

February 2022

## Public Housing

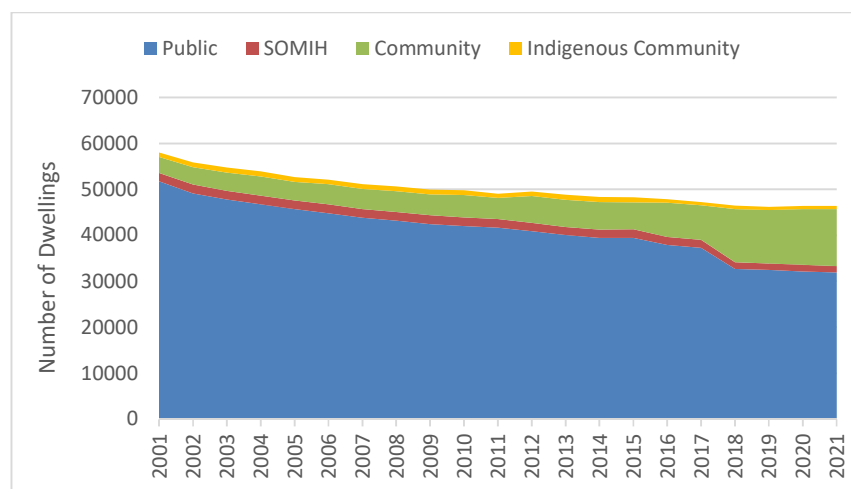
Public and community housing is a key part of the provision of affordable housing. It provides homes for those who are left out of the housing market, adds supply to the market to make housing more affordable for everyone, and can provide economic stimulus in construction. However, the stock of public housing in South Australia has declined over recent decades, many of the houses are old and energy-inefficient, and there is a substantial waiting list for homes.

### Background

According to the Productivity Commission,<sup>1</sup> in June 2021 South Australia had:

- 31,938 public housing dwellings
- 1,365 state-owned and managed Indigenous houses (SOMIH)
- 12,387 community housing tenancies
- approximately 689 Indigenous community houses (2021 figures not available).

The following graph shows the decline in the number of social housing dwellings and the change of composition over the last 20 years.



In that time, the total number of social housing dwellings fell by 11,645 tenements, a decline of 21%. Public housing dwelling numbers fell even more: by 19,822 or a massive 38% of their number in 2001. This was partly due to the transfer of over 1,000 public houses to community housing providers in 2017-18, but also a long-term selling off of public houses.

<sup>1</sup> Productivity Commission (2021) [Review of Government Services, Table 18A – Housing](#), Canberra.

At 30 June 2021, there were 15,988 applicants on the public housing waiting list (excluding applicants for transfers between houses), and this was after eligibility criteria was tightened six months earlier. The SA public housing waiting list equals 51% of total public housing stock, which gives some sense of the scale of policy response required.

### **Policy Response**

The 2020-21 SA State Budget contained some spending for public housing maintenance (\$10m brought forward), \$6.3m for redevelopment of Holbrooks estate in Brooklyn Park (18 supported units), and funding for 40 long-term Aboriginal housing placements in Bedford Park. While welcome, these investments will not address the long-term decline in the public housing estate. And alarmingly, despite a commitment to invest \$452m into “new social and affordable housing supply” and the aim of 20,000 “affordable housing solutions”, neither the SAHA’s Strategic Plan<sup>2</sup> nor the state-wide strategy, *Our Housing Future 2020-2030*,<sup>3</sup> contain a commitment to increase the net stock of public housing.

As part of their COVID recovery plan, the Victorian government has announced a \$5.3bn social housing package to create 12,000 new homes over four years. This would still leave Victoria with proportionately fewer public houses than South Australia, but it does show that significant investment is possible even (or especially) in post-COVID times.

If South Australia invested a similar amount on a per capita basis, it would see a \$1.4bn package to build 3,270 homes. This would bring the total public housing stock in South Australia (all other things being equal) to around 35,000 houses. This number is still lower than the levels of 10 years ago, and well below the historic highs of around 60,000 houses when the public housing estate was seen as a community service and lever in housing market regulation (rather than just a last resort welfare measure), but it would be an important step in addressing the decline in public housing.

The SA waiting list numbers clearly show that a significant investment is needed to provide more public housing, but this new housing should also be of universal (access) design and with a high energy efficiency standard. This includes the installation of reverse cycle heating and cooling to maximise liveability, and ensuring thermal comfort to minimise costs to tenants.<sup>4</sup>

The proposed \$1.4bn investment equates to \$361m per annum over the next term of government (offset by \$33.6m in rent from the new properties). This is a substantial sum, but it would provide an essential service to the people in need, vital jobs when federal subsidies like HomeBuilder expire, and a lasting public asset. It is an ideal stimulus measure.

### **SACOSS Proposal**

That all parties commit to a significant investment (at least around the same order-of-magnitude as the Victorian package – pro-rata) to increase the net stock of public housing in South Australia.

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<sup>2</sup> SAHA, [SA Housing Authority Strategic Plan 2020-25](#), Government of South Australia, Adelaide.

<sup>3</sup> Govt of SA, [Our Housing Future 2020-30](#), Government of South Australia, Adelaide.

<sup>4</sup> Action 1.5 of [Our Housing Futures](#) goes some way towards this goal, but only applies to 75% of new housing.