

# Financial sustainability of the public housing system

Shelter NSW conference, 26 June 2008

**Peter Phibbs**  
**p.phibbs@uws.edu.au**

# The national picture

- The national and State/Territory governments provided \$1.3 billion for housing programs under the CSHA in 2006-07, with about three quarters being provided by the national government.

# CSHA RESOURCES

- ❑ Real expenditure on CSHA assistance declined by 17 per cent between 1997-98 and 2006-07
- ❑ Over this same period, the national government has increased its expenditure on a rent assistance (CRA) by 12 percent.
- ❑ In 2006-2007 the total expenditure on CRA was \$2.2 billion.

# Targeting

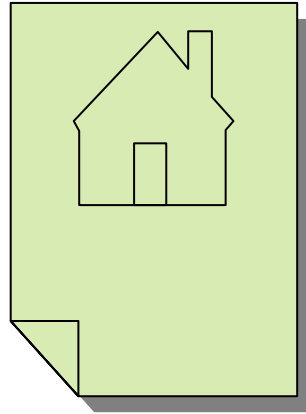
- ❑ In addition to the decline in funding, another significant element of recent CSHAs has been tighter targeting of assistance.
- ❑ This has meant that public housing is increasingly occupied by lower income households and those with multiple support needs.
- ❑ This has meant that the income per dwelling collected by SHAs has been decreasing.

# Targeting

- So SHAs have been squeezed by reductions in grant income and reductions in rental income. At the same time the SHAs have been experiencing increasing costs



**Income per dwelling**



**Costs**



**CSHA dollars**

# How have SHAs reacted?

# Sell stock

- The number of public housing dwellings peaked at 382,000 in 1996/97
- It has fallen to 333,000 dwellings in 2007

*Final Report*

UWS Urban Res

## **Operating deficits and public housing: policy options for reversing the trend: 2005/06 update**

authored by  
Dr Jon Hall and Professor Mike Berry

for the  
**Australian Housing  
and Urban Research Institute**  
RMIT-NATSEM Research Centre

October 2007

AHURI Final Report No. 106

ISSN: 1834-7223  
ISBN: 1 921201 71 1

# The squeeze on SHAs

- In 1990-91 all SHAs except one were in surplus.
- By 2005-2006 only two SHAs were in surplus.

Figure 1.1: Real operating surpluses/deficits per dwelling, 2000/01 and 2005/06 (excluding interest and depreciation), all state and territory housing authorities (June 2006 dollars)

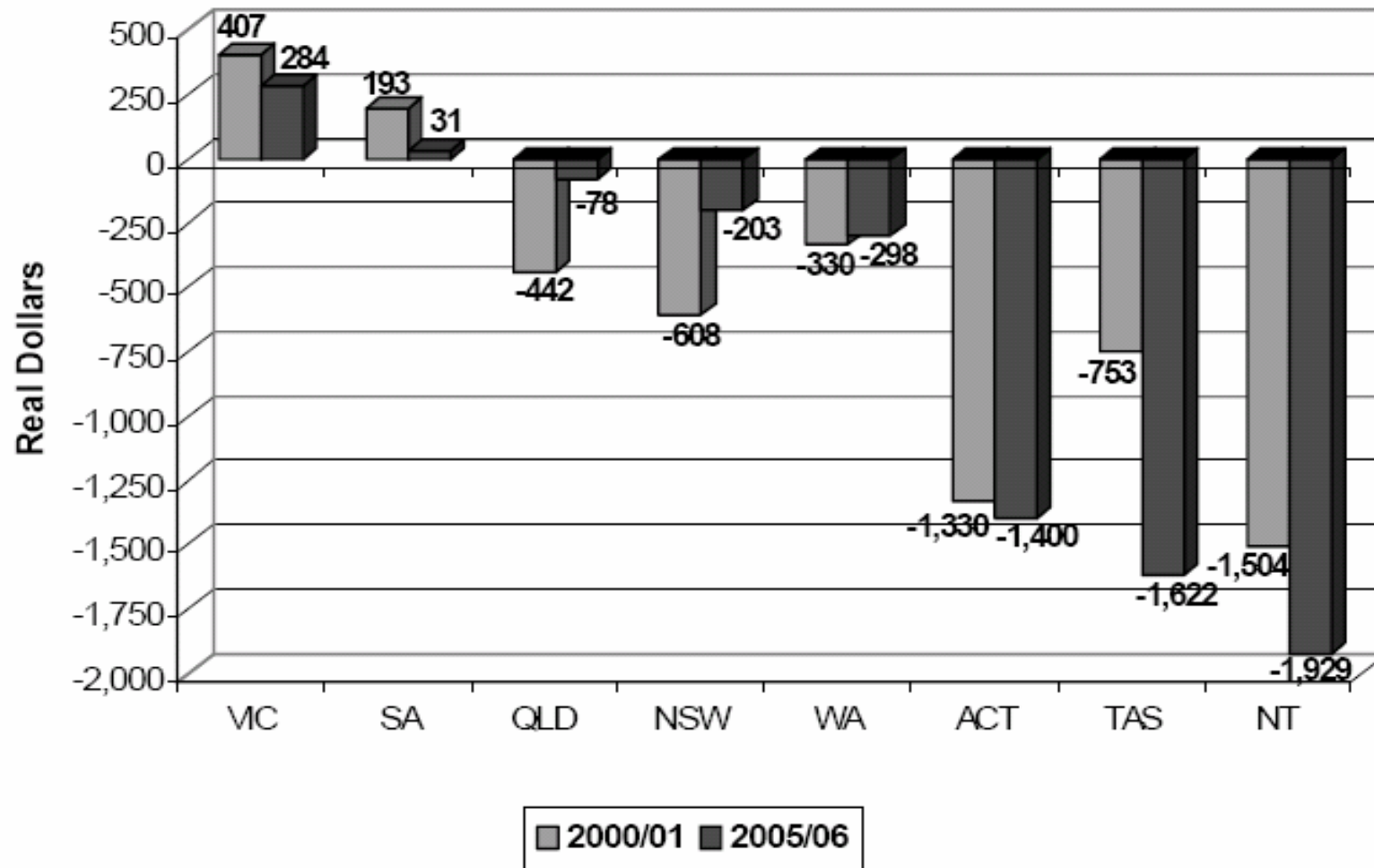


Figure 1.2: Total real operating deficits (\$m) including interest and depreciation, all state and territory housing authorities, 2000/01 and 2005/06 (June 2006 dollars)

