



10 November 2016

Dr Peter J Boxall AO, Chairman
Independent Pricing and Regulatory Tribunal of New South Wales
Level 15, 2-24 Rawson Place
Sydney NSW 2000

Dear Dr Boxall,

RE: OUR SUBMISSION ON IPART'S REVIEW OF RENT MODELS FOR SOCIAL AND AFFORDABLE HOUSING

I am delighted to enclose our research paper *From housing assets, to housing people: Fixing Australia's social housing system*; which forms our submission to your review.

Our paper limits its inquiries to the financial sustainability and regulation of the social/public housing system.

Our concept modelling, undertaken by KPMG using the real property data underpinning the NSW public housing system – shows how the system could be radically improved in terms of the quantity of subsidised housing – and the quality of the housing and human services that NSW provides, to social/public housing tenants.

Our paper considers in part the reduction in the level of rent paid by social/public housing tenants, through the residualisation of social/public households, across the past several decades.

However, noting the core purpose of the social/public housing system – we do not consider that an increase in the proportion of tenant rent paid is an appropriate measure.

Instead, we consider how the public sector subsidy can be increased to grow the capacity and quality of social/public housing, without increasing the household contribution above 30 per cent of household income.

IPA welcomes IPART's review of rent models for social and affordable housing – and we hope that our enclosed paper informs your final report on pathways to fix the social/public housing system – within your broader inquiry into affordable housing rent models.

Should we be able to provide additional information please contact the undersigned or our Ms Alice Boyd (02) 9152 6026 or at alice.boyd@infrastructure.org.au, anytime.

Yours sincerely,


BRENDAN LYON
CHIEF EXECUTIVE OFFICER