

Media Statement

Treasurer in denial over plight of low income households says National Shelter

National Shelter welcomes the Productivity Commission's call for a public inquiry into the needs of low income households but Chairperson Paul Pendergast said, "I am appalled by the Treasurer's refusal to support the Inquiries recommendation for a public inquiry into the needs of low income households".

Mr Pendergast said, "the Treasurer's response to the Commission's Recommendation was misleading and ignores the extent of housing stress experienced by low income Australian's." He said, "to resolve Australia's housing crisis requires action on the part of all governments not just the States."

Mr Pendergast said, "social housing in Australia is suffering from a decade of neglect, which has seen capital funding under the Commonwealth State Housing Agreement fall from \$1.50 billion in 1996/97 to \$1.28 billion in 2003/04: a fall of 27.6% in real terms".¹ He said, "the figure of 4.75 billion for the CSHA mentioned in the Treasurer's press release, is actually the Government's total commitment for five years and in reality represents a further decline of 4.9% by 2007/08, and could fall by as much as 8.9%.

The reduced funding under the CSHA has resulted in public housing stock falling from 6.1% of Australia's housing stock in 1996 to 5.1% in 2003 and waiting list remaining above 200,000 applicants.

Mr Pendergast said, "the Treasurer's approach ignores the plight of 1 in 3 low income renters and continues to promote an ineffective policy that leaves these households with no alternative but to continue renting privately along with the 35% (330,360) of Commonwealth Rent Assistance recipients in housing stress after the receipt of CRA².

He said "the Treasurer has also chosen to ignore the impact of negative gearing and other taxation incentives on affordability, despite this being one of the Productivity Commission's key recommendations and having broad support from industry and community sectors."

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¹ Steering Committee for the Review of Government Service Provision, Report on Government Services, Productivity Commission, Canberra, 1997 and 2004

² ACOSS and National Shelter, Rent Assistance: Does it deliver Affordability?