and will pay \$66 a week for public housing. This leaves them with only \$28 a day to meet all other living costs including transport, utilities, groceries, medical expenses and any debt repayments. A person on Newstart is therefore not able to consistently meet their own basic needs. Social housing tenants are eligible for social housing by virtue of experiencing severe financial stress. There is thus a need to consider a more flexible model for determining affordable rental rates for both social housing, and the bottom end of affordable housing, that is more responsive to households' different circumstances.

Given the aforementioned problems with the 30% rule for measuring housing stress for social housing tenants, if other payments such as the Family Tax Benefits A and B are assessed at the same rate, it would still increase the financial stress of households. Since the current income based model cannot account for households' different circumstances this could have the potential of further impoverishing some struggling households at the lower end of the income scale. CPSA's position is also that currently exempt income supplements should remain exempt. These supplements, such as the energy supplements or pharmaceutical allowance, are paid for specific purposes and thus should not be treated as the equivalent of income.

- Recommendation 13: That IPART review the affordability of rent set at 25-30% of income for very low and low income tenants.

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<sup>17</sup> Burke, T., Stone, M. and Ralston, L. (2011) The residual income method: a new lens on housing affordability and market behaviour, AHURI Final Report No.176. Melbourne: Australian Housing and Urban Research Institute.

## **Automatic deduction of rent**

Automatic deduction of rent is not a solution to existing issues. The majority of tenants pay rent on time and these people should be afforded the dignity of managing their own finances. Given that so many tenants live on low or very low incomes, it is critical that they retain autonomous control over their money. For some people, the automatic deduction of rent through Centrelink is convenient, while others prefer to manage their own incoming and outgoing expenses more closely. This is why property managers in the private market generally offer a number of different options for paying rent. It is critical that the dignity of choice, which gives way to multiple rent payment options, is respected and upheld. The introduction of an automatic rent deduction scheme for all tenants would reinforce the unfounded and harmful stereotype that social housing tenants are financially irresponsible.

CPSA notes that the automatic deduction of rents has been floated as a means of preventing or minimising rental arrears. However, CPSA also notes that the experience of its members and other organisations in the social housing sector tends to suggest that rental arrears are not being picked up and acted upon early enough by Housing NSW. It is critical that Housing NSW is equipped to ensure that arrears are detected before they spiral out of control. The early detection of arrears ensures the financial sustainability of the social housing sector. It also improves outcomes for tenants, who would otherwise face eviction, or be required to repay substantial debts, which in turn reduces their capacity to make a positive transition out of social housing. There is only one circumstance under which CPSA supports Housing NSW requiring tenants to enter into automatic rent deduction arrangements and that is when the tenant has been consistently unable to pay their rent on time to the point where they would otherwise face the termination of their social housing tenancy agreement.

Where tenants have entered into agreements with Housing NSW to have rent automatically deducted from their Centrelink payments, it is critical that the correct amount of rent is deducted. CPSA has heard of numerous cases where tenants have been incorrectly charged. This is a particular issue for people who receive income other than a Centrelink payment and whose income varies from fortnight to fortnight. It is critical that the technology and infrastructure necessary to ensure the timely sharing of accurate information between Housing NSW and Centrelink is maintained and regularly updated. CPSA notes that Housing NSW has been making substantial upgrades to its



software and operating systems and urges the NSW Government to ensure that sufficient funding is allocated to support these upgrades on an ongoing basis.

CPSA acknowledges that the timely collection of rents is important in ensuring the financial sustainability of NSW's social housing system. However on balance, CPSA is not of the view that forcing all tenants to enter into automatic deduction schemes is an appropriate measure to ensure the 'efficient' collection of rents. It is only an appropriate measure where tenants would otherwise face eviction and entering into automatic deduction arrangements will ensure they are able to sustain their tenancy.

- Recommendation 14: that Housing NSW should only deduct rent automatically where tenants have nominated this as their preferred payment method.