

SUBMISSION

Defend And Extend Public Housing

Name Dr. Joseph Toscano / Convener Defend And Extend Public Housing
Phone [REDACTED]
Email info@defendandextendpublichousing.com
Address PO Box 20
PARKVILLE VIC 3052

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Co-Convenors: Dr. Joseph Toscano / Mr. John Tweg
Committee: Ms. Beryl Jarrett, Ms. Julie Jones, Mr. Roger Pereira, Ms. Fay Roth, Mr Howard Marosi



PUBLIC HOUSING - EVERYBODY'S BUSINESS

DEFINITIONS

Public Housing – Housing owned and managed by the State government

Community / Social Housing – Housing owned and managed by private organisations, some not for profit, others for profit.

Mixed Economy – An economy where both the state and the private sector compete in the same marketplace.

The Victorian State government's plans for public housing under the current Minister, The Hon. Martin Foley, have been clearly outlined. The Victorian State government plans to outsource both the ownership and management of public housing to the community and social housing sector. It plans to expand the community and social housing sector while absolving itself of the responsibility of maintaining and expanding the public housing sector.

Martin Foley has indicated he will do this by:

1. Giving away public housing estates / land to the private sector on the condition 20-25% of new housing is earmarked for community and social housing.
2. The titles to these new public houses will be handed over to the community / social housing sector if Labor wins the next election in its own right.
3. The management of all new housing created for the State government through private / public partnerships will be transferred to the community and social housing sector.
4. The Victorian State government has earmarked one billion dollars and will be providing government guarantees for new community / social housing ventures, while not providing enough resources to maintain current public housing stocks, let alone expanding them.

The Minister wants what's left of public housing stocks to be transferred to the community / social housing sector.

Public housing has three distinct advantages:

1. It provides security of tenure for tenants
2. It allows tenants to form links with the local community
3. It allows public tenants' children to attend the same school

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Community and social housing doesn't provide the same level of security of tenure. Public housing rents are fixed at 25% of the tenants' income and very few restrictions are placed on how tenants live in public housing. Community and social housing has variable rents and in the majority of cases, has a greater number of rules and regulations re: the tenants' behaviour.

Public housing is allocated on the basis of need. In the great majority of cases, community and social housing is allocated on the basis of whether prospective tenants fill a number of specific criteria.

Public housing has become everybody's business in the 21st century. As public housing stocks dwindle around Australia, competition in the private housing market decreases. More and more Australians are forced to rent, public housing in 21st century Australia is only allocated to emergency cases and even in these difficult circumstances, there is not enough public housing to go around. Increasing levels of homelessness, couch surfing, children staying with parents well into their 30's and the inability of young people to access the housing market without financial support from their parents, makes public housing everybody's business. Privatising what's left of the public housing sector will compound the housing problems faced by an increasing number of Australians. What is required is a rapid expansion of the public housing sector, not its destruction.

Increasing public housing stock creates a mixed housing economy. It results in decreased rents at the lower end of the market as more Victorians enter the public housing sector and it also decreases the price of houses at the lower end of the market as fewer people are competing for private properties. A mixed economy provides support for those not able to access the private marketplace while putting downward pressure on prices in the private marketplace. It's no accident prices have risen in the financial, housing, energy marketplace as the state washes its hands of the responsibility of looking after all its citizens.

THE SIX BILLION DOLLAR CONUNDRUM

Increasing public housing stocks doesn't require a revolution, protests or blood in the streets. The Victorian Legislative Assembly and Legislative Council could dramatically increase public housing stocks by a simple vote in the Victorian State Parliament. Last financial year the Victorian State government collected **six billion dollars** in stamp duty. Stamp duty is paid to the state government by people who buy property. On top of this, billions of dollars was collected from Land Tax which is paid by Victorians who own more than one property.

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If the 6 billion dollars that is collected in stamp duty is quarantined for public housing, five billion dollars to spot purchase or build homes / units across the state, up to 25,000 new public houses could be added to the Victorian public housing list every year. The other one billion dollars could be used to manage and maintain public housing. This would mean that every year around 75,000 Victorians would enter public housing. Within a decade almost a million Victorians could be housed in safe secure public housing. Reducing the amount of money Victorians pay to keep a roof over their heads would give Victorians greater buying power in the community helping to kickstart the economy.

I would like to thank the Victorian Legislative Council Members for having the courage to call an inquiry into the destruction of public housing by a State Labor government.

Dr. Joseph Toscano / Convener Defend And Extend Public Housing

WHO ARE WE?

Public interests Before Corporate Interests (PIBCI) was approached by *Friends of Public Housing (Victoria)* because they were having difficulties getting the message about the destruction of public housing across both to the public and the Victorian Parliament. *Defend And Extend Public Housing (DAEPH)* was formed in October 2016 as a result of those meetings. Over the past 12 months we have been holding monthly rallies outside the Victorian State Parliament on parliamentary sitting days and have been attempting to derail the State Labor government's attempts to destroy government owned and managed public housing.

Interestingly, the Victorian Greens have a policy of defending and extending public housing. It seems the Victorian Labor parliament is on an ideologically driven suicide mission. It is highly likely if they continue their misguided public housing policies they will lose support among public housing tenants in the public housing estates in the Melbourne CBD. The only reason the Labor party has been able to hold on to its inner city seats is because of public housing tenants' support. If the Victorian Labor party continues down this road, the Victorian Greens will most likely hold the balance of power after next year's state election. If this situation occurs both the major parties will be forced to take public housing seriously as the Victorian Greens currently support defending and extending public housing. *Defend And Extend Public Housing* will be continuing, and extending, our public housing campaign until the next state election in an attempt to defend and extend public housing in Victoria.

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