

A bipartisan attack on public housing tenants

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In the first stage of a new social assault on the poor and most vulnerable nationally, the New South Wales (NSW) Liberal government of Premier Barry O'Farrell, working in tandem with the federal Labor government, has imposed a regressive “bed tax” on public housing tenants.

Introduced in June, the tax will start targeting specific suburbs next month. It forces couples in public housing with an “unoccupied” bedroom to pay an extra \$30 per week in rent, and singles an additional \$20 per week, if they refuse two “offers” from NSW Housing to relocate to smaller properties.

NSW Family and Community Services Minister Pru Goward declared last month that the policy aimed to address homelessness and provide accommodation for families in need. This claim is a fraud. The tax will do nothing to overcome homelessness, which is driven by unemployment, low wages, escalating home prices and rents, and the refusal of state and federal governments to provide sufficient public housing.

Large-scale public housing, introduced and developed in Australia between 1945 and the early 1980s as part of the post-war economic boom, was a social gain for the working class. Systematic privatisation and years of government neglect mean that the current public housing stock is in poor or unacceptable condition.

In 2012, there remained almost 331,000 public housing properties nationally. Demand increased by 12.4 percent in the previous four years, but the supply of public housing decreased by 3.1 percent between 2006 and 2012. In NSW alone, where there are approximately 60,000 public housing tenants, over 224,000 applicants were on public housing waiting lists in 2012.

The NSW government claims there are over 17,000 “under-occupied” homes in the state. Yet there are not enough smaller properties available for residents in so-called under-used properties. In reality, the new tax is

an impost on those least able to afford it.

The tax will have a devastating impact, particularly on the elderly and disabled. Some tenants have lived in their homes for decades, raised families and have close community links to schools, hospitals and other social services. Invalids, who constitute more than 30 percent of public housing tenants, often use the ‘spare’ room for carers to sleep over. The elderly use them for grandchildren and other family members when they visit. But they will not be exempt.

Public housing tenants pay rent according to household income—about 30 percent—but the new tax is a fixed sum. Single old-aged pensioners, who are paid a maximum of \$350 per week, and couples who receive \$550, would have even less for essentials after paying their current rent and the bed tax. Young people could have as little as \$20 to \$30 a week, after their rent and bed tax is deducted.

The tax will be activated next month in Macquarie Fields and Mt Druitt, in Sydney’s western suburbs, and in Shellharbour on NSW’s south coast—areas where the concentration of public housing is highest and the waiting list for family homes the longest. In Mt Druitt more than 40 percent of renters are public housing tenants and in Macquarie Fields it is close to 25 percent.

The tax follows similar measures introduced by Britain’s Tory-Liberal Democrat government in April and is part of the assault by governments internationally on what remains of the post-war welfare state. Tenants in Britain with one “spare” bedroom lose 14 percent of their housing benefits entitlement. Those with two “spare” rooms lose 25 percent. Local authorities report that since the introduction of the tax, 600,000 families have been affected and 86,000 households have been forced to look for one-bedroom homes. With only 33,000 such homes available, many have been forced onto the private rental market,

creating acute financial crises. An increase in homelessness has also been reported.

While the NSW Liberal government is the first state administration to impose such a tax, it is part of a broader onslaught on public housing in all Australian states.

Queensland Liberal Premier Campbell Newman, for example, plans to hand over management of 90 percent of all social housing to non-government providers. The government's strategy document claims this will improve public housing "efficiency" and "flexibility." It will eliminate "old" features of public housing, such as the view that "social housing is a home for life." Public sector housing, the document states, should be regarded as "transitional," a path to private rental and home ownership.

NSW opposition Labor MPs have feigned concern over the new tax. This posturing is bogus. The scheme was the product of bipartisan collaboration between the Labor and Liberal parties, state and federal. It was initiated by Prime Minister Kevin Rudd's Labor government in 2008 at a Council of Australian Governments meeting, which produced the National Partnership Agreement on Social Housing.

The agreement proposed the "transition" of public housing tenants to the private rental market and laid down other "efficiency" measures, including "better matching" tenants with "appropriate dwelling types." In other words, those in so-called under-occupied properties were to be moved into small dwellings, and, if necessary, forced to do so by measures such as the bed tax.

In the dying days of the current federal parliament, the Labor government introduced a "Housing Payment Deduction Scheme" bill. This retrogressive legislation sought to grant state housing authorities the power to garnishee tenants' welfare payments if they fell four weeks into rent arrears. It also gave the authorities access to tenants' welfare income to pay outstanding utilities or building maintenance accounts. The bill only lapsed because parliament was prorogued for the federal election.

The bipartisan attack on public housing residents is another warning of the anti-working class agenda that will be imposed by the next government, whether it is Labor or Liberal.

The systematic run-down of state-funded housing is

helping fuel a wider housing crisis, generated by rampant property speculation, aided and abetted by state and federal governments.

House prices in Australia, relative to average incomes, are among the highest in the world. Housing stress—where accommodation costs exceed 30 percent of take-home income—affects almost 60 percent of lower income rental households, and 48 percent of lower-income homeowner households. Homelessness is on the rise.

The Socialist Equality Party, which is standing 10 Senate candidates in the federal election, is the only party fighting for affordable, modern and properly maintained housing as a basic right for all, and the provision of billions of dollars into expanding and maintaining public housing.

The fight to defend public housing tenants must be connected to the struggle for a workers' government based on a socialist program. To eliminate the subordination of housing to corporate profit requires nationalising the banks, finance houses and construction industries, and placing them under public ownership and the democratic control of the working class.

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