

Senate Community Affairs Committee
ANSWERS TO ESTIMATES QUESTIONS ON NOTICE
FAMILIES, HOUSING, COMMUNITY SERVICES AND
INDIGENOUS AFFAIRS PORTFOLIO
2010-11 Supplementary Estimates Hearings

Outcome Number: 2

Question No: 109

Topic: State Housing Rent Increases

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Senator Siewert asked:

In the pension increase there was generally a moratorium by state agencies, for example, housing agencies, not to increase their rent. That moratorium has finished and there are a number of states that are now raising their rent, and I know there has been a lot of media around it and I have had a lot of phone calls and emails about it. Have you spoken to any of the states subsequently or has there been any contact or discussion with the states about keeping their rises to normal rises, not jumping in and taking all of that increase?

Answer:

On 11 May 2009, the former Prime Minister the Hon Kevin Rudd MP, wrote to all State and Territory Governments calling on them to exempt the September 2009 pension increase from the calculation of public housing rents.

All State and Territory Governments complied with this request for one year, agreeing to exempt the pension increases from public housing rent calculations until September 2010.

Since then, the Minister for Families, Housing, Community Services and Indigenous Affairs, the Hon Jenny Macklin MP, has made several representations to State and Territory Governments requesting that they continue to quarantine the 2009 pension increase for the purpose of calculating public housing rent.

A summary of jurisdiction positions and letters sent by Minister Macklin is at **Attachment A**.

Attachment A

State/Territory	Position
New South Wales	<p>The NSW Minister for Housing, the Hon Frank Terenzini MP, has advised that the quarantine arrangement will be extended until the announcement of the NSW 2011 state budget, at which time it will be reviewed.</p> <ul style="list-style-type: none"> ○ On 19 July 2010, Minister Macklin wrote to Minister Terenzini, requesting that the NSW Government continue to exclude pension increases from public housing rents beyond the initial 12 month period that was agreed to in September 2009. ○ Minister Macklin will be writing to the Premier, the Hon Kristina Keneally MP, about the ongoing need for the pension exemption and the Commonwealth's substantial support for affordable housing.
Victoria	<p>The former Victorian Minister for Housing, the Hon Richard Wynne MP, advised that the quarantine arrangement will continue to June 2011 at the earliest.</p> <ul style="list-style-type: none"> ○ On 19 July 2010, Minister Macklin wrote to Mr Wynne requesting that the Victorian Government continue to exclude pension increases from public housing rents beyond the initial 12 month period that was agreed in September 2009. ○ Minister Macklin will be writing to the new Victorian Minister for Housing, the Hon Wendy Lovell MLC, requesting she continue the pension quarantine indefinitely.
South Australia	<p>A letter from the SA Minister for Housing, the Hon Jennifer Rankine MP, dated 4 November 2010 advised that the pension increase will be assessed from March 2011 onwards. This differs to what was initially advised in a letter from Minister Rankine dated 2 October 2009 supporting a pension quarantine indefinitely.</p> <ul style="list-style-type: none"> ○ On 14 October 2009, Minister Macklin wrote to Minister Rankine about the exclusion of pension increases announced in the May budget from consideration as assessable income in the calculation of rents for Housing SA tenants. The Minister thanked SA for their decision to provide ongoing quarantine arrangements for both the pension increase and the pension supplement. ○ Minister Macklin will be writing to Minister Rankine stating her disappointment that the quarantine arrangement will cease from March 2011.
Western Australia	<p>The former WA Minister for Housing and Works, the Hon Bill Marmion MLA, has advised that the quarantine arrangement will be extended in WA until 20 March 2011.</p>

	<ul style="list-style-type: none"> ○ On 20 November 2009, Minister Macklin wrote to the former WA Minister for Housing, the Hon Troy Buswell MLA, stating reasons for passing on the pension increase in full. ○ On 27 May 2010, Minister Macklin wrote to Minister Marmion requesting that WA respond along the lines of other state governments and not set a time limit on the exemption. ○ On 19 July 2010 Minister Macklin responded to Minister Marmion stating her disappointment that WA would only extend the exemption for a further six months.
Queensland	A media statement from the Premier of Queensland, the Hon Anna Bligh MP, in November 2009 indicates QLD's ongoing support for the quarantine arrangements. Further advice has not been received from the QLD Government.
Northern Territory	<p>The NT Minister for Public and Affordable Housing, the Hon Dr Chris Burns MLA, has advised that the NT Government will continue with the quarantine arrangement. No timeframe has been set.</p> <ul style="list-style-type: none"> ○ On 19 July 2010, Minister Macklin wrote to Dr Burns requesting that the Northern Territory Government continue to exclude pension increases from public housing rents beyond the initial 12 month period that was agreed to in September 2009.
Tasmania	A media statement from the TAS Minister for Human Services, the Hon Lin Thorp MLC, in May 2009 and website material indicates Tasmania's ongoing support for the quarantine arrangements. Formal advice has not been received from the Tasmanian Government.
Australian Capital Territory	<p>A Letter from Chief Minister Jon Stanhope MLA agreed to implement the quarantine arrangements until March 2011.</p> <ul style="list-style-type: none"> ○ On 19 July 2010, Minister Macklin wrote to the ACT Minister for Disability, Housing and Community Services, the Hon Joy Burch MLA, requesting that the ACT Government continue to exclude pension increases from public housing rents beyond the initial 18 month period that was agreed to in September 2009.