

Standing Committee on Social Issues

Homelessness and low-cost rental accommodation

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Terms of Reference

The terms of reference for the inquiry are:

1. That the Standing Committee on Social Issues inquire into and report on policies and programs outside of mainstream public housing that are being implemented within Australia and internationally to reduce homelessness and increase the availability of key worker accommodation and in particular:
 - (a) models of low cost rental housing outside of mainstream public housing, including but not limited to co-operative housing and community housing
 - (b) methods of fast tracking the capacity of providers to deliver low-cost rental accommodation in a short time frame
 - (c) strategies to attract private sector investment in the provision of low cost rental accommodation
 - (d) current barriers to growth in low cost rental housing
 - (e) strategies to avoid concentrations of disadvantage and grow cohesive communities

2. That the Committee provide a final report to the House by the last sitting day in September 2009.

These terms of reference were referred to the Committee by Hon David Borger MP, Minister for Housing and Minister for Western Sydney on 3 December 2008.

Committee Membership

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Hon Trevor Khan MLC	The Nationals	<i>Deputy Chair</i>
Hon Greg Donnelly MLC	Australian Labor Party	
Hon Marie Ficarra MLC	Liberal Party	
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Chair's Foreword

I am pleased to present the report of the Committee's inquiry into homelessness and low cost rental accommodation.

This report focuses on the need for a change in approach to reducing homelessness and increasing the availability of low cost rental accommodation for low to moderate income households. The Committee explored ways to address the chronic problem of people in housing stress by looking at the whole continuum of housing, which includes public, community and affordable housing.

When public housing was first introduced in Australia it provided a 'helping hand' to many working Australians. Over time, with dwindling resourcing and lack of stock, this changed. The demand for housing increased so that public housing has become available only to very low income households who also have high support needs. Pockets of disadvantage emerged around large housing estates. Households with very low, low and moderate income that are ineligible for social housing are suffering housing stress. Many of these people are paying over 30 per cent of their income in rent, can't afford to live close to employment opportunities and are at risk of homelessness. In 2003 this Committee recognised the provision of affordable housing as a 'critical issue for the future'. That future is now.

We have heard repeatedly that a 'house is not a home.' It is a fundamental right of all people to have access to food, clothing and shelter, but this is not enough, people also require safety, education and employment opportunities. As the Prime Minister has stated, reducing homelessness is 'everyone's responsibility.' To provide a place where tenants can create a home it is essential for government and non-government sector to work cooperatively to ensure these needs are addressed.

This inquiry has taken place in a time of change. Many new initiatives, state and federal were announced throughout the course of the inquiry, with a move toward a more holistic approach to the provision of housing and related support services. The Committee is pleased to see much needed resources allocated to affordable housing for very low, low and moderate income earners. However, this made it difficult for the Committee to examine the effectiveness of policies and programs as they exist today.

There were a number of recurring themes that have been long running issues in the community housing sector and were also raised by this Committee in its 2003 report on community housing. These include the need for housing providers to have the capacity to develop a balance sheet from which they can operate a sustainable organisation; the need for community housing providers to have title to the properties they own and or manage from which they can leverage equity and the need for a robust regulatory system. Also evident is the importance of social and physical infrastructure to support tenants become active members of the communities in which they live. Without these measures towns and cities throughout New South Wales will continue to lose the key workers that are essential for them to function and pockets of disadvantaged socially excluded people will grow.

The Committee found that these issues can be best addressed through developing an overarching framework for the provision of affordable housing, supported by the implementation of local identification and implementation of solutions that allow for the development of homes rather than for

the provision of housing. Through the State Plan the New South Wales Government can ensure that key priorities are identified and targets set. While the Australian Government controls many of the key policy levers and instruments in this area, the New South Wales Government has the ability and capacity to ensure resources are properly targeted to meet defined targets in local areas.

I am appreciative of all the people who contributed to this inquiry. I would like to thank all those people who made a submission and gave up their time to assist the Committee with this important inquiry. We heard a lot about the needs of people with limited income for housing and the need for communities for key workers. We also heard of the accomplishments of the not for profit sector working, often in difficult circumstances, with limited resources and an increasing demand, to address these needs and congratulate them for their valuable contributions.

On behalf of the Committee I thank the Committee secretariat for their efforts in supporting the inquiry process and preparing this report.

Finally I would like to express my appreciation to my fellow Committee members for their sustained interest in this issue which we all regard as important to ensuring the human rights of all Australians.

I commend this report to the Government



The Hon Ian West MLC
Chair

Executive Summary

The Standing Committee on Social Issues has been examining homelessness and the provision of low cost rental accommodation since receiving the terms of reference from the Minister for Housing in December 2008. The terms of reference require the Committee to examine ways to reduce homelessness and increase the provision of rental accommodation for key workers, outside of mainstream public housing. However, the Committee found that it could not quarantine public housing from its considerations, as public housing is an essential part of the mix of social and affordable housing. Evidence shows that there is a continuum of need for housing that reaches right across the housing sector and to address this effectively it is necessary to examine the sector as a whole.

The Committee's considerations have been directly impacted by the changes that are taking place within the housing sector at state and federal level. Subsequent to the commencement of the inquiry the Australian government released its White Paper on homelessness, following this there has been a number of COAG agreements and state government initiatives to address both homelessness and the provision of affordable housing. In its response to the global financial crisis the Australian Government has made substantial investment in housing initiatives that will increase the capacity of organisations in New South Wales to provide low cost rental accommodation. These changes are significant and directly impact on social and affordable housing policy development within New South Wales. A consequence of the recent nature of these initiatives is that many are untested and the Committee has been unable to receive evidence on their current and potential impact on the sector.

Chapter 1 – Introduction

Over the course of the inquiry the Committee received 66 submissions, conducted seven public hearings and one site visit to City West Housing in Pyrmont to meet with tenants and view first hand a complex developed specifically to address inner city needs for affordable housing. In the initial stages of the inquiry the Committee received a briefing from Mr Michael Newey of Broadlands Housing Group in the United Kingdom. The briefing was extremely informative and provided a valuable comparison to the Australian model of predominately public provision of social housing.

This chapter includes a brief history of social housing in New South Wales. It outlines the progression of public housing as a way of providing blue collar workers with a 'stepping stone to a better life' to its current evolution as a means of providing housing for households with very low incomes and high need for support services. The evolution of public housing and the eligibility criteria has directly impacted on social cohesiveness and the level of housing stress experienced by low and moderate income households.

Chapter 2 – Context and definitions

This chapter provides background information on homelessness in Australia, the number of homeless people and different classifications of homelessness. Primary homelessness is the most visible form of homelessness, it constitutes people who are without conventional accommodation and includes people living on the street, in parks or squatting in derelict buildings. However, there are other forms of homelessness, termed secondary and tertiary homelessness. These categories include people who live in inappropriate accommodation such as friends' garages or laundries, move frequently from shelter to shelter, stay in refuges or are 'couch surfers'. It also includes people who live in boarding houses on a medium to long term basis. In the main, it is the needs of the latter group of people that this report discusses directly.

This chapter also provides concise definitions of some of the key terms used throughout the inquiry. These include the different types of assisted housing and housing providers as well as key workers.

Social housing is a broad term which encompasses public housing, community housing, Aboriginal housing and Indigenous community housing. Affordable housing is not included within social housing. 'Affordable housing' is available to very low, low and moderate income households and is also differentiated by the method of rent setting. While rent for social housing is generally calculated at 25 per cent of gross household income, rent for affordable housing is based on market rents, usually no more than 80 per cent of market rate.

The large number of policy documents that have recently been released means that they are not yet in common use. A range of key documents used throughout the report have been briefly described in this chapter.

Chapter 3 – Framework

The Australian government has stated that reducing homelessness is 'everyone's responsibility'. The Committee agrees with this and in this chapter considers the need for a co-ordinated response to homelessness and the provision of affordable housing across federal, state and local government as well as between government and non-government housing providers.

This chapter considers the importance of providing 'homes' not 'houses' and how this can be achieved. By adopting a holistic approach, governments and the community together can provide a place where tenants are able to create a home and participate in the local community. Many of the policy levers that set the parameters for the provision of affordable housing are defined at the federal level. However the Committee regards the role of the New South Wales Government in enabling local solutions to homelessness and housing stress as essential to the successful creation of cohesive communities that are sustainable in the long-term. The State Government has many policies and plans which address these issues, with more announced even as the Committee is considering its report. So important is the role of the State Government, the Committee is recommending that the State Plan include specific affordable housing targets, with the targets derived from those set by the Australian Government in reducing homelessness and these should include specific indicators relevant to the needs of homeless and low to moderate income households.

Chapter 4 – Capacity

The public sector's capacity to provide the required number of houses is limited, and based on evidence received during the inquiry is clearly inadequate. The Committee heard that by investing similar amounts of money in the not for profit sector the government can increase the sector's ability to leverage funds and increase the total number of units of housing available above what the government alone can provide. For this to occur, a number of barriers to growth and investment in the not for profit sector need to be addressed. These include barriers that have been identified by this Committee in its previous inquiry into Community housing, in particular, the need for housing providers to have title to the properties they manage. Strategies that allow housing providers to build a balance sheet from which they can leverage funding for investment are viewed as essential. Integral to this process is a strong regulatory system which benefits investors, tenants and governments. Regulatory system will reduce investor risk and therefore increase confidence for future investments. It also protects valuable public assets and ensures that they are used to benefit the public in both the short and long term. For tenants a regulatory system is a means of ensuring that properties are of high quality, properly maintained and importantly, that tenants are included in decision making processes that affect their home and quality of life.

Although the Committee is unable to comment on many of the recent initiatives at the present time, it is essential that the effectiveness of these initiatives is reviewed on an ongoing basis to ensure that policies and programs are meeting the needs of low to moderate income earners and growth in housing providers' capacity to provide housing is sustainable in the long term.

Positive planning strategies are discussed in this chapter, including developer contributions and inclusionary zoning. Inclusionary zoning has been used to effect internationally as a tool to increasing affordable housing. The Committee is mindful of the need to develop local solutions, and recommends that the New South Wales Department of Planning work with regional organisations of councils to examine the effect and appropriateness of inclusionary zoning in increasing the supply of affordable housing.

Chapter 5 – Cohesive communities

Strategies of the past have resulted in some public housing communities becoming 'pockets of disadvantage' that suffer social disadvantage and exclusion. This chapter examines how these came about, how they can be 'fixed' and how to avoid the mistakes of the past.

Many of the current social problems are the result of a lack of both social and physical infrastructure to support people in need located in a single area. The provision of outreach services and access to social infrastructure has been identified as critical to supporting people who have gained access to this accommodation partly because of their high need for this support. The Committee heard there is a need for these services to be co-ordinated and for people to be aware that they are available. The Committee recognises that solutions to these problems and the solutions are best managed at a local level and is recommending the State Government work together to ensure the provision of appropriate infrastructure and properly targeted resources are matched to local needs.

There are many models, national and international, that showcase successful models for the provision of social and affordable housing. The Committee heard evidence on the need for housing to be appropriate tenant needs, located close to employment and education opportunities and to public transport, scattered throughout communities with people of mixed income and variety of life experiences.

The provision of housing in this manner was identified as not only beneficial to tenants but also to the communities in which live. Many low to moderate income earners are employed in areas such as hospitality, health, retail and community services. To ensure socially and economically sustainable communities it is critical to provide mixed communities that deliver necessary support services at all levels, housing these key workers is essential not only to their own quality of life but also that of all people within the community. The Committee has recommended that Housing NSW review the eligibility requirements for public housing and work with local governments to ensure resources are provided to socially and economically sustainable communities.

Summary of Recommendations

- Recommendation 1** **35**
That New South Wales Government include specific affordable housing targets in the relevant Priority areas of the State Plan. The targets should be derived from those set by the Australian Government in reducing homelessness and include specific indicators relevant to the needs of homeless and low income households.
- Recommendation 2** **51**
That Housing NSW conduct a midpoint review of the National Rental Affordability Scheme assessing its success against stated objectives and its impact on housing need over this time. Following this review Housing NSW should consider any further state government assistance that can be added to NRAS to increase its effectiveness and sustainability of the sector in the long term.
- Recommendation 3** **51**
That Housing NSW, in collaboration with not for profit housing providers, review the success of National Rental Affordability Scheme in meeting the needs of housing providers and prospective affordable housing tenants, making necessary adjustments to the scheme to tailor it to identified needs.
- Recommendation 4** **55**
That Housing NSW commit to a firm timeframe to implement its policy for the transfer of title to community housing providers.
- Recommendation 5** **57**
That Treasury in collaboration with Housing NSW undertake a fully costed feasibility study for the introduction of shared equity scheme arrangements that have the primary objective of increasing home ownership in New South Wales.
- Recommendation 6** **57**
That Housing NSW liaise with Department of Planning to identify suitable housing estates for the implementation of a shared equity scheme to assist in urban renewal and decrease pockets of disadvantage.
- Recommendation 7** **59**
That the New South Wales Treasurer make representations to the Australian Government for the retention of Public Benevolent Institution status of not for profit housing providers and associated taxation concessions.
- Recommendation 8** **64**
That Housing NSW liaise with their counterparts across the country to fast track the development of a national regulatory framework that introduces consistency between states and covers all forms of affordable housing, including boarding houses and caravan/ residential parks.
- Recommendation 9** **65**
That Housing NSW establish a framework for corporate governance of housing providers that is consistent with national regulation and registration requirements and enables providers to access tax benefits currently applied to public benevolent institutions with charitable status.

- Recommendation 10** **66**
 That the New South Wales Government review legal impediments to tenant participation on boards of not for profit housing providers, and liaise with Federal counterparts on Commonwealth law reform.
- Recommendation 11** **75**
 That the New South Wales Department of Planning work with regional organisations of councils to examine the effect and appropriateness of inclusionary zoning in increasing the supply of affordable housing.
- Recommendation 12** **86**
 That Housing NSW in liaison with the Department of Planning and NSW Health identify and assess potential sites for additional Common Ground-type developments that have the necessary support structures available in the local area.
- Recommendation 13** **87**
 That Housing NSW establish regional advisory bodies, with representatives of local council and housing providers, to enable local solutions for growth in affordable housing:
- in areas with appropriate existing physical and social infrastructure
 - with appropriately targeted resources.
- Recommendation 14** **92**
 That Housing NSW work with local government, not for profit housing organisations and tenant representatives to identify social cohesion programs which would benefit housing estate tenants, and make representations to specific government departments to ensure these programs are implemented.
- Recommendation 15** **96**
 That Housing NSW review its eligibility criteria for tenancy in registered community housing to provide greater flexibility and a broader social mix, and in consultation with local government, establish target percentages for each income group – very low, low and moderate income households.
- Recommendation 16** **108**
 That the Minister for Fair Trading refer an inquiry to the Standing Committee on Social Issues into caravan/residential parks, and in particular caravan/residential parks as an affordable housing option and the impact of their closure on permanent residents.
- Recommendation 17** **111**
 That Housing NSW undertake a review of boarding houses in New South Wales, specifically:
- the number of boarding houses that have closed due to redevelopment
 - ascertaining what, if any, financial incentives and assistance is required for boarding house owners to provide affordable housing now and in the future and examine methods of protecting the tenancy rights of boarders, including but not limited to legislative possibilities to amend the *Residential Tenancy Act 1987*.

Glossary

Aboriginal Housing	Housing owned by the Aboriginal Housing Office and managed by Housing NSW.
Affordable Housing	Housing for which very low, low and moderate income households spend no more than 30 per cent of their gross household income on recurrent housing costs.
Community Housing	Housing which is subsidised by government but delivered through not for profit housing organizations. Community housing tenants must meet the same eligibility criteria as public housing tenants.
Common Ground housing model	A housing model, originating in new York, that provides permanent, long-term supportive housing with a concierge and particularly targets chronically homeless people as well as key workers and people on low incomes.
Co-operative Housing	A subset of community housing, where the management of the housing is under the control of the tenants.
Growth providers	High performing community housing providers who can develop and deliver housing directly, manage a large property portfolio, and organise private sector funds and investment to develop affordable housing
Housing Associations	Non-government organisations that deliver professional housing management and development that may not otherwise be provided by the housing market. They are not limited to providing housing for a particular government priority group.
Housing stress	People are said to be in housing stress when they pay more than 30 per cent of their gross income on housing.
Indigenous Community Housing	Housing which is owned by Indigenous community housing organizations, 60 per cent of which are Aboriginal Land Councils.
Inclusionary zoning	A zoning mechanism where new developments must provide an affordable housing contribution either in the form of dwelling units or monetary contributions.
Key workers	Employees in occupations that are considered crucial to the functioning of a community, for example workers in hospitality, retail and childcare.
Low income households	Those households in the bottom 40 per cent of the income distribution.

Marginal homelessness	People in housing situations close to the minimum standard, but who are not part of the homeless populations.
Marginal residents of caravan parks	People who are renting caravans or cabins, living at their usual address, and with no one in the dwelling having full-time employment.
Moderate income households	Those households that have incomes which place them between 40 per cent and 60 per cent of the income distribution.
Not for profit organisations	Housing providers that develop and own housing for social purposes and reinvest any proceeds of their activities in expanding their core business, with an aim to provide secure, affordable rental housing to support their tenants.
Pathways to Housing Model	A housing model that provides a range of low cost housing options and gives consumers the choice of housing type, including single person studio or multi-occupancy units. Tenants must accept a minimum level of support services but are allowed to determine the type and intensity of services they receive.
Primary homelessness	Sometimes referred to as the 'absolute homeless'. People without conventional accommodation, living for example, on the streets, in deserted buildings, improvised dwellings or in parks
Public Housing	Housing that is owned and managed by a State government authority and it is directed towards lower-income people.
Secondary Homeless	People who move frequently from one form of temporary shelter to another, or people with no secure accommodation staying temporarily with friends or relatives in private dwellings.
Social Housing	A broad term that encompasses a number of different types of housing; public housing, community housing, Aboriginal housing and Indigenous community housing.
Tertiary homeless	People who live in boarding houses on a medium to long-term basis

Acronyms

ABS	Australian Bureau of Statistics
AHIF (NSW)	Affordable Housing Innovations Fund, New South Wales
AHURI	Australian Housing and Urban Research Institute
AIHW	Australian Institute of Health and Welfare
ARCH	Association to Resource Cooperative Housing
CHC	Community Housing Canberra
CHRH	Community Housing Federation of Australia
COAG	Council of Australian Governments
CRA	Commonwealth Rent Assistance
CSHA	Commonwealth State Housing Agreement
CWH	City West Housing Pty Ltd (NSW)
DGPs	Designated Growth Providers
EP&A Act	Environmental Planning and Assessment Act 1979
FaHCSIA	Department of Family, Housing, Community Services and Indigenous Affairs (Australian Government)
HAF	Housing Affordability Fund – Australian Government
HCA	Housing Choices Australia

HASI	Housing and Accommodation Support Initiative
ISEPP	Infrastructure SEPP (put in place as a result of the NBESP to streamline associated approvals)
KWLP	Key Worker Living Program
LEPs	Local Environmental Plans
LGA	Local Government Area
NAHA	National Affordable Housing Agreement
NBESP	Nation Building Economic Stimulus Plan
NCOSS	Council of Social Services NSW
NHAS	National Housing Affordability Scheme
NHSC	National Housing Supply Council
NRAS	National Rental Affordability Scheme
NRSDC	Northern Rivers Social Development Council
OECD	Organisation for Economic Cooperation and Development
PAH	The NSW Partnership Against Homelessness
PBIs	Public Benevolent Institutions
PWD	People with Disability Australia
REP	Regional Environment Plan

SAAP	Supported Accommodation Assistance Program
SEPP	State Environmental Planning Policy
SPP	Specific Purpose Payment (SPP)
SGCH	St George Community Housing
SREP	Sydney Regional Environment Plan
WESROC	Western Sydney Regional Organisation of Councils

Chapter 1 Introduction

This Chapter outlines the conduct of the inquiry. The Chapter also provides a brief historical outline of social housing in New South Wales and key developments that occurred during the course of the Inquiry.

Establishment of the inquiry

- 1.1 On 3 December 2008, the Standing Committee on Social Issues received a reference from the Minister for Housing and Western Sydney, the Hon David Borger MP, for an inquiry into policies and programs outside of mainstream public housing that are being implemented to reduce homelessness and increase low cost rental accommodation for key workers.¹ The Committee is to report to the House by the last sitting day in September 2009.
- 1.2 The terms of reference for the inquiry together with membership of the Committee are provided on page iv of the initial section of this report.

Scope of the inquiry

- 1.3 The terms of reference require the Committee to examine ways to reduce homelessness and increase rental accommodation for key workers, outside of mainstream public housing. However, the Committee found that it could not quarantine public housing from its considerations, as public housing is an essential part of the mix of social housing – NSW Housing is the largest provider of social housing in Australia, with a portfolio of over 130,000 dwellings.² Evidence also shows that there is a continuum of need for housing that reaches right across the housing sector and to address this need effectively it is necessary to examine the sector as whole.
- 1.4 The Committee's inquiry focussed on increasing the availability of affordable rental accommodation as a means of reducing homelessness and addressing the needs of key workers. The Committee recognises that policies aimed at reducing homelessness must also address the underlying causes of homelessness, to prevent people from becoming homeless in the first place, particularly in relation to domestic violence. The Report does not seek to provide all the answers to every issue, especially those relating to short term, acute housing needs.
- 1.5 This inquiry is not directly about primary homelessness but relates more specifically to secondary homelessness where the lack of affordable housing in appropriate locations has a major impact on tenants and the wider community.

¹ NSW PD (*Legislative Council*), 3 December 2008, p 965

² Housing New South Wales, *State Budget 2009/10 Housing NSW Budget Commentary*, June 2009, p 2

Conduct of the inquiry

Call for submissions

- 1.6** The Committee advertised a call for submissions in major metropolitan newspapers and on the Parliamentary website. Specific stakeholders were also invited to make a submission, including government departments, welfare groups and community housing providers.
- 1.7** In response to the call for submissions, the Committee received 66 submissions to the inquiry. The Committee received submissions from major stakeholders, including the New South Wales Government, various local governments and community groups, non-government organisations and individuals. A full list of submissions authors is available at Appendix 1.

Briefing, public hearings and site visit

- 1.8** During the initial stages of this inquiry the Committee received a briefing from Mr Michael Newey, Group Executive of Broadland Housing in the United Kingdom. Mr Newey specialises in social housing policy, corporate governance, business management and strategy development. While in Australia Mr Newey addressed seminars in Melbourne and Canberra that explored how housing associations in Australia can provide growth and effective management of rental housing, plus conditions for success and opportunities for third party investment. Mr Newey's briefing was extremely informative and provided a valuable comparison to the Australian model of predominantly public provision of social housing.
- 1.9** In preparing its report the Committee conducted six public hearings, with a total of 65 witnesses from 32 organisations. Key witnesses from Housing NSW appeared before the Committee more than once. A full list of witnesses appears in Appendix 2.
- 1.10** On Wednesday 20 May 2009 the Chair and members of the Committee visited City West Housing Pty Ltd at Pyrmont in Sydney to speak with several tenants and the General Manager. City West Housing provides long-term affordable rental accommodation for very low, low and moderate-income households. The model employed by City West Housing is considered throughout this report. The Committee also viewed the premises first hand and was able to see the quality of housing provided for tenants by City West Housing.

Brief history of social housing in New South Wales

- 1.11** The history of social housing in Australia and New South Wales is relevant because it outlines the changing nature of public housing, its purpose and tenants, providing context for understanding contemporary issues and responses. This section provides a brief outline of who qualifies for public housing both now and in the past and how this has affected the nature of the housing and the resources required to sustain it. These issues are considered further throughout the report.
- 1.12** The Housing Board in NSW was established in 1912 to provide homes for working families. In the 1940s the NSW Housing Commission was established and more than 12,000 homes

were built. In the post-war reconstruction of the 1950s the focus moved to housing returned soldiers as well as traditional working families.

- 1.13** Although it currently provides rental accommodation for people on very low incomes, public housing was not originally envisioned as a welfare program.³ Previously, although there was provision for lower rents for people on lower incomes, public housing was aimed at creating an affordable and secure base from which tenants could build or rebuild their lives. Living in a stable environment allowed people to take up work, build assets and for families to become self-sufficient.⁴ The Committee heard evidence during the inquiry that this approach works and supports moves to develop affordable housing away from large housing estates and to provide wide ranging support services for people living in social housing.
- 1.14** In the 1960s high-rise apartments were erected and broad acre developments were established in areas such as Minto, Macquarie Fields, Green Valley and Mount Druitt. With increased demand, during the 1970s public housing became more targeted. Eligibility became means-tested and soon after placements was prioritised on the basis of relative need.
- 1.15** By the early 1980s applicants for public housing had changed from the typical nuclear working-class family to single people, sole parents, homeless and older people with disabilities. In late 1987, non-aged single people and people needing support services to live independently became eligible for public housing for the first time. Demand from pensioner and other beneficiary groups continued to increase throughout the 1980s. Demand was further increased by de-institutionalisation policies that created an increase in people needing support to live independently.⁵
- 1.16** The community housing sector also began in the 1980s, with the commencement of the Community Tenancy Scheme in 1982 and the Local and Community Housing Program in 1984. Community housing was originally viewed as a temporary, transitional arrangement for people waiting for public housing. Over time, due to increased demand for public housing and lack of capacity within the public sector, by providing a range of accommodation options and support services, community housing has become an alternative to public housing. Government funded community housing and public housing are subject to the same operating framework.⁶ Refer to Chapter 2 of the Committee's 2003 *Report on Community Housing* for further detail.
- 1.17** Over the ten years from 1997 to 2007, Commonwealth Government contributions to the States for public housing fell by 24 per cent, leading to a \$3.1 billion decline in investment by

³ Mr Mike Allen, Director-General, Housing NSW, *The transition of the public housing system to a social housing system*, Speech notes, Shelter NSW Conference – The Shape of Public Housing, 26 June 2008

⁴ The Hon Tanya Plibersek MP, Minister for Housing, 'Room for more: boosting providers of social housing,' Speech at Sydney Institute, 19 March 2009

⁵ The Hon Tanya Plibersek MP, Minister for Housing, 'Room for more: boosting providers of social housing,' Speech at Sydney Institute, 19 March 2009

⁶ NSW Legislative Council, Standing Committee on Social Issues, *Report on Community Housing*, Report 31, p 7 - 9

2008. As a result there has been a decline in public housing stock and increased cost of maintaining dwellings that are on average 20 to 29 years old.⁷

- 1.18** In 2007 the NSW Auditor General conducted an audit to assess whether the NSW Government's outcomes for homeless people were being achieved and to assess the level of success in assisting homeless people to access government support services such as health care and legal assistance.
- 1.19** The Auditor General found that there were a broad range of programs that respond to homelessness and people at risk of homelessness in New South Wales. However, it was also found that there is limited capacity for information sharing about services, no statewide framework to report against these programs, and a lack of performance measures or targets on homelessness. The Auditor General recommended the development of a statewide framework for homelessness in New South Wales, improving reporting and data collection to assist in service delivery planning, and improving homeless peoples' access to mainstream services.⁸ The Auditor General also noted that homelessness is not a specific priority action in the NSW State Plan and recommended that the new New South Wales framework link to the State Plan.⁹
- 1.20** In response the Department of Premier and Cabinet has identified potential links between the New South Wales framework and the State Plan.¹⁰ In 2009, during this inquiry, the New South Wales Government released 'A Way Home: Reducing Homelessness in NSW, *NSW Homelessness Action Plan 2009-2014*'¹¹. The State Plan is considered in Chapter 3.

Developments during the course of the inquiry

- 1.21** During the course of the inquiry there have been a number of new initiatives introduced at both a state and federal level. Many of the new initiatives indicate a change in approach by all governments to addressing the housing and support needs of homeless people as well as the needs of low to moderate income households, including key workers and the communities they serve.
- 1.22** These changes were led by the release in December 2008 of the Australian Government's White Paper, *A Road Home: A National Approach to Reducing Homelessness*. This paper, in conjunction with intergovernmental agreements, including the National Affordable Housing Agreement, as well as Australian Government housing initiatives under the Nation Building Economic Stimulus Plan, signal the introduction of a national approach to reducing homelessness and increasing the supply of affordable accommodation. The release of the

⁷ The Hon Tanya Plibersek MP, Minister for Housing, 'Room for more: boosting providers of social housing,' Speech at Sydney Institute, 19 March 2009

⁸ Auditor General's Report Performance Audit, *Responding to Homelessness*, May 2007, p 2

⁹ *Responding to Homelessness*, May 2007, p 2

¹⁰ New South Wales Department of Premier and Cabinet, *Status Update-Recommendations in the NSW Performance Audit, Responding to Homelessness*, July 2008

¹¹ New South Wales Government, *A Way Home: Reducing Homelessness in NSW, NSW Homelessness Action Plan 2009-2014*, www.housingnsw.gov.au, accessed 4 August 2009.

NSW Homelessness Action Plan 2009-2014 during the course of the inquiry was also significant.

Implications for this report

- 1.23** The new approach is based on increasing the capacity of the community housing sector to provide more housing for very low, low and moderate income households, introducing another tier of 'affordable housing' into the social housing sector in New South Wales. Many initiatives have been announced during the hearing stages of the inquiry with several key initiatives announced after the Committee had completed its public consultation process.
- 1.24** At this stage the Committee is unable to comment on the effectiveness of these initiatives. There is little to no evidence of their success or otherwise, and in many cases the Committee has been unable to consult further with major stakeholders to seek their assessment the initiatives.
- 1.25** These developments will be reflected in the Committee's recommendations. The Committee has heard evidence of the need for a strategic, long-term whole of government approach to addressing housing requirements of low to moderate income households and decreasing the number of homelessness people in the long term. Many of the recommendations in this report address the need for long term assessment of the effectiveness of current initiatives, the need to tailor them to meet the needs of local communities and to provide adequate targeted resources to enable implementation and ongoing assessment of outcomes.

Report structure

- 1.26** This report addresses the terms of reference received from the Minister for Housing and Minister for Western Sydney, the Hon David Borger MP, on 3 December 2008.
- 1.27** **Chapter 2** provides background information on homelessness in New South Wales and explains the various forms of social housing as well as affordable housing referred to throughout this report. It also includes a brief outline of some of the key policy documents which were referred to throughout this report.
- 1.28** **Chapter 3** examines the need for an overarching framework for the creation of a viable 'affordable housing sector' to complement and enhance the current provision of public and community housing within New South Wales. This chapter considers the future development of the affordable housing sector, which includes protecting the rights of tenants, public assets and co-ordinating the work of government and non-government organisations.
- 1.29** **Chapter 4** examines barriers to investment and strategies to increase the capacity of the not for profit community housing sector. Many of the new initiatives that have been introduced both the Australian Government and the New South Wales Government in the course of this inquiry have been designed to increase and fast track the capacity of the not for profit sector to deliver low-cost rental accommodation for low to moderate income households and to overcome the barriers that have been preventing private sector investment and growth in the past.

- 1.30** **Chapter 5** examines the historical inheritance of past policy decisions in the provision of public and community housing and the effect that they have had on housing in Australia. It also explores what is needed to overcome the problems of the past; to create cohesive communities where people in need of support and those suffering from ‘housing stress’ are assisted to live within the broader community and take an active role in that community.
- 1.31** The Committee considered this report on 21 September 2009. Minutes of the Committee are included at Appendix 4.

Chapter 2 Context and definitions

This chapter provides background information on homelessness in Australia and explains the various forms of social housing referred to throughout this report. Also included in this chapter is a list of the key policy documents regarding homelessness and low cost rental accommodation that are referred to throughout the report.

Homelessness in Australia and New South Wales

2.1 This section defines homelessness in Australia, using two widely accepted definitions, and describes the number of homeless people in Australia. The section also examines some of the causes of homelessness.

Defining 'homelessness'

2.2 Australia has two definitions of homelessness that are widely accepted. One is the definition used by the Supported Accommodation Assistance Program (SAAP) and contained in the Commonwealth Supported Accommodation Assistance Act 1994 (SAAP Act). The other is a cultural definition used by the Australian Bureau of Statistics (ABS). The two definitions have different purposes – according to the ABS, the cultural definition is used for enumerating the homeless population, whereas the SAAP definition identifies who is eligible for services.¹²

2.3 The SAAP Act defines a person to be homeless 'if and only if, he or she has inadequate access to safe and secure housing'¹³

2.4 For the purposes of the SAAP Act, a person is taken to have inadequate access to safe and secure housing if the only housing to which the person has access:

- a) damages, or is likely to damage, the person's health; or
- b) threatens the person's safety; or
- c) marginalises the person through failing to provide access to:
 - (i) adequate personal amenities; or
 - (ii) the economic and social support that a home normally affords; or
- d) places the person in circumstances which threaten or adversely affect the adequacy, safety, security and affordability of that housing.¹⁴

¹² Australian Bureau of Statistics (ABS) 2050.0, Counting the Homeless 2006: Australia, p 1

¹³ Supported Accommodation Assistance Program Act 1994 (Cth) (SAAP Act), section 4(1). SAAP is joint Commonwealth and State government program to assist those who are homeless or at risk of homelessness.

¹⁴ SAAP Act, s4

2.5 Examples of situations that may fall within this definition are:

- people who are unhappy with their accommodation, for example, it could damage their health or is too expensive
- people who are at imminent risk of homelessness because of domestic violence or threat of eviction
- people who have no conventional accommodation.

2.6 The SAAP definition is regarded as a ‘service delivery’ definition of homelessness, because it recognises that in practical service delivery terms, SAAP must be able to assist those who are about to become homeless, or believe they are at risk of homelessness, as well as those who are actually homeless.¹⁵

2.7 The ABS recognises that for enumeration purposes homelessness is most effectively defined in relation to shared community standards about the accommodation that people have a right to expect in order to live according to conventions of contemporary life. The minimum community standard is equivalent to a small, rented flat with a bedroom, living room, bathroom and kitchen.¹⁶ This standard provides a benchmark for assessing ‘homelessness’ and ‘inadequate housing’ and is referred to as a ‘cultural definition’ of homelessness.¹⁷ People who fall below the community standard are considered to be homeless.¹⁸

2.8 According to the cultural definition, people who are homeless fall into three categories:

- **Primary homelessness:** people without conventional accommodation, for example, those people living on the street, sleeping in parks, are squatting in derelict buildings, or using cars or railway carriages for temporary shelter
- **Secondary homelessness:** people who move frequently from one form of temporary shelter to another, for example, people using emergency accommodation such as hostels for the homeless or night shelters, teenagers staying in youth refuges, women and children staying in women’s refuges (for reasons primarily relating to domestic violence) people residing temporarily with other families because they have no accommodation of their own and those using boarding houses on an occasional or intermittent basis.
- **Tertiary homelessness:** people who live in boarding houses on a medium to long-term basis. Residents of private boarding houses do not have a separate bedroom and living room, they do not have kitchen and bathroom facilities of their own, their accommodation is not self-contained, and they do not have the security of tenure provided by a lease. They are homeless because their

¹⁵ Australian Bureau of Statistics (ABS), 2041.0 – Occasional Paper: Counting the Homeless, Implications for Policy Development, 1996, p 2

¹⁶ ABS, 2041.0, p 10

¹⁷ ABS, 2041.0, p 9. A ‘minimum community standard’ is not specified in any formal regulations, although existing housing regulations may imply a minimum standard.

¹⁸ Chamberlain C and Mackenzie D, *Counting the Homeless 2006: New South Wales*, Australian Institute of Health and Welfare, 2009, p 15

accommodation is inferior to the characteristics identified in the community standard.¹⁹

- 2.9** There is an additional category of **marginal homelessness**, referring to people in housing situations close to the minimum standard but who are not part of the homeless population, most notably caravan park residents.
- 2.10** The ABS applied the four categories in the 2001 Census. For the 2006 Census, the ABS divided homelessness into two groups:
- Absolute homeless (primary homeless). People without conventional accommodation (living on the streets, in deserted buildings, improvised dwellings, in parks, etc.).
 - Relative homeless (secondary and tertiary homeless). People staying in boarding houses, people using Supported Accommodation Assistance Program (SAAP) and other similar emergency accommodation services, or people with no secure accommodation staying temporarily with friends or relatives in private dwellings.²⁰
- 2.11** The marginally housed group was not specifically counted in the 2006 Census. However, residents of caravan parks in the 2001 Census may fall within this category.²¹

Number and incidence of homelessness

- 2.12** The ABS Census and Commonwealth Government SAAP data are the two main sources of information about the number of people who are homeless.²² This section relies on 2006 Census information, reported in the ABS Counting the Homeless report, and illustrates the incidence of homelessness in Australia.²³
- 2.13** When considering the comparative number and rate of homelessness across the state, the ABS makes some qualifications:
- The rate of homelessness in a particular area does not tell us how many people in that particular community became homeless – the homeless people may have come from a different part of the region or elsewhere in New South Wales.
 - Rates of homelessness, expressed as rate per 10,000 population, may be high in areas with a small population even though there is a low number of homeless people in the area.²⁴

¹⁹ ABS, 2041.0, p 10

²⁰ Census ABS, 2006: Homeless People, www.abs.gov.au, accessed 19 January 2009

²¹ Census ABS, 2006: Homeless People, www.abs.gov.au, accessed 19 January 2009

²² K Simon, Homelessness in NSW, NSW Parliamentary Library Research Service Briefing Paper No 03/09, p 8

²³ *Counting the Homeless 2006: New South Wales*

²⁴ *Counting the Homeless 2006: New South Wales*, p 35

2.14 Table 2.1 shows that on Census night in 2006 there were an estimated 104,676 homeless people in Australia; 27,374 in New South Wales. The table also illustrates the incidence of homelessness across Australia, expressed as the rate per 10,000 of the population. While New South Wales had the highest number of homeless people, the state had one of the lowest rates of homelessness in Australia. Nationally, the number of homeless people grew from 99,900 in 2001, although the national rate remained the same at 53 per 10,000 population.

Table 2.1 Homeless people by State and Territory 2006 and 2001²⁵

	NSW	Vic	Qld	WA	SA	Tas	NT	ACT	Australia
	2006								
Number	27,374	20,511	26,782	13,391	7,962	2,507	4,785	1,364	104,676
Incidence	42	42	69	68	53	53	248	42	53
	2001								
Number	26,676	20,305	24,569	7,586	11,697	2,415	5,423	1,229	99,900
Incidence	42	44	70	64	52	52	288	40	53

Location of homeless people in New South Wales

2.15 The rate of homelessness in Greater Sydney on Census night 2006 was 39 per 10,000 population (15,956 people). The rate in regional New South Wales was 47 per 10,000 population (11,414 people). The ABS Counting the Homeless Report noted that the rate for Sydney was 'similar to the rate of homelessness in Melbourne (41 per 10,000) and Canberra (42 per 10,000) but lower than the rates in the other state capitals'. The rate of homelessness in regional New South Wales was also similar to the rate in regional Victoria (44 per 10,000).²⁶

2.16 The highest rate of homelessness in Sydney (133 per 10,000) was in the 'city core', which includes the City of Sydney, Leichhardt, Marrickville and South Sydney. This was a reduction from the 2001 rate of 164 per 10,000. The *Counting the Homeless* report noted that 'the city core had eight per cent of Sydney's population, but 26 per cent of its homeless people', and that there is a similar situation in other major capital cities in Australia.²⁷

2.17 The rate of homelessness in both the Hunter and the Illawarra was 34 per 10,000. Away from the city core, the rate of homelessness in coastal and inland New South Wales was comparatively high. Overall, coastal New South Wales had the highest rate of homelessness in the state, 63 per 10,000 population. The rate in inland New South Wales was also relatively high at 50 per 10,000 population.²⁸

2.18 Generally, the rate of homelessness in non-urban areas in both coastal and inland New South Wales was higher than in urban areas. For example, in the coastal region, the rate of

²⁵ 2006 Census of Population and Housing, SAAP Client collection and National Census of Homeless School Students, ABS, 2050.0 (2006), p 27, p 28

²⁶ *Counting the Homeless 2006: New South Wales*, p 45

²⁷ *Counting the Homeless 2006: New South Wales*, p 9

²⁸ *Counting the Homeless 2006: New South Wales*, pp 10 -11

homelessness in urban areas (Tweed Heads, Lismore, Coffs Harbour, Port Macquarie and Queanbeyan) was 61 per 10,000. In rural areas (the remainder of the region and including Ballina, Byron, Casino, Taree, Kempsey, Bega, Bateman's Bay and Goulburn) the rate was 64 per 10,000. The highest rate of homelessness was in the Snowy with 102 per 10,000 population.²⁹

2.19 Inland New South Wales covers six regions – Northern, Central west, Murrumbidgee, Murray, North Western and the Far West. The ABS describes most regions as containing ‘one major urban area and two to three rural/remote subdivisions’.³⁰ Both the urban areas (Tamworth, Bathurst, Orange, Wagga Wagga, Dubbo, Albury and Broken Hill) and the rural areas (which includes Armidale, Glen Innes and Tenterfield) had a rate of 50 per 10,000 population homelessness. The highest rate of homelessness was in Macquarie-Barwon with 120 per 10,000 population, closely followed by Murray-Darling with 117 per 10,000 population.³¹

Social characteristics of homelessness

2.20 Table 2.2 illustrates the distribution of homeless people among the different sectors of the homeless population in New South Wales and nationally on Census night 2006.

Table 2.2 Persons in different sectors of the homeless population, 2006³²

	New South Wales		Australia	
	<i>Number</i>	<i>%</i>	<i>Number</i>	<i>%</i>
Boarding House	7,626	28	21,596	20
SAAP accommodation	5,110	19	19,849	19
Friends and relatives	10,923	40	48,856	45
Improvised dwellings, sleepers out	3,715	13	16,375	16
<i>Total</i>	27,374	100	104,676	100

2.21 There were some changes in the distribution of the homeless population in New South Wales between 2001 and 2006. The proportion of people staying with friends and family decreased from 45 per cent in 2001 to 40 per cent in 2006. The number in SAAP accommodation rose from 15 per cent to 19 per cent and the number of people in improvised dwellings or sleeping rough rose from 11 per cent in 2001 to 13 per cent in 2006. The number in boarding houses was relatively stable, decreasing by one per cent from 29 per cent in 2001.³³

2.22 Table 2.3 illustrates some of the social characteristics of the homeless population, with age, gender, Indigenous status and family situation noted for New South Wales and Australia. In New South Wales, the homeless population was older than the national profile. However, in

²⁹ *Counting the Homeless 2006: New South Wales*, pp 61-64

³⁰ *Counting the Homeless 2006: New South Wales*, p 55

³¹ *Counting the Homeless 2006: New South Wales*, p 57

³² *Counting the Homeless 2006: New South Wales*, pp 28-29

³³ *Counting the Homeless 2006: New South Wales*, p 28

New South Wales, as in Australia as a whole, the majority of homeless people were in the younger age groups.³⁴ In the 2006 Census, 2.4 per cent of people identified as Indigenous, however nationally nine per cent of the homeless population were Indigenous.³⁵

Table 2.3 Social characteristics of the homeless population, 2006³⁶

	New South Wales		Australia	
	<i>Number</i>	<i>%</i>	<i>Number</i>	<i>%</i>
Under 12 years of age	2,915	11	12,133	12
12-18 years	4,987	18	21,940	21
19-24 years	2,685	10	10,504	10
25-44 years	8,448	31	29,785	28
45-65 years	6,130	21	22,914	22
65 or older	2,209	8	7,400	7
Males		59		56
Females		41		44
Non-Indigenous		92.8		90.9
Indigenous		7.2		9.1
Families with children			26,790	26
Youth aged 12 to 18 (alone)			17,891	17
Adults (singles and couple)			59,995	57

Marginal residents of caravan parks

2.23 The ABS defines ‘marginal residents of caravan parks’ as those people living in caravan parks who were ‘renting caravans or cabins, living at their usual address, and with no one in the dwelling having full-time employment’.³⁷

2.24 This definition excludes those people who purchased a caravan for use as their usual address (often older retirees or ‘sea changers’ who have chosen to live in residential parks). Nationally, this represented approximately 25 per cent of caravan park residents. It also excludes the small percentage of people who live in a caravan but had a full-time job, on the basis that those

³⁴ *Counting the Homeless 2006: New South Wales*, p 30

³⁵ NSW Parliamentary Library Research Service Briefing Paper No 03/09, p 17

³⁶ *Counting the Homeless 2006: New South Wales*, pp 27-33, 75

³⁷ *Counting the Homeless 2006: New South Wales*, p 48

people could move to 'conventional accommodation if they wished'. This group of residents may fall within the 'key worker' group, who are unable to afford housing in a particular location.³⁸

- 2.25** Although the group of residents who have purchased their home in a residential or caravan park do not fall within the ambit of 'homeless', they are still important for this inquiry as these parks may be considered a low-cost, affordable housing option by this group. Issues of affordability and security of tenure were raised by residents of caravan/residential parks and are discussed in Chapter 5.
- 2.26** On Census night 2006, there were 5,104 marginal residents of caravan parks in New South Wales. The ABS points out that if this group was included as part of the 'tertiary homeless' population, it would impact on the rate of homelessness. For example, if the 1,173 marginal residents of caravan parks in Sydney were considered homeless, the rate would increase from 39 to 42 per 10,000 population. In inland New South Wales, including marginal residents of caravan parks in the homeless population would increase the rate of homelessness from 50 to 56 per 10,000 population. The greatest impact would be on the rate in non-urban inland areas where the rate would increase from 50 to 62 per 10,000 population.³⁹
- 2.27** Whereas boarding houses are more common in capital cities than regional centres or country towns – in New South Wales 80 per cent of boarding house residents live in Sydney, caravan parks are more common outside the capital cities, with 77 per cent of caravan park residents in New South Wales living in regional areas.⁴⁰ Boarding houses are discussed further in Chapter 5 of this report.

Causes of homelessness

- 2.28** The Australian Institute of Health and Welfare (AIHW) states that 'homelessness results from a variety of personal and societal factors'. AIHW identifies the following structural factors contributing to homelessness:
- poverty
 - unemployment
 - an inadequate supply of affordable housing.⁴¹
- 2.29** Personal circumstances identified by AIHW, that may increase a person's risk of becoming or remaining homeless, include:
- discrimination
 - poor physical or mental health

³⁸ ABS 2050 (2006), pp 39, 43

³⁹ *Counting the Homeless 2006: New South Wales*, pp 48-49, 59-60, 66-67

⁴⁰ *Counting the Homeless 2006: New South Wales*, p 48

⁴¹ Australian Institute of Health and Welfare, Homelessness, www.aihw.gov.au/housing, accessed 20 January 2009

- intellectual disability
- drug and alcohol abuse
- gambling
- family and relationship breakdown
- domestic violence
- physical and sexual abuse.⁴²

2.30 Domestic violence is understood to be the largest single ‘cause’ of homelessness. This was acknowledged by the Prime Minister when he announced the Australian Government’s ‘new approach’ to homelessness in May 2008:

More than one in five people seeking emergency accommodation are escaping domestic violence. Most victims bring children with them which means they share in the disruption and trauma of being displaced from their home.⁴³

2.31 The Australian Government’s White Paper on homelessness, released in December 2008, noted that while many people who become homeless have struggled with considerable personal disadvantage throughout their lives, specific events can also trigger homelessness, such as losing a job, domestic violence, being evicted from stable housing or a period of high financial stress.⁴⁴

2.32 The Committee heard throughout this inquiry that homelessness is not only about the physical environment but also about people being part of a community and ‘having relationships within the community that are fundamental to stabilising and normalising a person’s life’.⁴⁵ The social aspects of the provision of housing, including creating cohesive, supportive communities where people can sustain a home are examined in Chapter 5.

Terminology

2.33 This section briefly outlines the terminology used throughout this report. There are also many acronyms associated with schemes to provide social housing, many of which are recent initiatives and are not in common usage. A list of acronyms and a short glossary have been included at p xviii – xxii of this report.

⁴² AIHW, Homelessness, www.aihw.gov.au/housing, accessed 20 January 2009

⁴³ The Hon K Rudd MP, Prime Minister, A new approach to homelessness, May 2008, www.fahcsia.gov.au (accessed 25 August 2009)

⁴⁴ Australian Government White Paper, *The Road Home: A national approach to reducing homelessness*, December 2008, p 6

⁴⁵ Mr Paul van Reyk, Community Engagement and Content Manager, National Homelessness Information Clearinghouse, Evidence, 8 April 2009, p 1

Social housing

- 2.34** ‘Social housing’ is a broad term that encompasses a number of different types of housing. Unless otherwise stated, this report uses the definition described by Ms Maura Boland, Executive Director, Policy and Strategy, Housing NSW, under which social housing in New South Wales is comprised of four main streams:
- public housing which is funded and delivered directly by government and through Housing NSW
 - community housing which is subsidised by government but delivered through not-for-profit housing
 - Aboriginal housing which is owned by the Aboriginal Housing Office, and managed by Housing NSW on behalf of the Aboriginal Housing Office
 - Indigenous community housing which is generally owned by Indigenous community housing organisations, 60 per cent of which are Aboriginal Land Councils.⁴⁶

Public Housing

- 2.35** The Australian Government regards public housing as ‘housing that is owned and managed by a State government authority and it is directed towards lower-income people.’⁴⁷
- 2.36** Under the New South Wales Government’s 2005 ‘Reshaping Public Housing’ reforms, government owned housing is targeted to people on low-incomes who need support services to help them live independently. This includes the frail elderly, homeless people and people with a disability, as well as people on low incomes who have problems accessing affordable housing in the private rental market.⁴⁸
- 2.37** Over the past 20 to 30 years, the profile of Australian public housing tenants has moved away from traditionally blue-collar workers, becoming more disadvantaged, resulting in a steady increase in:
- the number of jobless adult households
 - single parent households
 - families receiving a Disability Support Pension.⁴⁹
- 2.38** The effect of this change was recognised by Ms Clare Wall, Senior Housing Advisor, Department of Families, Housing, Community Services and Indigenous Affairs:

⁴⁶ Ms Maura Boland, Executive Director, Policy and Strategy, Housing NSW, Evidence, 7 April 2009, p 14

⁴⁷ Ms Clare Wall, Senior Housing Advisor, National Rental Affordability Scheme, Department of Families, Housing, Community Services and Indigenous Affairs, Evidence, 10 June 2009, p 2

⁴⁸ Submission 51, New South Wales Government, p 21

⁴⁹ The Hon Tanya Plibersek MP, Minister for Housing, ‘Room for more: boosting providers of social housing,’ Speech at Sydney Institute, 19 March 2009

... it [public housing] has become very much not a sort of stepping stone as it used to be for people on low income working families to sort of rent and potentially to buy in the future; it has really become, I guess, an area where many public housing communities are now quite concentrated⁵⁰

2.39 Ms Wall described some of the demographics of modern public housing tenants:

... certainly a very high proportion of public housing tenants—it is close on 90 per cent—are in receipt of rent rebates, which means that they are having to get subsidised rents. A high proportion of them—I think I said 28 per cent, from memory—were aged pensioners and I think a similar proportion are on disability pensions. I think it is about another 20 per cent or 25 per cent who are single-parent families. So, as I said, it is a very different profile⁵¹

Community housing

2.40 In its submission to the inquiry, the New South Wales Government referred to ‘community housing’ as rental housing provided by not-for-profit organisations, traditionally for people on low-incomes and people with additional needs.⁵²

2.41 The definition of ‘community housing’ provided by the Australian Government is more general:

In some cases “community housing” is also owned by the State government but is managed by a community-housing organisation. In other cases it may be owned and managed by a community-housing organisation. In general, it is a not-for-profit organisation and, once again, the focus is on the provision of housing for lower-income people.⁵³

2.42 Housing associations provide government funded housing to households who are eligible for public housing. They are required to apply the same eligibility criteria as public housing and to prioritise their applicants on the basis of need. Most associations have a mix of tenants but some housing associations have particular specialties.⁵⁴

2.43 Housing cooperatives form part of the community housing sector. Tenants in co-operative housing are usually low to moderate income households who voluntarily give their time and effort to manage the cooperative. The Australian Government provided the following definition:

“Co-operative housing” is basically a subset of community housing, where the management of the housing is very much under the control of the tenants so they have a much greater role in the management of the housing.”⁵⁵

⁵⁰ Ms Wall, Evidence, 10 June 2009, p 10

⁵¹ Ms Wall, Evidence, 10 June 2009, p 10

⁵² Submission 51, p 24

⁵³ Ms Wall, Evidence, 10 June 2009, p 2

⁵⁴ Submission 51, pp 24 - 25

⁵⁵ Ms Wall, Evidence, 10 June 2009, p 2

2.44 In New South Wales there are between 300 and 500 community housing organisations, of which around 35 are significant housing associations.⁵⁶ In percentage terms, 15 percent of social housing is community housing, the remainder being public housing.⁵⁷

Aboriginal housing/Indigenous housing

2.45 Social housing for Aboriginal people in New South Wales is made up of housing which is targeted for the exclusive use of Aboriginal households, and non-targeted housing which is available to all eligible people. Targeted Aboriginal housing includes Aboriginal community housing and properties owned by the NSW Aboriginal Housing Office.⁵⁸

Affordable housing

2.46 The New South Wales Government defines ‘affordable housing’ very generically. The benchmark for affordability is where low to moderate income households spend no more than 30 percent of their gross household income on recurrent housing costs.⁵⁹

2.47 ‘Low income’ households are those households in the bottom 40 percent of the income distribution, approximated as those households earning up to 80 percent of the median household income.

2.48 ‘Moderate income’ households have earnings that place them between 40 percent and 60 percent of the income distribution. This is approximated as households earning between 80 percent and 120 percent of the median household income.⁶⁰

2.49 To account for regional differences, the median household income in New South Wales is estimated separately for the Greater Sydney Metropolitan Region and the rest of New South Wales:

- In Sydney and the Greater Sydney Metropolitan Region low income includes households earning up to \$50,600 gross per annum; moderate income includes households earning between \$50,600 and \$75,900 gross per annum.⁶¹
- In the rest of New South Wales low income includes households earning up to \$45,500 gross per annum and moderate income includes households earning between \$45,500 and \$68,200 gross per annum.⁶²

2.50 Ms Eleri Morgan-Thomas, National Manager, Housing Services, Mission Australia, distinguished between social housing and affordable housing on the basis of the funding

⁵⁶ Ms Boland, Evidence, 7 April 2009, p 6

⁵⁷ Ms Boland, Evidence, 7 April 2009, p 24

⁵⁸ Submission 51, p 25

⁵⁹ Submission 51, p 3

⁶⁰ Submission 51, p 3

⁶¹ Submission 51, p 3

⁶² Submission 51, p 3

model rather than the actual housing itself. Social housing tenants who are usually low to very low income earners pay a percentage of their income as rent, as distinguished from affordable housing tenants where rents are calculated as a percentage of market rent and tenancy is more focussed on low to moderate income earners.⁶³ Ms Wall advised the Committee that public housing rent is 25 per cent of gross household income, and affordable housing rent is usually 80 per cent of market rent.⁶⁴

2.51 According to the New South Wales Government ‘affordable housing’ may take many different forms and exists in the private sector with little or no government assistance. It includes lower cost rental flats and houses, boarding houses, shop-top apartments and caravan parks..⁶⁵

2.52 Researchers, policy makers and providers have developed a more specific definition of affordable housing that identifies the differentiating attributes of affordable housing, including ownership, financing mechanisms, allocation rules and rent setting. For example the Australian Housing and Urban Research Institute (AHURI) in the recent report *Innovation in Affordable Housing in Australia: Bringing Policy and Practice for Not for Profit Housing Organisations Together* defines affordable housing as having the following characteristics:

- initiated and owned by non government not for profit providers for a social purpose
- financed through a mix of public subsidies and/or planning benefits and private equity and/or debt finance
- priced at below market rent
- restricted to moderate and/or low income client groups.⁶⁶

2.53 The AHURI definition of affordable housing has been used throughout this report.

Not-for-profit housing providers

2.54 Dr Vivienne Milligan, Associate Professor, City Futures Research Centre, Faculty of Built Environment, University of New South Wales defines not for profit community housing providers as independently incorporated, not for profit but commercially aware organisations that invest in, develop and own housing for a core social purpose and reinvest any proceeds of their activities in expanding their core business. The social purpose of these organisations is usually to ‘provide appropriate secure and affordable rental housing and to support their tenants’.⁶⁷

⁶³ Ms Eleri Morgan-Thomas, National Manager, Housing Services, Mission Australia, Evidence, 8 April 2009, p 33

⁶⁴ Ms Wall, Evidence, 10 June 2009, p 9

⁶⁵ Submission 51, p 26

⁶⁶ Tabled document, Milligan V, Gurran N, Lawson J, Phibbs P & Phillips R, *Innovation in Affordable Housing in Australia: Bringing Policy and Practice for Not for Profit Housing Organisations Together*, Australian Housing and Urban Research Institute, June 2009, p 11

⁶⁷ Tabled document, *Innovation in Affordable Housing in Australia: Bringing Policy and Practice for Not for Profit Housing Organisations Together*, p 11

Housing Associations

- 2.55** Housing associations are non government organisations that deliver professional housing management and development that may not otherwise be provided by the housing market.
- 2.56** Representatives from the housing association peak body, NSW Federation of Housing Associations, told the Committee that the distinguishing characteristic of housing associations is that they are not limited to providing housing for a particular government priority group:

The mission of community housing providers has consistently been to respond to the spectrum of housing needs: sustaining housing for people with complex needs, delivering low cost rental for very low income households, and providing housing that is affordable for low and moderate income working households where the market fails to do so.⁶⁸

Growth providers

- 2.57** Some community housing providers are being selected by government to help develop the capacity of the community housing sector. Growth providers are defined by the New South Wales Government as:

... high performing community housing providers who can develop and deliver housing directly, manage a large property portfolio, and organise private sector funds and investment to develop affordable housing.⁶⁹

- 2.58** To be selected as a growth provider organisations are required to demonstrated the following characteristics:

- high performance in quality service, corporate governance and financial sustainability
- sufficient scale of operations to provide a solid foundation for growth
- willingness to operate in areas that have a shortage of social and affordable housing
- capacity to develop and deliver new housing supply
- commitment and capacity to increase housing supply through matching Government funding with contributions from other sources.⁷⁰

- 2.59** The New South Wales regulatory framework for community housing providers, which came into effect on 1 May 2009, aims to ensure financial viability, qualify housing and continued growth in community housing.⁷¹ Under this tiered system Growth Providers are subject to the highest level of regulatory requirements. This reflects the level of resources invested in

⁶⁸ Answers to questions on notice taken 8 April 2009, Mr Adam Farrar, Executive Director, NSW Federation of Housing Associations, p 2

⁶⁹ Submission 51, p 30

⁷⁰ Submission 51, p 30

⁷¹ Housing NSW, www.housingnsw.gov.au, accessed 15 September 2009

Growth Providers by the New South Wales and Australian Governments and the increased level of risk involved in borrowing and development activities.⁷² Refer 4.102 – 4.120 for further information on the role and importance of a strong regulatory system.

Key workers

- 2.60** The term key worker is often used to refer to employees in occupations that are considered crucial to the functioning of a community. The term can be used to refer to a few selected public sector occupations, such as nurses, teachers, police officers, fire fighters and ambulance officers.⁷³ It can also be used to cover a wide range of industries or occupations across the public, private and community sectors including employees in the hospitality and retail sectors.⁷⁴
- 2.61** Throughout this report the Committee has adopted the broader definition of ‘key worker’ to include workers who provide an essential service to the community but receive low wages and therefore may not be able to live within the community which they serve.

Key policy documents

- 2.62** There is a range of key documents central to Homelessness and low-cost rental accommodation referred to throughout this Report. The documents are all publicly available, either through the New South Wales Government or Australian Government websites.

The Green Paper – Which way home? A New Approach to Homelessness

- 2.63** To promote discussion on homelessness, in May 2008, the Australian Government produced a Green Paper entitled *Which Way Home? A New Approach to Homelessness* and held public consultations in all states and territories. Through this process the need for a whole-of-government approach became apparent.⁷⁵

White Paper – The Road Home: A National Approach to Reducing Homelessness

- 2.64** The White Paper grew out of the Green Paper, and was released in December 2008. It outlines a new national approach to reducing homelessness which focuses on:
- national leadership
 - prevention and early intervention
 - support for homeless Australians that leads to increased economic and social participation

⁷² Submission 51, p 30

⁷³ Bankwest Financial Indicator Series, Second annual key Worker Housing Affordability Report, www.bankwest.com.au

⁷⁴ Submission 51, p 11

⁷⁵ www.fahcsia.gov.au, accessed 11 September 2009

- encouragement of close collaboration between services used by people vulnerable to homelessness
- increased access to safe, affordable housing linked to appropriate support services
- recognition of the complexity of homelessness and addressing the needs of different groups within the population, including families with children, young people, Indigenous people, older adults, and women and children leaving domestic or family violence.⁷⁶

Nation Building and Economic Stimulus Plan (NBESP)

- 2.65** Released in February 2009 in response to the current world financial crisis, this plan was developed to support jobs in Australia's economy and progress the Government's long term reform objectives. The NBESP is designed to provide a package of reforms, including the development of a stronger not for profit and community housing sector to generate greater innovation and more diverse products that significantly increase the supply of social housing, through construction and refurbishment or existing stock.⁷⁷

National Rental Affordability Scheme (NRAS)

- 2.66** NRAS was launched on 24 July 2008, delivering on a 2007 Federal electoral commitment. It provides incentives to increase the supply of affordable housing for rent to eligible tenants for a period of ten years. Incentives will be allocated for up to 50,000 new dwellings in the first four years, with a further 50,000 to be provided if demand remains high. The Australian Government is providing incentives to:
- increase the supply of affordable rental dwellings
 - reduce rental costs for low to moderate income households
 - encourage large scale investment and innovative delivery of affordable housing
 - stimulate the construction industry at a time of economic downturn.⁷⁸

National Partnership Agreement on Homelessness

- 2.67** This is an agreement between the Commonwealth and the States and Territories aimed at significantly reducing homelessness by 2013. The aim is to reduce homelessness through prevention and early intervention, breaking the cycle of homelessness, and a better connected service delivery. These measures are linked to the reforms identified in the White Paper on Homelessness.⁷⁹

⁷⁶ www.fahcsia.gov.au, accessed 11 September 2009

⁷⁷ www.australia.gov.au, accessed 11 September 2009

⁷⁸ [www.fahcsia.gov.au/programs & services/housing affordability](http://www.fahcsia.gov.au/programs%20&%20services/housing%20affordability), accessed 11 September 2009

⁷⁹ [www.coag.gov.au/home Agreement and the National Partnerships Program/Intergovernment Agreement \(IGA\) on Federal Financial Relations/National Partnerships/Homelessness](http://www.coag.gov.au/home%20Agreement%20and%20the%20National%20Partnerships%20Program/Intergovernment%20Agreement%20(IGA)%20on%20Federal%20Financial%20Relations/National%20Partnerships/Homelessness), accessed 11 September 2009

National Affordable Housing Agreement (NAHA)

2.68 Commenced in January 2009, after agreement by the Council of Australian Governments (COAG) and replaces the Supported Accommodation Assistance Program Agreement (SAAP). It is one element of the National Partnership Agreement on Homelessness. Encompassing the programs and services previously funded through the Commonwealth-State Housing agreement and the Supported Accommodation Assistance program as well as other housing measures, including Commonwealth Rent Assistance, the National Rental Affordability Scheme, and the Housing Affordability Fund.

2.69 The NAHA identifies the roles and responsibilities of each level of government and establishes a performance framework against which the key outcomes of the agreement will be measured. The desired outcomes of the NAHA are:

- people who are homeless or at risk of homelessness achieve sustainable housing and social inclusion
- people are able to rent housing that meets their needs
- people can purchase affordable housing
- people have access to housing through an efficient and responsive housing market
- Indigenous people have improved housing amenity and reduced overcrowding, particularly in remote areas and discrete communities.⁸⁰

National Partnership Agreement on Social Housing

2.70 Under this Agreement a social housing growth fund has been established. The aim is to increase the supply of social housing and provide increased opportunities for people who are homeless or at risk of homelessness to access secure, long term accommodation.⁸¹

National Partnership Agreement on Remote Indigenous Housing

2.71 This Agreement aims to ensure that safe and adequate housing is provided for Aboriginal people in remote communities. This aim included improved housing amenity and reduction of overcrowding and homelessness in remote Aboriginal communities.⁸²

⁸⁰ [www.fahcsia.gov.au/programs & services/housing affordability](http://www.fahcsia.gov.au/programs%20&%20services/housing%20affordability), accessed 11 September 2009

⁸¹ [www.coag.gov.au/home Agreement and the National Partnerships Program/Intergovernment Agreement \(IGA\) on Federal Financial Relations/National Partnerships/Social Housing](http://www.coag.gov.au/home%20Agreement%20and%20the%20National%20Partnerships%20Program/Intergovernment%20Agreement%20(IGA)%20on%20Federal%20Financial%20Relations/National%20Partnerships/Social%20Housing), accessed 11 September 2009

⁸² [www.coag.gov.au/home Agreement and the National Partnerships Program/Intergovernment Agreement \(IGA\) on Federal Financial Relations/National Partnerships/Indigenous Housing](http://www.coag.gov.au/home%20Agreement%20and%20the%20National%20Partnerships%20Program/Intergovernment%20Agreement%20(IGA)%20on%20Federal%20Financial%20Relations/National%20Partnerships/Indigenous%20Housing), 11 September 2009

National Rental Affordability Scheme (NRAS)

- 2.72 Starting in July 2008, the National Rental Affordability Scheme (NRAS) is an Australian Government initiative to stimulate the supply of up to 50,000 new affordable rental dwellings by 2012, with possibly a further 50,000 post July 2012, subject to demand. The provisions for organizations in receipt of funding through this scheme include taxation incentives.⁸³

Australian Government Housing Affordability Fund (HAF)

- 2.73 The Housing affordability Fund is addressing issues relating to the length of time it takes to bring new homes to sale and the impact of infrastructure charges.⁸⁴

Commonwealth Rent Assistance

- 2.74 Commonwealth Rent Assistance (CRA) is a non-taxable income supplement paid to recipients of some government benefits through Centrelink to individuals and families who pay rent above specified threshold levels in the private rental market.⁸⁵

Supported Accommodation Assistance Program (SAAP)

- 2.75 The overall aim of SAAP is to provide transitional supported accommodation and related support services, in order to help people who are homeless to achieve the maximum possible degree of self reliance and independence. Specific goals are to:
- resolve crisis
 - re-establish family links where appropriate
 - re-establish a capacity to live independently of SAAP.
- 2.76 The States and Territories are responsible for managing the program, while services are provided largely by independent agencies.⁸⁶

State of Supply Report (by the National Housing Supply Council)

- 2.77 Aims to improve housing planning by publishing an annual State of Supply Report on the adequacy of construction and land supply to meet future demand. The first report was released in March 2009.⁸⁷

⁸³ www.fahcsia.gov.au, accessed 11 September 2009

⁸⁴ [www.fahcsia.gov.au/Housing and Homelessness/Grants and funding](http://www.fahcsia.gov.au/Housing%20and%20Homelessness/Grants%20and%20funding), accessed 11 September 2009

⁸⁵ www.aihw.gov.au, accessed 11 September 2009

⁸⁶ www.aihw.gov.au, accessed 11 September 2009

⁸⁷ www.fahcsia.gov.au, accessed 11 September 2009

Australia's Future Tax System (the Henry Review)

- 2.78** The Australian Government's review of taxation covers a range of social and housing issues in its Terms of Reference, including:
- Enhancing the taxation arrangements on consumption (including excise taxes), property (including housing), and other forms of taxation collected primarily by the States
 - Making coherent recommendations to enhance overall economic, social and environmental well-being, with a particular focus on ensuring there are appropriate incentives for individuals to save and provide for their future, including access to affordable housing
 - Taking into account the relationships of the tax system with the transfer payments system and other social support payments, rules and concessions, with a view to improving incentives to work, reducing complexity and maintaining cohesion.⁸⁸
- 2.79** The final report is due in December 2009.

NSW Homelessness Action Plan

- 2.80** 'A Way Home: Reducing Homelessness in NSW' the NSW Homelessness Action Plan 2009-2014 was released in August 2009 and provides the strategic policy framework to address homelessness in New South Wales. This plan is integral to the National Partnership Agreement between the States and the Territories and outlines the direction the NSW Government will take to tackle homelessness over the next five years. A key emphasis of the Action Plan is the need for inter-agency collaboration and responses that are delivered in partnership with the non-government sector.⁸⁹

NSW Partnership Against Homelessness (PAH)

- 2.81** Established by the NSW Government in 1999, the Partnership is a network of 12 NSW Government agencies that work together. It aims to help people to access services, to coordinate services and prevention approaches, and to improve access to temporary or crisis accommodation and facilitates the move to long-term accommodation. The PAH reports to the Minister for Housing as well as the Human Services and Justice chief Executive Officers' Forum.⁹⁰

⁸⁸ www.taxreview.treasury.gov.au, accessed 11 September 2009

⁸⁹ www.housing.nsw.gov.au, accessed 11 September 2009

⁹⁰ www.housing.nsw.gov.au, accessed 11 September 2009

Affordable Rental Housing SEPP 2009

- 2.82** This State Environmental Planning Policy is designed to make it quicker, easier and more attractive to build affordable rental homes in New South Wales. It promotes the construction of new affordable units, townhouses, granny flats and other low cost accommodation.⁹¹

Affordable Housing Innovations Fund (AHIF)

- 2.83** Part of the NSW State Plan 2006, Priority E6 Housing Affordability, the AHIF is designed to kick start investment in affordable housing. The intent of the fund is to provide grants that would help secure private investment as well as other equity that was owned by other sectors, such as local governments, not for profit organizations.⁹²

Assistance Protocol for Residential Park Closures

- 2.84** This protocol was released in September 2007 and provides a framework under which relevant agencies assist park residents in the event that a residential park closes. The Protocol provides a framework for cooperation between agencies in providing assistance for residential park residents displaced by a residential park closure, in order to assist them to access the services they require, and to prevent them from becoming homeless.⁹³

Reshaping Public Housing

- 2.85** In 2005, the NSW Government announced a plan for Reshaping Public Housing. This included changes to rent, water, eligibility, tenure and new initiatives such as the NSW Housing and Human Services Accord. The Reshaping Public Housing reforms aim to ensure a fair public housing system that promotes responsibility and can meet needs now and into the future. The reforms also apply to applicants for and tenants of Aboriginal Housing Office properties managed by the Housing NSW.
- 2.86** This Plan has been replaced by the National Affordable Housing Agreement.

A New Direction in Building Stronger Communities 2006/07-2010/11

- 2.87** Launched in 2007 by the NSW Government, this strategy is designed to bring together social housing residents, government agencies, community organisations and businesses in an integrated approach to improve housing, services and opportunities within particular geographic areas.⁹⁴

⁹¹ www.legislation.nsw.gov.au, accessed 11 September 2009

⁹² www.housing.nsw.gov.au, accessed 11 September 2009

⁹³ www.housing.nsw.gov.au/forms_policies_and_facts/policies, accessed 11 September 2009

⁹⁴ www.housing.nsw.gov.au, accessed 11 September 2009

Counting the Homeless Report

- 2.88** Australian Bureau of Statistics report, based on the 2006 Census and data from other surveys of youth homelessness and users of support services. It provides information on the change in the size and composition of the homeless population over time, and draws on earlier research using 1996 and 2001 Census data.⁹⁵

Sydney Local Environmental Plan 2005 (Amendment No 1)

- 2.89** *Central Sydney Local Environmental Plan 1996* (LEP 1996) included the requirement for a comprehensive review after 5 years of operation. This review commenced in 2001 and led to the preparation of Sydney Local Environmental Plan 2005. Sydney LEP 2005 applies to essentially the same area as LEP 1996, plus parts of Ultimo and Pyrmont, which were previously subject to State Government planning controls by *Sydney Regional Environmental Plan No. 26 – City West* (SREP 26)⁹⁶.

⁹⁵ www.abs.gov.au, accessed 11 September 2009

⁹⁶ www.cityofsydney.nsw.gov.au/Development/PlanningControlsConditions/PlanningInstruments, 15 September 2009

Chapter 3 Framework

Reducing homelessness has been described as ‘everyone’s responsibility’. The Committee agrees with this statement, and this Chapter considers the need to co-ordinate the response to homelessness and the provision of affordable housing across federal, state and local government as well as between government and non government housing providers. The Chapter starts by considering the importance of providing a home within a community, not simply a house in which to live, and also considers the need to make increasing affordable housing more explicit in the New South Wales State Plan.

Building ‘homes’ not ‘houses’

3.1 The purpose of affordable housing is to provide people with accommodation where they can create and sustain a home. The community surrounding this home is as important as the home itself. By providing affordable and social housing that is dispersed throughout the community it is possible to provide a wide range of types of housing to meet the needs of tenants and the needs of the community for key workers. This type of community development is also sustainable in the long term, for low income tenants and the community who rely on the services of key workers.

3.2 The importance of a ‘place to call home’ was highlighted by Ms Annette Michaux, General Manager, Social Policy and Advocacy, the Benevolent Society:

The Benevolent Society recognises that a place to call home is an essential part of life. It provides a secure environment where we can grow and develop, go to school, maintain employment and be part of a community. An increasing number of Australians, however, are struggling to find or stay in affordable and adequate housing. An unacceptable number of women and men, children and families are homeless.⁹⁷

3.3 During a private briefing to the Committee Mr Michael Newey, Group Chief Executive, Broadland Housing Group in the United Kingdom (UK), also emphasised the importance of creating a home, stating that all public, community and affordable housing providers existed for the purpose of providing people with places where they can create a home. Mr Newey told the Committee that it is essential not to lose sight of the fact that tenants are the most important stakeholders in the business of growing social housing.⁹⁸

3.4 Mrs Margaret Edwards, a tenant of City West Housing in Pymont, expressed the significance for tenants of having a stable home:

We have a home forever. It takes away the pressure of worrying about what will happen when the rent goes up. We have that security. That is what is wonderful and anyone can relate to that.⁹⁹

⁹⁷ Submission 24, Ms Annette Michaux, General Manager, Social Policy and Advocacy, The Benevolent Society, p 2

⁹⁸ Mr Michael Newey, Group Chief Executive, Broadland Housing Group, UK, Committee Briefing, 19 February 2009

⁹⁹ Ms Margaret Edwards, Tenant, City West Housing Pty Ltd, Evidence, 10 June 2009, p 62

- 3.5 The New South Wales Government recognised the importance of this approach in its submission to this inquiry, and outlines some initiatives in its submission aimed at avoiding/redressing pockets of disadvantage. Issues relevant to the creation and maintenance of cohesive communities and strategies, including the New South Wales government's initiatives, are discussed in Chapter 5 of this report.

Committee comment

- 3.6 Shifting the focus from building houses to building homes is consistent with creating cohesive communities in which people can afford to live, work become actively involved. It is also consistent with addressing the causes of homelessness that were identified in Chapter 2.
- 3.7 To achieve this aim of building homes not houses, the public and private sectors need a co-ordinated approach that is sustainable over the long term. The framework for policy and service delivery outlined in this chapter and which informs recommendations contained in this report, has been developed with the aim of creating resilient communities where people with a variety of income levels are able to create a home.

'Everyone's responsibility'

- 3.8 Until recently social housing has been provided primarily by government agencies. The Federal Minister for Housing, the Hon Tanya Plibersek MP, told the media as recently as March 2009:

Social housing across Australia is still primarily run by the government departments that we established to build the stock in the post-war period. There is still one large provider in each state that plans, owns, develops, manages and allocates social housing.¹⁰⁰

- 3.9 In a move away from this monopolistic approach to providing social housing, the Australian Government has identified the need for a national approach to combating homelessness and addressing the needs of those at risk of homelessness. In its White Paper - *A Road Home: A National Approach to Reducing Homelessness* the problem was identified as 'everyone's responsibility':

Ending homelessness requires sustained long-term effort from all levels of government, businesses, the not-for-profit sector and the community.¹⁰¹

- 3.10 The need for this change in approach was echoed by representatives from Liverpool City Council, who told the Committee that they can not 'solve the problem by ourselves':

We do what we can do but I do not think that we are necessarily going to be able to solve the problem [of providing affordable housing] either by ourselves or even in

¹⁰⁰ Hon Tanya Plibersek MP, Federal Minister for Housing, Room for more: boosting providers of social housing, *Speech*, Sydney Institute, 19 March 2009

¹⁰¹ Commonwealth of Australia, *A Road Home: A National Approach to Reducing Homelessness*, 2008, p viii

partnership with others unless there is a concerted effort and change and additional resources put to this.¹⁰²

- 3.11** The Committee regards non government service providers as an essential element in the fight to reduce homelessness and provide appropriate accommodation at an affordable price to all Australians. The Committee heard that the community sector is also supportive of a more holistic approach. For example, the submission from Mission Australia referred to ‘evidence-based research and practice wisdom’ that encourages a holistic perspective, and a whole-of-community approach to responding to homelessness:

...responding to homelessness requires partnerships and collaboration between communities, business, non-government and government agencies. Responses to homelessness need to be proactive, with a continuum of support provided to homeless and at risk people that encompasses prevention, early intervention, crisis, transitional, and long term support.¹⁰³

- 3.12** The holistic approach supported by the community sector responds to the often ‘high and complex needs’ of people who are homeless or at risk of homelessness, which need to be identified and addressed. In this regard, the holistic approach referred to by the community sector extends beyond providing housing to providing ‘holistic support services and programs to people at all stages, from prevention through to supported long-term accommodation.’¹⁰⁴

Only with support structures in place that meet the holistic needs of individuals can accommodation be maintained which will subsequently reduce the incidence of homelessness.¹⁰⁵

- 3.13** The Conference of Leaders of Religious Institutes in New South Wales made recommendations to the Committee that the State Government needed to take an integrated, ‘whole of Government and community’ approach, which recognises and promotes partnerships between church and community groups, as well as with housing providers, to increase the provision of accommodation for Australians in need. Sister Jan Barnett stated:

If homelessness is to be tackled effectively, and low cost rental housing provided outside of mainstream public housing, this must be seen as an issue affecting people across Australia, and requiring leadership at all levels of Government, community, churches and housing providers. To date, private sector investment in low cost rental housing has not been one of our national success stories. Leadership at all levels needs to take well researched, well planned, adequately funded and coordinated long-term action, if the current trend of high cost rental housing is to be overturned. Partnerships with all agencies are integral to this. An adequate supply of affordable, and low cost housing is essential. State and Federal Governments need to accept the clear reality that affordable and secure housing is, in the end, cheaper than all the services needed to care for homeless people on the streets and in insecure housing.¹⁰⁶

¹⁰² Mr Simon Fox, Manager, Community Planning, Liverpool City Council, Evidence, 11 June 2009, p 40

¹⁰³ Submission 28, Mission Australia, p 14

¹⁰⁴ Submission 28, p 14

¹⁰⁵ Submission 28, p 14

¹⁰⁶ Submission 31, Conference of Leaders of Religious Institutes in New South Wales, p 10

3.14 Ms Eleri Morgan-Thomas, the National Housing Manager at Mission Australia, outlined the complexity of the relationships between government, not for profit and private sector organisations that must be strengthened to address homelessness if it is accepted that it is indeed ‘everyone’s problem’. Mission Australia’s strategy for future growth of affordable housing is based on:

- partnerships with State and Federal governments
- partnerships with finance providers and developers
- partnerships with other community agencies
- building a strong quality framework
- leveraging Mission Australia’s skills, knowledge and infrastructure.¹⁰⁷

3.15 This holistic approach has emerged internationally. Strong not for profit housing developers have emerged in the United States, the United Kingdom and the Netherlands where planning requirements for affordable housing have been combined with funding, subsidies or incentives.¹⁰⁸

Australian government’s agenda

3.16 Under the Committee’s proposed coordinated approach, the role of the Australian government would be to provide overarching policy, vision, direction and funding linked to outcomes. The role of the State government would be to coordinate and target resources to meet the policy direction. Local government’s role would be to work with the community sector to enable local solutions that include social infrastructure to build cohesive communities.

3.17 Dr Vivienne Milligan, Associate Professor, City Futures Research Centre, Faculty of Built Environment, University of New South Wales, told the Committee that there is evidence of a lack of historical clarity and consistency concerning the vision for, and social goals of, an expanded affordable housing industry centred on the not for profit providers across Australia. Dr Milligan referred to an Australian Housing and Urban Research Institute (AHURI) report she had co-authored:

Desirably, direction setting would address both the demonstrated unmet need for social housing and the affordability problems of those in the gap between where social housing is targeted and the private market – in other words serving a range and mix of lower income households and offering a variety of products.¹⁰⁹

¹⁰⁷ Answers to questions on notice taken during evidence, 8 April 2009, Ms Eleri Morgan-Thomas, National Manager, Housing Services, Mission Australia, p 1

¹⁰⁸ Gurrán N, Milligan V, Baker D, Bugg LB & Christensen S, AHURI Final Report No 120, *New direction in planning for affordable housing: Australian and international evidence and implications*, Australian Housing and Urban Research Institute (AHURI) June 2008, p 4

¹⁰⁹ Tabled document, Milligan V, Gurrán N, Lawson J, Phibbs P & Phillips R, *Innovation in Affordable Housing in Australia: Bringing Policy and Practice for Not for Profit Housing Organisations Together*, Australian Housing and Urban Research Institute, June 2009, p 17

3.18 Internationally there are many countries with a long history of providing social housing and affordable housing from which Australia can learn. For example, in the UK affordable housing is a central objective of the government, endorsed by national planning legislation. The defining characteristics of the approach in the UK include:

- a strong housing needs assessment framework
- clear targets for addressing identified needs at regional, local and site level.¹¹⁰

3.19 In the UK housing affordability is promoted by a National Housing Planning and Policy and Advice Unit, which is overseen by an independent board. The Unit advises regional and local planning authorities of the impact of different supply scenarios on housing affordability.¹¹¹

3.20 Ms Carol Croce, Executive Director, Community Housing Federation of Australia (CHFA), stated at the Shelter Conference *The crisis and beyond: For a stronger and fairer housing system* that there is currently New South Wales and Australian Government support for the growth of a robust, independent sector but the challenge is how that support can or should be channelled in concrete ways to achieve the goal of viability and sustainability of the community housing sector.¹¹² Ms Croce elaborated:

The ability to capitalise on these opportunities will depend, in large part, on the growth strategies, funding, regulatory, and policy frameworks that are developed by governments to support this growth.¹¹³

Committee comment

3.21 Australian governments, State and Federal, can learn from international experiences. The Committee is convinced that by taking a holistic approach Australia can deliver effective solutions to the problems inherent in providing affordable housing for low to moderate incomes and make an impact on homelessness.

3.22 The Committee has identified three areas where the New South Wales government can play an active role in addressing the need for affordable housing:

- where growth providers have been identified, monitor and supervise these organisations through applying sound regulatory systems which ensure the fulfilment of the government's agenda and protect social and affordable housing tenants
- where the New South Wales government retains ownership and management of public housing properties, facilitate and promote the 'home not house' approach
- in both situations, promote tenant advocacy and participation, which sponsor an environment that is conducive to community participation by tenants.

¹¹⁰ *New direction in planning for affordable housing: Australian and international evidence and implications*, p 7

¹¹¹ *New direction in planning for affordable housing: Australian and international evidence and implications*, p 84

¹¹² Ms Carol Croce, Executive Director, Community Housing Federation of Australia, 'Community housing and Aboriginal Housing – what is their capacity to become more than services specified and subcontracted by government?' Speech at Shelter NSW Conference 2 July 2009. The Committee Chair and secretariat attended this conference.

¹¹³ Ms Croce, Shelter NSW Conference, 2 July 2009

Regulation

3.23 The need for a strong regulatory system to promote transparency and accountability while increasing investor confidence in the sector was a recurrent theme throughout the inquiry. This is discussed in Chapter 4. Ms Wall, Senior Housing Advisor, Commonwealth Department of Families, Housing, Community Services and Indigenous Affairs told the Committee that there is a general need for a better regulatory framework:

In general there has been a recognition that if the sector is going to be able to expand and be able to borrow funds for expansion, there needs to be a better regulatory framework so that financiers would have more confidence that funds they were providing were being used appropriately. In the sense that funding for not for profit community housing providers is also being provided by governments, governments need to have some assurance that those funds are being used appropriately.¹¹⁴

3.24 During the inquiry the New South Wales Government introduced a regulatory system for New South Wales, however the form of the most appropriate regulatory system remains a matter for discussion. Ms Wall said that discussions between Commonwealth and State housing offices regarding a more consistent regulatory framework for the not for profit sector had been taking place for ‘a couple of years’.¹¹⁵

3.25 The Committee heard that different jurisdictions were at different stages of developing a regulatory framework but there were inconsistencies between jurisdictions. Ms Wall told the Committee that Australian Government is aware that this is seen by a number of larger organisations as an impediment to the growth of the sector across State borders and also as an impediment to financiers who didn’t want to have to work with regulatory systems that are different in each jurisdiction.¹¹⁶

3.26 Ms Croce emphasised that a nationally consistent regulatory system should be about regulating an organisation and its business, not the day to day activities:

A regulatory system needs to create the right settings, be rigorous in assessing operational viability, focus on outcomes rather than process, and then allow organisations to get on with their business.¹¹⁷

Committee comment

3.27 The need for a strong regulatory system is well evidenced as beneficial for both government and non government sectors and ultimately for tenants of social and affordable housing. The Committee encourages strengthening the New South Wales position through the development of a nationally consistent regulatory system. This is discussed further in Chapter 4.

¹¹⁴ Ms Clare Wall, Senior Housing Advisor, National Rental Affordability Scheme, Department of Families, Housing, Community Services and Indigenous Affairs, Evidence, 10 June 2009, pp 2-3

¹¹⁵ Ms Wall, Evidence, 10 June 2009, p 2

¹¹⁶ Ms Wall, Evidence, 10 June 2009, p 3

¹¹⁷ Ms Croce, Shelter NSW Conference, 2 July 2009

New South Wales State Plan and related policy strategies

3.28 The New South Wales State Plan ‘sets out the New South Wales Government’s efforts and future directions to assist people into affordable and stable housing’.¹¹⁸ The Committee notes, however, that although the State Plan contains targets for the number of new dwellings over the next 25 years, for which the Department of Planning is the lead agency,¹¹⁹ this does not specifically commit the Government to increasing the availability of social and affordable housing. Housing NSW is not a lead agency for any State Plan priorities.

3.29 The New South Wales Government submission stated that there are constraints its ability to respond to housing affordability issues and homelessness as many of the main policy levers and instruments are substantially controlled by the Australian Government.¹²⁰ However, the Director General of Housing NSW informed the Committee that the State Plan outlined potential new directions in addressing housing affordability problems and ‘foreshadowed the significantly expanded role for the community housing sector in the provision of affordable housing and the new National Affordable Housing Agreement.’¹²¹ The Government stated in its submission:

The National Affordable Housing Agreement and National Partnership agreements provide a framework for future housing initiatives, including agreed reform directions.¹²²

3.30 Ms Leonie King, Executive Director, Community Housing Division, Housing NSW, told the Committee that the State Plan focuses on the responsibilities of the Department of Planning, particularly through the metropolitan strategy, or the Growth Centres Commission and makes limited reference to the role of housing, affordable housing and its policy role in particular¹²³. Ms Boland told the Committee that with the recent Australian Government initiatives and the COAG agreement it has started to become ‘a web of agreements’.¹²⁴

3.31 Housing NSW is not a lead agency for any State Plan goals or targets, although it does contribute directly to Government priorities along with other agencies. These priorities are outlined in Housing NSW Corporate Plan 2007/08-2009/10 and include:

- housing affordability
- reduced levels of anti-social behaviour
- increased satisfaction with government services

¹¹⁸ Submission 51, New South Wales Government, p 18

¹¹⁹ *New South Wales State Plan*, Priority E6: Housing Affordability, page 127

¹²⁰ Submission 51, p 18

¹²¹ Correspondence received 7 August 2009, Director General Housing NSW, Mr Mike Allen

¹²² Submission 51, p 18

¹²³ Ms Leonie King, Executive Officer, Community Housing Division, Housing NSW, Evidence, 30 June 2009, p 8

¹²⁴ Ms Maura Boland, Executive Director, Policy and Strategy Division, Housing NSW, Evidence, 30 June 2009, p 3

- increased participation and integration in community activities
- increased employment and community participation for people with disabilities
- improved outcomes in mental health
- jobs closer to home.¹²⁵

3.32 Housing NSW recognises a range of issues examined within this inquiry as key organisational challenges. These are also outlined in the Housing NSW Corporate Plan 2007/08-2009/10:

- aging stock located in the wrong places – extensive maintenance requirements, demographic change sees housing located in wrong geographic location, mismatch of bedroom configuration type of families being housed changes, more special needs to be catered for
- projected shortfalls in workforce capability – ageing workforce, changing skills requirements, more complex tenancy management as proportion of people with complex needs increases
- need for high quality and coordinated customer service delivery
- the need to operate a sustainable business

3.33 Relevant specific strategies that are guiding the future direction NSW Housing include:

- *A Way Home: Reducing Homelessness in NSW, NSW Homelessness Action Plan 2009-2014* which outlines a new approach to engaging with the non-government sector for the provision of housing for homeless people and those at risk of becoming homeless. The Homelessness Action Plan is a major policy initiative which is linked to Australian Government funding.
- *A New Direction in Building Stronger Communities 2007-1010* which brings together residents, government agencies, community organisations and businesses, and outlines government investment in building stronger communities in six priority locations across New South Wales
- *Two Ways Together 2003-2012*, a 10 year whole of government plan to improve outcomes for Aboriginal people and communities.

3.34 The Committee heard that the *NSW Homelessness Action Plan Planning for the Future: Community Housing 2007/08-2012/13* which outlines the increasing focus on community housing in support housing need and increasing the supply of affordable housing.

Committee comment

3.35 As the State Plan is the chief policy document of the New South Wales Government the Committee regards the inclusion of well formulated affordable rental accommodation priorities, with defined outcomes and an implementation timeframe for growth as essential. Given the number of people in housing stress the State Plan needs to be comprehensive in its approach and also look to averting the causes of homelessness.

¹²⁵ *Housing NSW Corporate Plan 2007/09-2009/10*, p 11

- 3.36** The Committee does not consider a ‘web of agreements’ an ideal means of undertaking co-ordinated and effective service delivery to those members of society who require assistance to make a home and a life within a stable community where they work and are accepted.
- 3.37** The Committee agrees with assessment of the Auditor General in 2007 when he found that the New South Wales Government should have a state wide framework for addressing the needs of the homeless and that this should link to the State Plan. (refer 1.19)
- 3.38** The Committee also considers Federal and State Government co-ordination of both policy and service delivery as essential for growth in affordable housing. The Committee is concerned at the delay by Housing NSW in formulating its part of the strategy to address the needs of people in New South Wales, that is the *New South Wales Homelessness Action Plan*. The needs of people in very low through to moderate income households should be paramount and not held to ransom through government bureaucratic processes and delays.
- 3.39** The Committee fails to understand what direction or assistance the State Plan offers in addressing the needs of very low to moderate income earners under housing stress. If the State Plan is to fulfil its function as the chief policy document for New South Wales it needs to clearly reflect the New South Wales Government’s commitment to Australian Government initiatives and COAG agreements to develop affordable housing in New South Wales.
- 3.40** Elevating affordable rental accommodation for very low, low and moderate income households in housing stress is intended to ensure that government departments consider improvements in outcomes for homeless people and those on low incomes as a core part of their business.

Recommendation 1

That New South Wales Government include specific affordable housing targets in the relevant Priority areas of the State Plan. The targets should be derived from those set by the Australian Government in reducing homelessness and include specific indicators relevant to the needs of homeless and low income households.

Local solutions - local Government and local housing providers

- 3.41** Frameworks and policies which guide decision making may be finalised at arms length from the people they are designed serve but the input of the recipients and service providers are essential for effective policy formulation and delivery.
- 3.42** The Committee heard that the Australian Government is including local government in the processes of planning to meet future needs. The Australian Local Government Association attends Housing Ministers’ meeting and Council of Australian Governments meetings. Discussions relating to the recent housing initiatives have included representatives of local government, particularly in relation to planning and regulatory areas.¹²⁶

¹²⁶ Ms Wall, Evidence, 10 June 2009, p 14

3.43 Local Councils are aware of both their strengths and limitations in addressing housing needs in their local area. Mr Simon Fox, Manager, Community Planning, Liverpool City Council stated:

We have vital knowledge for the process and every agency that wants to be party to solving this needs to work with local government. We also cannot discount money from the issue. It is not just about local knowledge. There are resources that need to be put into this. It is just a question of how those resources are targeted.¹²⁷

3.44 Properly funded targeted resources need to be allocated by the Australian and New South Wales Governments so that local solutions can be implemented and the sector can grow sustainably.

¹²⁷ Mr Fox, Evidence, 11 June 2009, p 48

Chapter 4 Capacity

The public sector's capacity to provide the required number of houses is limited, and based on evidence received during the inquiry, is clearly inadequate. The Committee heard that by investing the same amount of money in the not for profit/community sector the government can increase the sector's ability to leverage funds and increase the total number of units of housing available above what the government can provide for the same level of funding. The importance of accountability mechanisms supported by sensible regulatory systems to protect tenants and public resources was also regarded as an essential element in the growth of an affordable housing sector.

This Chapter examines need for more affordable housing for very low, low and moderate income households and how this can be addressed. The Chapter initially looks at the barriers that have been preventing growth in the social and affordable housing sector. Subsequently, it explores strategies for increasing the capacity of non-mainstream housing providers to fill the gap and create a sustainable affordable housing sector with appropriate regulatory systems. Many of the initiatives that have recently been announced by both the Australian and State Governments are being undertaken for this purpose. While these are not examined in detail they relate specifically to barriers that were identified by many key stakeholders.

The need for greater capacity for affordable housing

- 4.1** According to the National Housing Supply Council *State of Supply Report 2008* there is a national shortfall of around 90,000 social housing dwellings. This is based on the total number of social housing dwellings in 2008 and the number needed to maintain the same rate as in 1996. This is not to say all the demand was met in 1996; at that time there were 236,000 applicants on the waiting list for public housing.¹²⁸ Added to this is a continuing lack of affordable rental properties in the private rental market for low to moderate income households. Mr Michael Lennon, Chief Executive Officer, Housing Choices Australia, Victoria, told the Committee that Australia now has the second lowest proportion of social housing stock in the OECD after the United States.¹²⁹
- 4.2** Until recently social housing in Australia has been provided primarily by government agencies. (Refer Chapter 3.8). With limited resources resulting in increasingly targeted eligibility criteria, only people in desperate need qualify for public housing. Even with strict and limited eligibility criteria there is a long list of people waiting for allocation of public housing. People in need of housing assistance, who do not currently qualify for public housing, include households with low income and moderate incomes, as illustrated by Housing NSW's 'continuum of need':¹³⁰

¹²⁸ Australian Government, *National Housing Supply Council State of Supply Report*, 2008, p 94

¹²⁹ Mr Michael Lennon, Chief Executive Officer, Housing Choices Australia, Victoria, Evidence, 30 June, p 25

¹³⁰ Answers to questions on notice taken during evidence 30 June 2009, Ms Maura Boland, Housing NSW; *Housing NSW Corporate Plan 2007/08–2009/10*, p 7

Table 4.1 The continuum of housing need

Homelessness	In and out of homelessness	Low income with complex needs	Low income without complex needs	Moderate income with housing stress
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4.3 The government is identifying not for profit housing providers to fill the housing shortfall, and provide public housing for low and moderate income households. Ms Maura Boland, Executive Director, Policy and Strategy, Housing NSW, told the Committee that Housing NSW is ‘absolutely confident that the funding we have received [from the Australian Government] will be able to deliver more housing for the people of New South Wales than we would have had had we simply chosen to deliver it through Housing NSW’.¹³¹

4.4 An advantage of increasing capacity in the community housing sector is the sector’s diversity, according to Ms Boland:

Housing NSW has recognised that to meet the diversity of people’s need it makes more sense to have a diverse housing sector response. Community housing has a track record in developing up some different approaches to housing ... [S]maller providers can work quickly without some of the restrictions facing government authorities.¹³²

4.5 Mr Lennon also considered increasing the capacity of smaller, more flexible housing providers to be an advantage:

We have the ability to respond more flexibly to local, community and neighbourhood circumstances than mass providers are able to do. As an observation, of course, large monolithic organisations simply have to operate on the basis of quite firm and rigid rules and procedures ... There is a strong argument to say that flexibility, diversification and attention to local and regional circumstances are good characteristics.¹³³

4.6 The New South Wales Government assured the Committee that growth in the provision of affordable housing by the community sector will not result in lower levels of social housing for households eligible for public housing:

Housing NSW provided direct assistance to community housing providers to provide housing to public housing eligible households, primarily through the lease of government owned property at a sub-market rent or through direct funding to head-lease properties from the private sector. Social housing for public housing eligible households will continue to be provided by the community housing sector under these existing arrangements...¹³⁴

4.7 The Commonwealth Department of Family, Housing, Community Services and Indigenous Affairs (FaHCSIA) also told the Committee that housing sector reforms are designed to

¹³¹ Ms Boland, Evidence, 7 April 2009, p 17-18

¹³² Ms Boland, Evidence, 7 April 2009, p 17

¹³³ Mr Lennon, Evidence, 30 June, p 21

¹³⁴ Answers to questions on notice taken during evidence 30 June 2009, Ms Boland, Part Two, Question 1, p 13

provide more housing and more housing choices, with greater social and economic opportunities for social housing tenants. Ms Clare Wall, Senior Housing Advisor, National Rental Affordability Scheme, FaHCSIA, stated that increasing the role of the not for profit community housing sector will provide more housing options for wider variety of people:

... they will be able to introduce more schemes targeted a little more at people a bit further up the income scale, and because they are not just using government funds those additional funds will not have to be so tightly targeted to people on the very bottom rung, so to speak.¹³⁵

- 4.8** Designated Growth Providers (defined at 2.57 to 2.59), selected through a competitive tender process, are the government's mechanism to achieve these objectives. Growth Provider are a small number of large well-governed and regulated not-for-profit housing organisations that will hold title to the properties that they manage, thus providing an increased supply of affordable housing, more efficient use of resources and greater accountability.¹³⁶ Consistent with the New South Wales Government's approach, the Australian government also regards the community sector as a better alternative than government providers as it is able to provide for a wider range of people in a wider variety of housing types:

Larger scale community and not-for-profit housing providers will generally be better placed than traditional state housing authorities to draw on and link a wider range of funding sources including social housing grants, NRAS funds and commercial borrowings. This will make it easier to assist people to move through the housing system - from social housing to NRAS-funded accommodation and potentially on to shared equity and home purchase. Given their more flexible funding arrangements community housing and not-for-profit housing providers may also be able to do this without requiring the household to move house as their financial circumstances improve.¹³⁷

- 4.9** Increasing the supply of housing by increasing the role and capacity of the not for profit housing sector will greatly benefit key workers, who are usually in a better financial position than public housing tenants but still experiencing housing stress, according to Ms Wall:

So to the extent that the growth of the not-for-profit housing sector will be able to bring in additional funds and be able to actually cater for people who might, as I said, be a little bit better off, the key workers, the people who still cannot afford to purchase a house in the private market, we are looking to bring in funds through the not-for-profit housing sector to be able to achieve that and to help people to actually move from what might be public or community housing into potentially home ownership down the track or through a shared equity or some other sort of arrangement that will help them move through the system.¹³⁸

¹³⁵ Ms Clare Wall, Senior Housing Advisor, National Rental Affordability Scheme, Department of Families, Housing, Community Services and Indigenous Affairs, Evidence, 10 June 2009, pp 3-4

¹³⁶ Submission 63, Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA), pp 4-5

¹³⁷ Submission 63, p 5

¹³⁸ Ms Wall, Evidence, 10 June 2009, p 4

- 4.10** Ms Wall told the Committee that the provision of more housing, in a wider range of styles, to a broader income demographic, will be enable more people to move through the system and not become entrenched in either public or affordable housing.¹³⁹
- 4.11** The New South Wales Government summarised the advantages of the community housing sector as being the sector's ability to:
- combine Government grants with borrowings and other funding sources, including private sector investment, to build on government funding and provide more homes.
 - deliver production cost savings in comparison to the private and government sectors. These include foregoing developer profit margins, GST free supply (if rented at below 75% of market rents), exemption from land tax as a not for profit organisation, as well as other tax exemptions.
 - attract Commonwealth Rent Assistance at an optimised level for households that cannot afford discounted market rents, and are able to secure a higher rental income from a housing mix of low to moderate income tenants.¹⁴⁰
- 4.12** The scale of unmet need creates urgency in the need to enhance the community housing sector's ability to contribute. The NSW Federation of Housing Associations reinforced the need for a new way of providing housing, stating that the scale of undersupply of stock is unlikely to ever be solely met by public expenditure so the ability of housing associations to raise private finance is crucial as are the cost savings related to being a benevolent institution, especially exemption from GST on development.¹⁴¹ The New South Wales Government agreed and told the Committee that community housing providers have been recognised as 'growth vehicles for the delivery of affordable housing because of their ability to optimise the yield of housing from limited government resources.'¹⁴²

Committee comment

- 4.13** The Committee is extremely concerned by the ongoing unmet need and lack of homes for people in housing stress at all levels from very low to moderate income households. Evidence that the scope of the problem is too large and expensive to be addressed by government alone is compelling, so the need to look for alternative solutions is apparent. There is convincing evidence that if government and the private sector work together a greater number and variety of housing types can be delivered to a wider range of people.
- 4.14** The Committee agrees that the not for profit community sector is well placed to address the need for affordable housing. By providing a range of housing across the spectrum of needs the not for profit sector is also best able to support mixed communities with better social outcomes and strong support networks (Refer to Chapter 5-cohesive communities).

¹³⁹ Ms Wall, Evidence, 10 June 2009, p 9

¹⁴⁰ Submission 51, New South Wales Government, p 29

¹⁴¹ Answers to questions on notice taken during evidence 8 April 2009, Mr Adam Farrar, Executive Director, NSW Federation of Housing Associations, p 4

¹⁴² Submission 51, p 29

4.15 However, the Committee also believes that any change in who provides affordable housing and surrounding support services does not relieve the government of its responsibilities. Mechanisms to maintain funding, high standards of accommodations, tenants rights and the provision of targeted public resources must be integral to the development of the new system. These issues are discussed below.

Barriers and strategies

4.16 In 2003 this Committee conducted an inquiry into community housing and looked at increasing the capacity of community housing providers.¹⁴³ Barriers that were identified in 2003 remain on the agenda today, including housing providers' need for title and equity, rent reform as well development of an appropriate regulatory system. The Committee heard during the current inquiry that a lack of certainty in business development is a major barrier, caused in part by the unresolved issues identified in its 2003 report.

4.17 Representatives of the non-government, not for profit sector also told the Committee of the need for a change in approach by both governments and non government organisations. The Conference of Leaders of Religious Institutes in New South Wales made recommendations to the Committee that the State Government needed to take an integrated, 'whole of Government and community' approach, which recognises and promotes partnerships between church and community groups, as well as with housing providers, to increase the provision of accommodation for Australians in need. Sister Jan Barnett stated:

If homelessness is to be tackled effectively, and low cost rental housing provided outside of mainstream public housing, this must be seen as an issue affecting people across Australia, and requiring leadership at all levels of Government, community, churches and housing providers. To date, private sector investment in low cost rental housing has not been one of our national success stories. Leadership at all levels needs to take well researched, well planned, adequately funded and coordinated long-term action, if the current trend of high cost rental housing is to be overturned. Partnerships with all agencies are integral to this. An adequate supply of affordable, and low cost housing is essential. State and Federal Governments need to accept the clear reality that affordable and secure housing is, in the end, cheaper than all the services needed to care for homeless people on the streets and in insecure housing.¹⁴⁴

4.18 The NSW Federation of Housing Associations cited three reasons why housing associations in New South Wales have not undertaken development of the sector in this State:

- government undertaking all procurement of new housing supply for the sector
- inability of housing associations to own the assets they manage which limits their ability to secure loans against these assets
- income streams that are too low to support the cost of financing development.¹⁴⁵

¹⁴³ NSW Legislative Council, Standing Committee on Social Issues, *Report on Community Housing*, Report 31, November 2003

¹⁴⁴ Submission 31, Conference of Leaders of Religious Institutes in New South Wales, p 10

¹⁴⁵ Answers to questions on notice taken during evidence 8 April 2009, Mr Farrar, p 10

4.19 Dr Vivienne Milligan, Associate Professor, City Futures Research Centre, Faculty of Built Environment, University of New South Wales, referred to a report that she co-authored and which identified a number of barriers to growth in delivering sufficient affordable housing:

- secure and ongoing capital investment program from government
- mechanisms to raise and channel large volumes of private finance
- capacity building in the delivery system
- positive planning policies for affordable housing
- availability of government land to contribute to the supply.¹⁴⁶

4.20 Recent initiatives announced by both State and Federal Governments include strategies to address many of these issues and those raised throughout this inquiry. At this stage, while many of these initiatives seem promising, they are as yet untested and will need to be closely monitored and adjusted as outcomes are measured and their success or otherwise becomes apparent.

Capital investment and financial incentives

4.21 The importance of attracting extra funding to increase the capacity of the not for profit housing sector cannot be understated. In its 2003 report on community housing the Committee supported evidence of the need for alternative funding, stating:

... without attracting alternative sources of funding including other government agencies and community and private investment, there is little likelihood that the sector will be capable of significant growth.¹⁴⁷

4.22 The Committee still believes this to be true. Six years on, the need for funding and support that will enable the sector to grow and be sustainable in the future remains.

4.23 Mr Lennon explained how housing associations leverage to increase housing capacity. He defined leverage as ‘the additional value that might be added to stock that is otherwise funded 100 per cent by public funding.’¹⁴⁸

4.24 Mr Lennon told the Committee that at the moment leverage tends to come from four sources:

- Third party contributions, for example, on the basis that Housing Choices Australia (HCA) is a charity providing affordable housing, Melbourne City Council granted HCA a space over a building on which they can build six storeys.
- Where an organisation undertakes development in its own right and therefore gets value through the development process. For example, taking an existing block with

¹⁴⁶ Tabled document, Milligan V, Gurran N, Lawson J, Phibbs P & Phillips R, *Innovation in Affordable Housing in Australia: Bringing Policy and Practice for Not for Profit Housing Organisations Together*, Australian Housing and Urban Research Institute, June 2009, p 11

¹⁴⁷ Standing Committee on Social Issues, *Report 31*, p 121

¹⁴⁸ Mr Lennon, Evidence, 30 June, p 22

one dwelling on it and redeveloping it with six units of affordable housing gives added value

- Private debt, which is the most common, and can range from 15 to 25 per cent of the total project cost. The higher the debt the higher the higher income range required to service the debt
- Inclusionary zoning, used largely in America, where land in one use is given approval for a higher use there is a condition that a proportion of the development is set aside for affordable housing purposes.¹⁴⁹ Demonstrations of effective inclusionary zoning in Australian include developments undertaken in Ultimo-Pyrmont, Green Square and Willoughby.¹⁵⁰

4.25 In response to the current world financial crisis, in February 2009 the Australian Government announced its Nation Building and Economic Stimulus Plan (NBESP). The NBESP is design to provide a package of reforms, including the development of a stronger not for profit and community housing sector to generate greater innovation and more diverse products that significantly increase the supply of social housing, through construction and refurbishment or existing stock. The Australian Government is providing an additional \$6.4 billion, over three and a half years, to construct 20,000 new social housing dwellings nationwide, and fund the repair of around 45,000 existing dwellings. It is expected that 75 per cent, or 15,000 dwellings will be completed by December 2010.¹⁵¹

4.26 These measures link with the funding provided through the National Rental Affordability Scheme (NRAS). Ms Wall outlined the context of the NBESP in relation to the provision of housing:

... because the global economic situation has led to a downturn in the housing industry, it was obviously a good opportunity, in one sense, to achieve two aims at once, which was to increase the supply of low-cost accommodation at a time when the building industry had the capacity and it was not going to be pushing up the prices elsewhere.¹⁵²

4.27 It is a requirement of this additional funding that the States and Territories commit to a social housing reform agenda. A key initiative of this agenda is to increase the number of 'sophisticated not for profit housing organisations that will operate alongside existing state-run housing authorities'.¹⁵³

4.28 According to FaHCSIA the reforms will provide more choice and greater social and economic opportunities for social housing tenants, an increased supply of affordable housing, more efficient use of resources and greater accountability. States and Territories will be required to:

- integrate public and community housing waiting lists

¹⁴⁹ Mr Lennon, Evidence, 30 June, p 22

¹⁵⁰ Submission 49, Randwick City Council, p 3

¹⁵¹ Submission 63, p 2

¹⁵² Ms Wall, Evidence, 10 June 2009, p 4

¹⁵³ Submission 63, p 2

- implement support arrangements to assist social housing tenants to transition from social housing arrangements to affordable private rental and home ownership as their circumstances change
- ensure better social and economic participation for social housing tenants by locating housing close to transport, services and employment opportunities
- reduce concentrations of disadvantage through appropriate redevelopment to create mixed communities that improve social inclusion.¹⁵⁴

4.29 This is not the first time that the Federal government has provided seed funding to establish affordable housing across a range of income groups in New South Wales. City West Housing Pty Ltd was established under the Building Better Cities Program with \$50 million of Federal funding, a percentage of land sales in the Ultimo, Pyrmont area and local planning instruments which require developers to pay an affordable housing levy based on the floor space they wish to develop.¹⁵⁵ City West Housing remains viable and sustainable, with rent revenue covering long term management costs of units while maintaining a socio-economically diverse mix of tenants.¹⁵⁶ The development is however geographically limited and at this stage cannot grow beyond designated limits because of the designated scope of operations in the Sydney Regional Environmental Plan (SREP No 26) which prevents CWH from operating in other areas.¹⁵⁷

4.30 Aside from the recent windfall investment in affordable housing through the NBESP, there has been a lack of financial capacity and financial incentives for investment in affordable housing in all states and territories across Australia. To date all states and territory governments have taken different approaches to address their housing needs. Dr Milligan told the Committee that she regarded the model that had been adopted in Victoria as ‘strong and well co-ordinated policy that is dominated by significant capital investment ... and a specialised regulatory framework’.¹⁵⁸ Dr Milligan explained the Victorian model:

The Government may fund up to about 75 per cent, in broad terms—it varies from project to project ... and the partner will bring about 25 per cent finance. That could be comprised of some debt, it could be some land that is available, and it could be other forms of own equity or philanthropy or surplus from other parts of the organisations business. That is, as I said, probably the State where we can see the most expression of an affordable housing developer model.¹⁵⁹

4.31 The Australian Capital Territory (ACT) has taken a whole of government approach to developing and implementing their Affordable Housing Strategy. The ACT Government

¹⁵⁴ Submission 63, p 5

¹⁵⁵ Mr Richard Perkins, General Manager, City West Housing Pty Ltd, Evidence, 10 June 2009, p 51

¹⁵⁶ Submission 47, Council of the City of Sydney, p 15-16

¹⁵⁷ Submission 51, p 32. SREP No. 26 (Amendment 4) was gazetted in 1995 and extended in 2003 to include the Green Square area.

¹⁵⁸ Tabled document, *Innovation in Affordable Housing in Australia: Bringing Policy and Practice for Not for Profit Housing Organisations Together*, p 39

¹⁵⁹ Tabled document, *Innovation in Affordable Housing in Australia: Bringing Policy and Practice for Not for Profit Housing Organisations Together*, p 39

supports Community Housing Canberra (CHC) to provide affordable housing in the territory. Government initiatives are supported by legislation and regulation to assure government that the company performs and that government works with the company to develop appropriate product, for example, they are currently working on a shared equity scheme.¹⁶⁰

- 4.32** Community Housing Canberra is a private company limited by guarantee, not in receipt of recurrent funding, Mr Craig Brennan, Chief Executive Officer, explained the key components of the ACT Government Affordable Housing Action Plan and how the ACT Government proposes to deal with affordability:

A key component of [the Affordable Housing Action Plan] was Community Housing Canberra, and it involved two things: first an asset transfer of around \$50 million, which was previously housing stock transferred by way of title to the company; and second, a revolving loan facility of around \$50 million, which the company can draw down on and use to further its mandate—that mandate being providing affordable housing to low to moderate income levels in the Australian Capital Territory.¹⁶¹

Commonwealth Rent Assistance and rent reform in New South Wales

- 4.33** The Australian Government provides financial assistance to low to moderate income households to access private rental housing. Residents of community housing tenants in properties owned or funded by Housing NSW, including NRAS funded properties are able to apply for Rent Assistance which caps their rent at 25 per cent of their income. The rate of Rent Assistance depends on family situation and the amount of rent paid. Claimants must pay a minimum amount of rent to qualify for assistance.¹⁶²
- 4.34** In 2003 the Social Issues Committee found that rent policy is ‘central to ensuring the affordability and viability of the community housing sector’ and recommended a thorough review of the efficacy of the Rent Assistance program in delivering housing affordability to low income Australians.¹⁶³
- 4.35** In New South Wales rent reforms have recently been applied to community housing tenants in properties owned or funded by Housing NSW. The rent reforms aim to ‘improve the viability of community housing providers, and thereby increase the amount and quality of housing provided for people in need, while retaining affordability for tenants’.¹⁶⁴ More specifically, Ms Boland told the Committee that rent reforms in New South Wales will increase the capacity of housing providers to borrow funds by ensuring steadier and more secure income stream against which housing providers will be able to secure finance to reinvest in the industry.¹⁶⁵

¹⁶⁰ Tabled document, *Innovation in Affordable Housing in Australia: Bringing Policy and Practice for Not for Profit Housing Organisations Together*, p 39

¹⁶¹ Mr Craig Brennan, Chief Executive Officer, Community Housing Canberra Ltd, Evidence, 19 June 2009, p 54

¹⁶² Submission 63, p 4

¹⁶³ Standing Committee on Social Issues, *Report 31*, p 122

¹⁶⁴ Submission 63, p 51

¹⁶⁵ Ms Boland, Evidence, 7 April 2009, p 6

4.36 Under the New South Wales Government reforms, Commonwealth Rent Assistance is treated as a full rental supplement rather than as part of a household's income. This means that all Commonwealth Rent Assistance that a household is entitled to is included in the calculation of the household's rent. An increased proportion of Family Tax benefit payments is also included in a household's rent, bringing it in line with public housing tenants.¹⁶⁶

4.37 In accordance with the success of organisations like CWH, Ms Croce, Executive Director of the Community Housing Association of Australia, told a Shelter NSW conference in June 2009 that there is more to the income stream than how the rent is calculated and what a provider's dwelling portfolio looks like:

The composition of tenants is just as critical. Organisations that cater for particular tenant groups (or a higher percentage of particular groups within their programs) will have different spending requirements, and differing capacities to service debt.¹⁶⁷

4.38 Ms Boland told the Committee that under the NBESP it has been proposed for a further review of the rent model and to examine alternative models to be undertaken.¹⁶⁸

Committee comment

4.39 Rent that is derived solely from government subsidies has not proven to be a sustainable source for maintaining and developing the capacity of not for profit housing providers. The Committee understands the need for housing providers to diversify their tenant base to increase their rent revenue and remain viable. This needs to be considered, in consultation with housing providers, in the upcoming rent review.

Debt Equity

4.40 The New South Wales Government established the Affordable Housing Innovations Fund (AHIF), administered by Housing NSW, to assist the funding of new affordable housing. This includes a debt equity scheme, which utilises a mix of government funding and investment from community housing providers, either in the form of debt, equity or a combination of both.

4.41 The Rental Bond Board contributes \$39.5 million of the funding for AHIF. The Rental Bond Board holds bonds paid by residential tenants, and uses the interest earned from investment of these bonds to fund rental advisory services and other products for the benefit of residential tenancy sector.¹⁶⁹

4.42 Through the AHIF a total of \$22.9 million dollars has been allocated to fund the purchase of or development of 181 new affordable rental properties, which are expected to be completed

¹⁶⁶ Submission 63, p 51

¹⁶⁷ Ms Carol Croce, Executive Director, Community Housing Federation of Australia, 'Community housing and Aboriginal Housing – what is their capacity to become more than services specified and subcontracted by government?' Speech at Shelter NSW Conference 2 July 2009

¹⁶⁸ Ms Boland, Evidence, 7 April 2009, p 6

¹⁶⁹ Submission 51, p 30

by 30 June 2011. The New South Wales Government stated that if it had provided 100 per cent of the funding only 80 units could have been purchased or developed.¹⁷⁰

- 4.43** Additional funds from the AHIF have been allocated for use in conjunction with the NRAS, providing further leverage opportunities for the growth of the affordable housing sector.¹⁷¹ This will deliver an additional 175 new affordable housing dwellings, 60 of which were due for completion before 30 June 2009 and another 89 are expected by 30 June 2010.

Committee comment

- 4.44** The Committee recognises that the community housing sector has been able to deliver more properties than would have been delivered by the government alone. Notwithstanding this, the numbers remain small and the Committee is aware that the additional properties in no way meet the needs of the large number of people currently on the waiting list. In addition, there are many people in housing stress who are not on the public/community housing waiting lists so the impact on overall shortage is limited.

National Rental Affordability Scheme (NRAS)

- 4.45** Starting in July 2008, the NRAS is an Australian Government initiative to stimulate the supply of up to 50,000 new affordable rental dwellings by 2012, with possibly a further 50,000 post July 2012, subject to demand.¹⁷²
- 4.46** Through the NRAS, the Australian Government is providing incentives to:
- increase the supply of affordable rental dwellings
 - reduce rental costs for low to moderate income households
 - encourage large scale investment and innovative delivery of affordable housing.¹⁷³
- 4.47** This scheme is designed to pool significant resources from a range of participants including financial institutions, non-profit organisations and Local Government which, when combined with the Incentives from the National Rental Affordability Scheme is expected to increase the supply of lower-rent housing. These resources could include loans, equity investments, capital grants by Commonwealth, State and Territory or Local Governments, donations by charities, free or discounted land by churches, or contributions by developers in accordance with planning requirements.¹⁷⁴
- 4.48** The NRAS is a time limited scheme, which offers annual incentives for a period of ten years on the proviso that the dwellings are rented to eligible low and moderate income households, at 20 per cent below market rates. The two key elements are:

¹⁷⁰ Submission 51, p 30

¹⁷¹ Submission 51, p 30

¹⁷² National Rental Affordability Scheme (NRAS), www.facsia.gov.au accessed 19 January 2009

¹⁷³ National Rental Affordability Scheme (NRAS), www.facsia.gov.au accessed 19 January 2009

¹⁷⁴ National Rental Affordability Scheme (NRAS), www.facsia.gov.au accessed 19 January 2009

- a Commonwealth Government Incentive of \$6,000 per dwelling per year refundable tax offset or payment
- a State or Territory Government Incentive of \$2,000 per dwelling per year in direct or in kind financial support.¹⁷⁵

4.49 FaHCSIA is responsible for the implementation and ongoing management of NRAS, in consultation with the Australian Tax Office. The Australian Government is working with the state and territory governments, investors and not for profit housing providers to implement the scheme.¹⁷⁶

4.50 The implementation of NRAS is occurring in distinct phases:

- Establishment Phase (1 July 2008 to 30 June 2010) in which there were two calls for applications for incentives. Proposals in this phase were limited to:
 - large scale projects with a minimum of 100 rental dwellings or
 - not less than 20 rental dwellings and address especially high rental stress or deliver innovative and affordable rental housing solutions.
- Expansion Phase (1 July 2010 to 30 June 2012) seeking proposals that can deliver dwellings available for rent by June 2012.
 - allocation of Incentives under the Expansion Phase are occurring through the Call for Applications – Round Three. Applications are to remain open for 12 months from 1 September 2009, in which resources are targeted to encourage mixed developments on public land and support links with the Social Housing Initiative. There are two separate components of this phase:
 - Applications which link to proposals under the Social Housing Initiative, a component of the Nation Building and Economic Stimulus Plan
 - Applications, which seek to have the private sector, develop state-owned land that has been released for residential development – the NRAS component can be all or part of the development.¹⁷⁷

4.51 The eligibility criteria for tenants of NRAS properties is broader than for public housing and includes families on low and moderate incomes, individuals who are looking to rent a property for the first time, and singles in private or public rental accommodation, including people working or undertaking study or training.¹⁷⁸

4.52 Mr Derek Yule, Chief Executive Officer, Churches Community Housing, told the Committee that from a funding point of view, the income levels proposed under the NRAS were very similar to City West Housing which works well, creating a good social mix. Mr Yule also told the Committee that there were also other considerations:

¹⁷⁵ National Rental Affordability Scheme (NRAS), www.facsia.gov.au accessed 19 January 2009

¹⁷⁶ National Rental Affordability Scheme (NRAS), www.facsia.gov.au accessed 19 January 2009

¹⁷⁷ National Rental Affordability Scheme (NRAS), www.facsia.gov.au accessed 19 January 2009

¹⁷⁸ National Rental Affordability Scheme (NRAS), www.facsia.gov.au accessed 19 January 2009

Sometimes from the point of view of costing, people with disabilities or people with special needs need to be clustered within a reasonably close proximity. To do this we have targeted smaller blocks of units. We have one that has only 3.¹⁷⁹

- 4.53** Ms Nazha Saad, Chief Executive Officer, St George Community Housing (SGCH), told the Committee that NRAS had made the provision of affordable housing viable in Bankstown, close to transport and amenities. Ms Saad is concerned that although NRAS works it needs some fine tuning to enhance the financial options for housing providers:

What we found is that, practically, NRAS works. However, it does need to be enhanced to capture high moderate-income earners, such as nurses, teachers, police who are key workers and are experiencing household stress. For us to continue to make a contribution we need a balance sheet and we need access to funds. ...to get 100 units in south-western Sydney with government funds of \$10 million, we were able to finance the balance.¹⁸⁰

- 4.54** Inquiry participants from regional areas were also supportive of NRAS as an initiative but told the Committee that due to the short time frames for applications they were not necessarily in a position to take advantage of the scheme. For example, Mr Tony Davies from the Northern Rivers Social Development Council advocated for a more planned approach for regional areas:

We need to highlight the haste of this and the expression of interest [EOI] based process that is out there... it will go to the areas and those providers that have the capacity to write a tender. They might also be lucky enough to be able to get a bit of land that someone is willing to make available. What we would be arguing for is a more planned approach so that you have locational targets, targets for growth. With NRAS, a certain number of those incentives should go to certain regions.¹⁸¹

- 4.55** While open to the benefits of NRAS, Mr Lennon, whose organisation provides affordable housing across city and regional Victoria, expressed concern at relying on one policy and what would occur in the long term:

NRAS is still in reasonably early days. I think it is a welcome additional tool to the weaponry, if you like, of people trying to battle against housing affordability problems. I believe very strongly that there should be more than one policy and funding instrument. When we went back to the very beginning and said we were left only with public housing and not much of it and a great big queue for what was there, I think having a range of different products and a policy stock in different people is inherently welcome. ... But my view of NRAS is that we should see it as a long-term project and that over time it may well be able to be flexibly blended with a whole range of other schemes. So my hope is that in the next two, three and four years we

¹⁷⁹ Mr Derek Yule, Chief Executive Officer, Churches Community Housing Ltd, Evidence, 11 June 2009, p 37

¹⁸⁰ Ms Nazha Saad, Chief Executive Officer, St George Community Housing, Evidence, 19 June 2009, p 30

¹⁸¹ Mr Tony Davies, Chief Executive Officer, Northern Rivers Social Development Council, Evidence, 11 June 2009, p 25

will see NRAS being utilised in a variety of different kinds of settings, including the blending of public housing, in my view.¹⁸²

- 4.56** Mr Yule, also a supporter of NRAS, told the Committee that he would like the scheme to continue but if it doesn't something will be needed to replace it:

What I would be encouraging is that [NRAS] continues and that the State Government's involvement with the Federal Government on that continues. But if that product does not continue, I would be encouraging the State Government to look very closely at instituting a similar product itself, because housing need in our State, particularly on the coastal fringe, is extremely high. Rental accommodation is very difficult to come by. I believe that would be a good approach, to pursue that.¹⁸³

- 4.57** The New South Wales Government has supported the expansion of the affordable housing market through the implementation of NRAS. Ms Boland told the Committee that 'importantly, many of those have been delivered by community housing organisations and so rather than being delivered for the 10 year period envisaged by the Australian Government they will actually be delivered in perpetuity.'¹⁸⁴

- 4.58** However, Mr John Engeler, Commercial Program Manager, St George Community Housing also expressed concern for what would happen at the end of the 10 year NRAS scheme, pondering how the debt on the leveraged properties would be serviced in year 11. Mr Engeler told the Committee there may be other options:

... we would suggest, there would be room to investigate other non-commercial funding options – interest free loans, or low interest loans or some other ways—which would be more akin to the traditional ways that grants are put through State, Federal and local housing authorities to return the same stock. At the end of the day, we are paying commercial rates for that interest and the servicing of that loan. But for the rent that we are able to leverage and the NRAS payments, we would be in a difficult position retaining the ownership of our 100 properties at the end of year 10.¹⁸⁵

- 4.59** Following the initial implementation stages of NRAS, Housing NSW has commissioned a post-implementation review of the first two calls for applications for NRAS incentives in NSW. This review is designed to 'identify any issues related to the design of NRAS that should be addressed to improve its effectiveness in attracting investment into affordable housing in NSW.' Ms Boland told the Committee that this review will inform future government decisions in relation to NRAS of similar schemes.¹⁸⁶

Committee comment

- 4.60** NRAS comes after a period of substantial long term under-funding of social housing and a growing need to provide more affordable housing. Evidence received regarding the

¹⁸² Mr Lennon, Evidence, 30 June 2009, p 26

¹⁸³ Mr Yule, Evidence, 11 June 2009, p 32

¹⁸⁴ Ms Boland, Evidence, 7 April 2009, p 3

¹⁸⁵ Mr John Engler, Commercial Program Manager, St George Community Housing, Evidence, 19 June 2009, p 34

¹⁸⁶ Answers to questions on notice taken during evidence 30 June 2009, Ms Boland, Part Two, p 19

possibilities created by NRAS was generally positive, illustrating providers' enthusiasm for what may be achieved with a steady and reliable funding stream.

- 4.61** The Committee shares the apprehensions of those participants who look to the long term and are concerned about what may happen when the scheme comes to an end. Housing NSW should be tailoring the scheme to best fit the needs of housing providers and tenants throughout New South Wales, including those in regional areas, investigating alternatives for future investment and capacity building with a view to enabling long-term sustainability in the affordable housing sector.
- 4.62** Housing NSW is in a position to continue the work that has been started under NRAS, with a tailored, comprehensive long-term plan for the future development of a sustainable affordable housing sector. The Committee is therefore recommending a structured and formal review of NRAS to be undertaken by Housing NSW in consultation with not for profit housing associations with the aim of facilitating long term planning.

Recommendation 2

That Housing NSW conduct a midpoint review of the National Rental Affordability Scheme assessing its success against stated objectives and its impact on housing need over this time. Following this review Housing NSW should consider any further state government assistance that can be added to NRAS to increase its effectiveness and sustainability of the sector in the long term.

Recommendation 3

That Housing NSW, in collaboration with not for profit housing providers, review the success of National Rental Affordability Scheme in meeting the needs of housing providers and prospective affordable housing tenants, making necessary adjustments to the scheme to tailor it to identified needs.

Title/Equity

- 4.63** In its previous inquiry into community housing the Committee found that government retention of title and equity was a major stumbling block to increasing the capacity of housing providers, as well as in the establishment of partnerships between community organisations and government. This was found to be particularly true for churches that have often acquired land through their parishioners.
- 4.64** Ownership of assets is critical to expanding the not for profit housing sector. Mr Farrar told the Committee that the two main benefits of transferring title to housing associations are that:
- the asset base can be used to secure finance for further supply

- housing associations can actively manage their portfolio to meet the changing needs of tenants and applicants.¹⁸⁷

4.65 Mr Farrar outlined the consequences of housing associations lacking an asset base to underpin investment and future growth:

Without this [title] the sector will stagnate or grow at a trickle as a dependent adjunct of public housing. Most important, if this is the case, the social and affordable housing sector as a whole will stagnate or continue to decline as they have done across the country for the past 20 years.¹⁸⁸

4.66 The community housing sector can manage housing stock but if title does not rest with these organisations they are unable to leverage funding. Mr Lennon pointed out some significant differences between the New South Wales and Victorian housing sectors in respect to the ability to leverage funds:

[New South Wales has] allocated more stock to the sector than Victoria has done, but only by advancing management rights whereas Victoria has been building up the balance sheets of these organisations by title resting within the housing associations. That is a crucial point. If part of the policy is to leverage private debt and additional contributions, then building the balance sheets of these not for profit organisations becomes critical.¹⁸⁹

4.67 Refer to paragraphs 4.21 – 4.24 for further information on how and why housing providers use equity to leverage funding and increase their capacity to meet the demand for more affordable housing.

4.68 Mr Yule explained that one of the difficulties that the church sector has had with partnering with government in the past has been the government's insistence to retain title or have some part in the title. NRAS provides incentives for investment by housing providers; government does not acquire title to properties developed under NRAS. Mr Yule views NRAS as a scheme that meets the needs of the church sector to retain title to properties that have often been granted to them in perpetuity and should continue at a state level if not continued nationally:

The issue there is to do with title. The thing that is so acceptable to the churches, apart from being financially a very workable model so far as they are concerned, is the fact that they retain the title the whole way through the process. There is no encumbrances in the sense of no requirements to be tenants in common; there is no change to title. There may be caveats and mortgages placed against it but they do not lose title.¹⁹⁰

4.69 In April 2007 the New South Wales Government announced a pilot program to provide long-term leases to community housing providers as a way to increase their ability to secure private finance for investment in affordable housing, stating:

¹⁸⁷ Answers to questions on notice taken during evidence 8 April 2009, Mr Farrar, p 11

¹⁸⁸ Answers to questions on notice taken during evidence 8 April 2009, Mr Farrar, p 11

¹⁸⁹ Mr Lennon, Evidence, 30 June 2009, p 21

¹⁹⁰ Mr Yule, Evidence, 11 June 2009, p 35

Ownership would provide community housing providers with an asset base to leverage funds from the private sector and also a secure income stream from rent revenue to service the loan.¹⁹¹

4.70 This pilot program has been ‘on hold’ while the merits of transfer have been further considered.¹⁹² During the closing stages of collecting evidence for this inquiry the New South Wales Government announced, on 25 June 2009, that it would be transferring up to 7,000 social housing properties to community housing ownership by the end of June 2012. This stock is comprised of a proportion of stock currently under community housing management and the majority of new properties built under the NBESP.

4.71 Ms Boland told the Committee that while these properties will continue to be reserved for eligible public housing tenants it will still be advantageous for community housing providers as it will provide them with an asset base:

...the transfer of title to the properties will provide an asset base for community housing providers to secure private sector finance to purchase or develop affordable housing. The current leasing arrangements and lack of balance sheet of providers was identified as a key barrier to the capacity of community housing providers to leverage additional funds.¹⁹³

4.72 However, the Committee was also told at the final hearing for this inquiry that as yet there are no performance indicators establishing a time frame for implementing this transfer of title, with Ms King advising the Committee that there was no implementation plan because the program had yet to be approved in Canberra.¹⁹⁴

4.73 Despite the financial benefits to housing providers, the Lord Mayor of Sydney, Ms Clover Moore MP expressed concern that transfer of title may not necessarily increase the number of dwellings available but result in the same demand with a transfer of management and liability. As a way to address this Ms Moore suggested that ‘an improved allocation policy should be advanced. The policy should reflect a local knowledge of the social environment by community housing providers’.¹⁹⁵

4.74 This concern may be justified as Ms Maura Boland told the Committee that it is expected that the eligibility criteria for public housing will remain the same.¹⁹⁶

¹⁹¹ Answers to questions on notice taken during evidence 7 April 2009, Ms Boland, Part One, p 15

¹⁹² Answers to questions on notice taken during evidence 7 April 2009, Ms Boland, Part One, p 15

¹⁹³ Answers to questions on notice taken during evidence 30 June 2009, Ms Boland, Part Two, p 17

¹⁹⁴ Ms Leonie King, Executive Officer, Community Housing Division, Housing NSW, Evidence, 30 June 2009, p 10

¹⁹⁵ Answers to questions on notice taken during evidence 19 June 2009, Ms Clover Moore MP, Lord Mayor of Sydney, p 3

¹⁹⁶ Answers to questions on notice taken during evidence 7 April 2009, Ms Boland, Part One, p 32

- 4.75** The New South Wales Government is requiring community housing providers to fulfil a number of conditions prior to the transfer of ownership of government assets¹⁹⁷ (also refer to paragraphs 4.102-4.119). Ms Boland told the Committee in April 2009:

A control framework including the statutory regulatory system and statutory charge placed on all transferred properties would ensure that all properties could not be sold without consent and that public housing eligible clients continue to be housed.¹⁹⁸

- 4.76** Ms Wall aired government reservations regarding the transfer of title, stating however that these concerns may be ameliorated by a national regulatory system:

... you do not want to just give away the title without some sort of confidence that it will be effectively managed and that you will not lose access to that resource for the target group you wish to assist. So, it has happened to some extent in some States already, but it is happening in a sort of measured way. Part of the way in which that might be speeded up really, a process speeded up, will be through having a national regulatory system in place. So, as I said, there is quite a bit of work going on around that at the moment as well.¹⁹⁹

- 4.77** During the inquiry the New South Wales Government announced the release a legislated regulatory system for the provision of community housing in New South Wales. However, the Committee did not hear if Housing NSW and the Australian Government regard this as sufficient insurance for the transfer of title to community housing providers to be fast tracked.

Committee comment

- 4.78** The Committee views the transfer of title as imperative for the growth in capacity of not for profit community housing providers. The move toward housing providers retaining or gaining title to the assets that they manage remains too slow. The Committee identified this as a major problem in 2003 and little progress has been made since that date. The transfer of title to 7,000 properties over a 3-year period is relatively insignificant in proportion to need. The Committee is concerned that bureaucratic delays between the New South Wales and Australian governments are impeding this initiative. The Committee supports any initiative that will speed the process of transferring title to not for profit providers of social and affordable housing.
- 4.79** Properties that are to be transferred will all remain reserved for the use of tenants eligible for public housing. This does not take into account local needs, social mix and financial viability of the provider to operate at a sustainable level. While the Committee accepts the benefits that are derived from gaining title, without changes to the eligibility criteria and specific targets set for housing tenants on low and moderate incomes (as recommended in Recommendation 15 of this report) the transfer of title to community housing organisations may not address the demand for affordable housing for these households.

¹⁹⁷ Answers to questions on notice taken during evidence 30 June 2009, Ms Boland, Part Two, p 16

¹⁹⁸ Answers to questions on notice taken during evidence 7 April 2009, Ms Boland, Part Two, p 16

¹⁹⁹ Ms Wall, Evidence, 10 June 2009, p 8

Recommendation 4

That Housing NSW commit to a firm timeframe to implement its policy for the transfer of title to community housing providers.

Shared equity (mixed funding)

- 4.80** Mr Farrar noted that in New South Wales, almost all community housing is rental housing. In other countries such as the UK or the US, providers offer a range of products including shared equity and home ownership products for low income households.²⁰⁰
- 4.81** It is not only the not for profit sector that supports shared equity models. Property Council of NSW Executive Director, Mr Ken Morrison agreed that shared equity ownership models where resident of low-cost dwellings have partial ownership of the dwellings should also be considered.²⁰¹
- 4.82** The Director of the Council of Social Services NSW (NCOSS), Ms Alison Peters, told the Committee that over the past decade moderate income households have experienced increasing difficulties in accessing home ownership as the cost of housing has been rising more quickly than household incomes. Ms Peters went on to say that at the same time large public housing estates have become the most visible symbol of increased polarisation and concentration of disadvantage within our major urban centres.
- 4.83** Ms Peters told the Committee there are a variety of strategies that may achieve a more balanced social mix in public housing estates through the redevelopment of existing stock, dispersal of disadvantaged households and encouragement of private housing investment, including government-backed schemes to assist social housing tenants into home purchase opportunities. NCOSS recommended to the Committee that the government use shared equity schemes as a tool in the changing the nature of large housing estates that have proven so problematic:
- Develop a shared equity scheme to assist social housing tenants with the financial means to sustain a modest mortgage into home purchase through the selective sale of government owned housing stock on larger housing estates, with the NSW Government retaining at least a 25% equity share of all stock offered for sale under the scheme. ... While there are different models available, they all involve some form of equity sharing where purchasers benefit from lower purchase and thus mortgage costs in exchange for sharing any appreciation in the value of their home with either an equity loan provider or a shared owner. By trading some future capital gains for lower upfront financing costs, home ownership can become more accessible to certain lower income households who have the means to sustain a modest mortgage.²⁰²
- 4.84** Ms Peters reminded the Committee that there are a number of locations where the New South Wales Government is actively reducing the proportion of dwellings that are owned by

²⁰⁰ Submission 11, New South Wales Federation of Housing Associations, p 11

²⁰¹ Submission 41, Property Council of Australia, p 5

²⁰² Submission 29, Council of Social Services NSW, p 15

Housing NSW, or developing major redevelopment plans for existing estates and these would be ideal place to start (refer to paragraphs 5.59 for a discussion about urban renewal):

These provide the most suitable locations for the initial implementation of a shared equity scheme for social housing tenants in NSW. It is suggested that the NSW Government retain between 25% and 40% of the equity in the property, depending on the tenant's circumstances. The purchase of the tenant share would be funded solely by private resources or ordinary mortgages from private financial institutions. Potential purchasers would be offered access to independent financial and legal advice.²⁰³

- 4.85** Mr John Mant, Patron, Association to Resource Co-operative Housing, told the Committee of the capacity for housing co-operatives to play a bigger role in providing subsidised social housing as well as shared equity or full equity, referring to an example in Canberra:

We organised a couple of large privately owned cooperatives in Canberra that built two housing estates that were of quite different design and in nature than the normal Canberra suburban design. That was a situation where the people in the cooperative decided how they wanted their suburb to be designed rather than some planner in the authority. My hope ... that in time it could also get into all sorts of other ways of delivering more affordable housing that is better designed than being either in a subsidised house or in a project house. a couple of large privately owned cooperatives in Canberra that built two housing estates that were of quite different design and in nature than the normal Canberra suburban design. That was a situation where the people in the cooperative decided how they wanted their suburb to be designed rather than some planner in the authority.²⁰⁴

- 4.86** Mixed funding for social and affordable housing was introduced in the United Kingdom (UK) in 1988. Housing Associations and more recently, private developers obtain mortgage finance for part of the cost of new developments or major renovations in return for grants from the Housing Corporation and/or local authorities. The New South Wales Government told the Committee that this works in conjunction with the provision of land for social housing through the planning system.²⁰⁵
- 4.87** Internationally, various schemes allowing for shared equity are available. In the UK the Right to Acquire scheme gives eligible tenants of registered social housing landlords the right to buy the home they rent.²⁰⁶
- 4.88** The UK also has in place several schemes to assist specific key workers to buy property in areas they couldn't normally afford. For example, the Key Worker Living Program (KWL) aims to address recruitment and retention problems for the public sector by providing front line staff working in education, health or community safety with either an equity loan to assist in the purchase of a home on the open market, a shared-ownership or reduced rental of new

²⁰³ Submission 29, pp 15-16

²⁰⁴ Mr John Mant, Patron, Association to Resource Cooperative Housing, Evidence, 7 April 2009, p 46

²⁰⁵ Submission 51, p 36

²⁰⁶ Department of Communities and Local Government, *Evaluation of Key Worker Living, Final Report*, September 2006, pp 5-6

homes built by registered social landlords.²⁰⁷ These strategies aid urban renewal and are similar to the shared equity scheme suggested by NCOSS (see paragraph 4.80)

- 4.89** Canada has also introduced federal funding for affordable housing through partnership agreement ensuring that properties are rented or sold at below market prices. Partner contributions include rent subsidies, land, cash, cash and fee offsets and non government partner equity.²⁰⁸

Committee comment

- 4.90** The Committee regards the initiatives for key workers that have been undertaken in the UK as worthy or consideration for application in New South Wales. It is important that the community housing sector is sufficiently well developed to participate successfully in shared equity schemes. The Committee is recommending that in preparation for a move towards shared equity, NSW Treasury undertake a feasibility study and Housing NSW and the Department of Planning identify suitable locations for a shared equity scheme. When the sector is ready, the New South Wales Government should provide assistance and ensure that arrangements for the original transfer of title do not prohibit this initiative.

Recommendation 5

That Treasury in collaboration with Housing NSW undertake a fully costed feasibility study for the introduction of shared equity scheme arrangements that have the primary objective of increasing home ownership in New South Wales.

Recommendation 6

That Housing NSW liaise with Department of Planning to identify suitable housing estates for the implementation of a shared equity scheme to assist in urban renewal and decrease pockets of disadvantage.

Tax incentives and reform

- 4.91** The recently introduced NRAS includes refundable tax offset or payments for ten years. (Refer 4.45 – 4.46 above)
- 4.92** The New South Wales Government has also introduced tax reforms aimed at improving housing affordability for purchasers and to reduce barriers to the market supply of housing. These include:
- abolition of mortgage duty on owner-occupied and investment housing

²⁰⁷ *Evaluation of Key Worker Living, Final Report*, September 2006, pp 5-6

²⁰⁸ Submission 51, p 36

- stamp duty exemptions and concessions for eligible first home buyers on properties up to \$600,000.²⁰⁹

4.93 Several inquiry participants told the Committee of inequities in the current tax system, concerned that homeownership is supported at the expense of social housing. Mr Mant told the Committee that this has caused a distortion in housing space:

Recent figures have shown that a third of three- and four-bedroom houses have one person living in them. That is just a distortion of housing space. We do not have a shortage of housing space; we have a gross distribution of housing space because the tax system rewards home ownership and hanging on to home ownership well beyond when you need that much housing.²¹⁰

4.94 Taxation is an largely an Australian Government responsibility and is currently being examined in the Australian Government's review of taxation, *Australia's Future Tax System* (the Henry Review). This review covers a range of social and housing issues in its Terms of Reference, including:

- enhancing the taxation arrangements on consumption (including excise taxes), property (including housing), and other forms of taxation collected primarily by the States
- making coherent recommendations to enhance overall economic, social and environmental wellbeing, with a particular focus on ensuring there are appropriate incentives for individuals to save and provide for their future, including access to affordable housing
- taking into account the relationships of the tax system with the transfer payments system and other social support payments, rules and concessions, with a view to improving incentives to work, reducing complexity and maintaining cohesion.²¹¹

4.95 The final report on the Henry Review is due in December 2009, after the release of this report.

Charitable status

4.96 Several inquiry participants involved in the provision of affordable and social housing told the Committee of the importance of retaining their charitable status and the benefits that came with it.

4.97 The majority of community housing providers in New South Wales are Public Benevolent Institutions (PBIs). The Australian Tax Office endorses community housing providers as PBIs on the basis that they provide services directly to persons in need of relief. PBIs are able to claim a number of tax concessions including input tax credits for GST costs incurred in the acquisition and management of new housing, income and fringe benefit tax exemptions.²¹²

²⁰⁹ Submission 51, p 20

²¹⁰ Mr Mant, Evidence, 7 April 2009, p 42

²¹¹ Submission 63, p 4

²¹² Submission 51, p 61

- 4.98** In its submission to the Henry Review, the NSW Federation of Housing Associations stated that it is ‘essential for the viability of not for profit housing providers (community housing providers) that they have access to the tax concessions related to being classified as a PBI or a Deductible Gift Recipient charity’. The reason for this is that the income streams from low cost housing are insufficient and the cost of managing such tenancies is higher.²¹³
- 4.99** Community Housing Canberra (CHC) is a community housing provider with the benefits of a PBI with charitable status. Mr Brennan told the Committee that the need for this status that it is ‘a major factor in why we can develop and cross-subsidise basically our tenancy management activities’.²¹⁴
- 4.100** While it is understood that the majority of taxation benefits are derived from the Commonwealth, the NSW Federation of Housing Associations states that some concessions are linked to charitable status, for example, local government concessions. Although housing providers have had their charitable status protected during the implementation stage of NRAS it is unclear what will happen as the scheme continues and when it is completed.

Committee comment

- 4.101** The Committee regards the retention of PBI status as essential to increase the capacity of the not for profit community housing sector. The Committee realises that taxation issues are largely the province of the Federal Government. However it is of such importance that the Committee believes the New South Wales Government should make representations to the Australian Government to protect the taxation benefits of not for profit housing providers and to ensure that concessions currently available at a state and local level are not eroded.

Recommendation 7

That the New South Wales Treasurer make representations to the Australian Government for the retention of Public Benevolent Institution status of not for profit housing providers and associated taxation concessions.

Regulation

- 4.102** During the course of this inquiry, in May 2009, a statutory registration and regulatory system was introduced in New South Wales. Organisations that receive assistance from Housing NSW to provide social housing and affordable housing are required to register as community housing providers in accordance with the *Housing Act 2001*. Organisations have until 30 April 2011 to register under the new system.²¹⁵

²¹³ NW Federation of Housing Associations Inc, Submission to the Commonwealth Government’s review of Australia’s Future Tax System, March 2009, p 7

²¹⁴ Mr Brennan, Evidence, 19 June 2009, p 56

²¹⁵ Answers to questions on notice taken during evidence 30 June 2009, Ms Boland, Part One, p 22

- 4.103** Schedule 1 of Housing Regulation 2009 has outlines four classes of community housing providers,²¹⁶ depending on activities undertaken and the risk involved, and has the following objectives, to ensure:
- fairness and resident satisfaction
 - sustainable tenancies and communities
 - asset management
 - sound governance
 - standards of probity
 - protection of government investments²¹⁷
- 4.104** The Registrar of Community Housing administers the New South Wales regulatory system. The Registrar is a statutory appointment reporting directly to the Minister for Housing and registers community housing providers independently of Housing NSW.²¹⁸ As the implementation of the regulatory code is new the Committee received no stakeholder evidence on the specific elements of the system and therefore cannot conclude if the system will provide sufficient assurance to future investors or protection for tenants.
- 4.105** Ms Boland told the Committee that the benefits of the regulatory system are already becoming apparent:
- The financial institutions that we have spoken with about that system have indicated that the statutory regulation that is on offer will provide them with the increased confidence that community housing providers are viable, well governed and well managed.²¹⁹
- 4.106** According to Dr Milligan, the purpose of regulating affordable housing providers is to manage risk, for the benefit of government, tenants and for providers. The risks are:
- for government – achieving social policy goals and protecting significant public investment
 - for tenants – ensuring tenant rights are protected and that housing and services are appropriate and of a high standard
 - for providers – establishing and maintaining a reputation for probity, viability, efficiency and performance.²²⁰
- 4.107** Housing NSW advised the Committee that the regulatory system will have significant benefits to the NSW Government as it will enhance the protection of government assets and assist in

²¹⁶ Four classes of providers are: growth providers, housing providers, housing managers and small housing managers. www.rch.nsw.gov.au accessed 16 September 2009

²¹⁷ Housing Regulation 2009 (NSW), sch 1

²¹⁸ www.rch.nsw.gov.au accessed 16 September 2009

²¹⁹ Ms Boland, Evidence, 30 June 2009, p 1-2

²²⁰ Tabled document, *Innovation in Affordable Housing in Australia: Bringing Policy and Practice for Not for Profit Housing Organisations Together*, p 36

meeting the objective of growing the community housing sector. To meet the requirements of regulation, community housing providers are required to demonstrate that:

- government investments are managed appropriately
- they provide value for money in the delivery of government-assisted community housing.²²¹

4.108 The need for and importance of a regulatory system is also noted by the Australian Government in relation to transferring title of government assets of the non-government sector. Ms Wall told the Committee:

... you do not want to just give away the title without some sort of confidence that it will be effectively managed and that you will not lose access to that resource for the target group you wish to assist.²²²

4.109 The regulatory system is also intended to provide increased confidence to banks and other financial institutions to lend to providers to fund the procurement of more housing. The NSW Government expects that other partners and potential partners will also have more confidence to invest in the sector, for example, local councils and community housing organisations entering into partnerships to benefit local communities.²²³

4.110 Mr Farrar supported this objective, telling Committee that government regulatory oversight would facilitate industry development by providing assurance for stakeholders that performance is at a high level and emerging risks are all being managed and would provide robust public information about the performance and financial structure of the industry so that investors can begin to understand the real risk profile of the industry and establish a recognised asset class.²²⁴

4.111 Mr Lennon told the Committee that there are benefits to the community housing sector providing new housing solutions as long as there are safeguards:

By breaking up and diversifying the provider systems, as long as there are protections on public funding and so long as there are powers to intervene if things are not going according to policy frameworks, we have the ability to diversify the range of products that are provided by housing association type models and to apply business disciplines to the running of these organisations, because essentially Corporations Law and private funding impose those decisions on recipient organisations.²²⁵

4.112 The New South Wales regulatory system is tiered to ensure that a diverse range of community housing providers can register and that the level of regulation is commensurate with the risks associated with different types of business activity. For example the Committee heard that

²²¹ Answers to questions on notice taken during evidence 30 June 2009, Ms Boland, Part One, p 21

²²² Ms Wall, Evidence, 10 June 2009, p 8

²²³ Answers to questions on notice taken during evidence, 7 April 2009, Ms Boland, Part One, p 21

²²⁴ Answers to questions on notice taken during evidence, 8 April 2009, Mr Farrar, p 8

²²⁵ Mr Lennon, Evidence, 30 June 2009, p 21

community housing providers who engage in development of properties and borrow funds from the private sector would be subject to the highest level of regulatory involvement.²²⁶

4.113 Ms Boland identified the areas that are regulated by Housing NSW to be:

- management of tenants and the fairness with which they are treated
- management of assets
- governance
- financial sustainability.²²⁷

4.114 Ms Karine Shellshear, Executive Director, Association to Resource Co-operative Housing, told the Committee that in Victoria co-operative housing was regulated through a central holding company, which registers on behalf of the co-operative housing sector. Ms Shellshear states that this ensures the sector operates as a cohesive system and providers (who are also tenants) are able to focus on qualitative outcomes and areas that build social cohesion. Ms Shellshear suggests that the New South Wales Government should consider what she regards as a more cost effective system, which would remove some of the pressure from small providers.²²⁸

4.115 It is recognised by participants that if the sector is to expand better regulatory arrangements are required. For example, Mr Farrar told the Committee:

... that there was still a way to go in (a) promoting understanding of the regulatory assurance amongst lenders, making the detailed industry data developed through the regulation available to build wider understanding of the industry's risk profile; and (b) building far greater understanding nationally by establishing a nationally consistent regulatory framework.²²⁹

4.116 Ms Wall told the Committee that discussions had been going on for a number of years between the Commonwealth and State housing offices and Commonwealth and State Ministers around having a more consistent regulatory framework for the not-for-profit housing sector, stating:

... if the sector is going to be able to expand and be able to borrow funds for expansion, there needs to be a better regulatory arrangement so that financiers would have more confidence that funds they were providing were being used appropriately. In the sense that funding for not-for-profit community housing providers is also being provided by governments, governments need to have some reassurance that those funds are being used appropriately too.²³⁰

²²⁶ Answers to questions on notice taken during evidence, 7 April 2009, Ms Boland, Part Two, p 22

²²⁷ Ms Boland, Evidence, 7 April 2009, p 24

²²⁸ Answers to questions on notice taken during evidence 7 April 2009, Ms Karine Shellshear, Executive Director, Association to Resource Co-operative Housing, p 3

²²⁹ Answers to questions on notice taken during evidence, 8 April 2009, Mr Farrar, p 9

²³⁰ Ms Wall, Evidence, 10 June 2009, p 2-3

- 4.117** Ms Wall elaborated and stated that at the moment there are inconsistencies between what is happening and some of the feedback that has come from a number of the larger organisations. This is seen as impeding the growth of the sector across State borders and to financiers who want consistency.²³¹
- 4.118** Ms Boland referred to a possible future national system of regulation that allows for providers to move across borders and operate more effectively in different locations in the State, focused on ensuring a greater degree of alignment between different jurisdiction's regulation.²³²
- 4.119** Ms Wall further advised the Committee that one of the options under consideration for inclusion in a national regulatory system for the not for profit sector is a prescribed governance model.²³³

Committee comment

- 4.120** The Committee identified an appropriate regulatory system as an important part of its framework in Chapter 3. The new regulatory system may provide the protections required by housing providers, tenants and government, however the Committee received no evidence on which to review the effectiveness of new Housing Regulation 2009. The Committee also supports the development of a national regulatory system, which would facilitate growth providers' capacity to provide affordable housing across jurisdictions.

Governance

- 4.121** The Committee heard throughout the inquiry the importance of good governance. Commenting on the success of City West Housing, Mr Perkins regarded the good governance structures at CWH as one of the main factors contributing to its success.

... I think the main features that make City West Housing successful, one would be the charter under which it was established. It was very clear, very concise, quite precise and it had in place the necessary reporting and governance requirements to ensure that the company would be secure and that any assets that formed part of the company would also be secure in the longer term.²³⁴

- 4.122** Features of CWH's governance structure highlighted by Mr Perkins include:
- incorporation under Corporations Law
 - two ordinary shareholders held by position – the State Treasurer and Minister for Housing
 - preference shareholders, issued to companies who had an interest in housing in the inner-city. These could be local government, banks or property development

²³¹ Ms Wall, Evidence, 10 June 2009, p 3

²³² Ms Boland, Evidence, 7 April 2009, p 24

²³³ Ms Wall, Evidence, 10 June 2009, p 3

²³⁴ Mr Perkins, Evidence, 10 June 2009, p 51

companies. Examples of existing preference shareholders include St George Bank, Lend Lease, the Uniting Church Board of Social Responsibility.

- preference shareholders are responsible for selecting the directors
- an independent expertise based board.²³⁵

4.123 Ms Kim Sinclair, Deputy Chief Executive Officer, Community Housing Canberra Ltd (CHC), outlined a similar governance structure at CHC. CHC is a company limited by guarantee under Corporations Law with a skills-based board, a PBI with charitable status. Ms Sinclair regards the charitable status as a major factor in why CHC can develop and cross-subsidise its tenancy and management activities. Organisations with charitable status are eligible for certain taxation benefits, including exemption from GST, stamp duty, income and land tax.²³⁶ (refer to paragraph 4.96 – 4.101)

4.124 These organisations have well established and regulated governance structures that have the following elements:

- company limited by guarantee under Corporations Law
- skilled based boards
- charitable status and the attached benefits.

Committee comment

4.125 The Committee is very supportive of the need for both regulation and registration, as this will provide safeguards for tenants and the government while also promoting a layer of security for potential investors in the system. With the New South Wales regulatory system now in place the Committee encourages, as a matter of priority, the transfer of property title to community housing organisations as a means of fast-tracking the provision of affordable housing.

4.126 The Committee also encourages the New South Wales Government to liaise with the Commonwealth, state and territory governments to fast track the development of a nationally consistent legislated regulatory framework that would reduce red tape and allow investment across borders.

Recommendation 8

That Housing NSW liaise with their counterparts across the country to fast track the development of a national regulatory framework that introduces consistency between states and covers all forms of affordable housing, including boarding houses and caravan/residential parks.

²³⁵ Mr Richard Perkins, Evidence, 10 June 2009, p 52

²³⁶ Ms Kim Sinclair, Deputy Chief Executive Officer, Community Housing Canberra Ltd, Affordable Housing, Evidence, 19 June 2009, p 56

Recommendation 9

That Housing NSW establish a framework for corporate governance of housing providers that is consistent with national regulation and registration requirements and enables providers to access tax benefits currently applied to public benevolent institutions with charitable status.

Tenant participation

- 4.127** Throughout the inquiry the Committee heard of the importance of the sense of belonging that comes with having a home and that this can be engendered in the social housing sector by tenant participation. This is closely linked to the notion of building homes not houses discussed in Chapter 3. There are currently few requirements for housing providers to include tenants in organisational aspects of housing provision. (Refer Chapter 5)
- 4.128** Mr Lennon told the Committee that while New South Wales social housing tenants are currently engaged with tenant feedback surveys and interviewed anonymously for feedback on the service and particular projects, the level of tenant involvement across European Union countries is far higher, where tenants are empowered and have a higher level of control.²³⁷ Mr Lennon related two instances of tenant participation that were quite distinct compared to Australia:
- The first was that transfer of the stock went through a tenants' ballot—that is, the tenants themselves had to vote for it. Secondly, the tenants had a majority on the board of governance for the organisations.²³⁸
- 4.129** The Committee heard the situation regarding tenant representation on the boards of housing providers across Australia is vastly different. Ms Sinclair told the Committee that 'having a representative member of any part of the community on a board immediately engenders a conflict of interest under the Corporations Act.'²³⁹
- 4.130** Ms Sinclair told the Committee that while tenants are not involved in a governance capacity and have no formal avenue to participate in the decision making of the company 'they are consulted on things that relate to tenancy through the surveys that we conduct and the direct contact we have with them'.²⁴⁰
- 4.131** During its visit to CWH Mr Perkins told the Committee that CWH has previously had a tenant representative on the board and are currently considering doing so again. According to Mr Perkins steps need to be taken to ensure that tenants are equipped to fulfil this role, that is they need to be trained by the management team so they have the skills to fully participate.²⁴¹

²³⁷ Mr Lennon, Evidence, 30 June 2009, p 19

²³⁸ Mr Lennon, Evidence, 30 June 2009, p 19

²³⁹ Ms Sinclair, Evidence, 19 June 2009, p 63

²⁴⁰ Ms Sinclair, Evidence, 19 June 2009, p 63

²⁴¹ Committee site visit and briefing, City West Housing, Pyrmont/Ultimo, 20 May 2009

Committee comment

- 4.132** The evidence received during the inquiry that tenants are currently unable to participate as board members of not for profit housing providers under Corporations Law is concerning, and the Committee believes that this should be further investigated. Should the State and Federal Governments pursue a national regulatory system this issue should form part of the discussions.
- 4.133** The Committee is of the opinion that tenant participation on boards of not for profit housing providers is an important reform that all levels of government should pursue.

Recommendation 10

That the New South Wales Government review legal impediments to tenant participation on boards of not for profit housing providers, and liaise with Federal counterparts on Commonwealth law reform.

Positive planning strategies

- 4.134** The planning system can impact on housing affordability in many ways, including by the extent and locality of land release, local planning controls, development contributions, provision of infrastructure and services and the time it takes to determine development applications.²⁴² The NSW Government suggests that planning policy can improve the affordability of housing but needs to be specific to different areas:

It is likely that effective planning policies can improve the affordability of housing in some areas. However, the development of such policy needs to be comprehensive and have regard to specific housing market conditions that prevail in a particular area and the impact of other legislation, which affects accessibility to land and constraints on the use of that land.²⁴³

- 4.135** A report published by the Australian Housing and Urban Research Institute (AHURI) titled *New directions in planning for affordable housing: Australian and international evidence and implications*, provides detailed research on current planning mechanisms used in NSW to improve the availability of affordable housing.²⁴⁴
- 4.136** Primarily, these planning mechanisms are made under the *Environmental Assessment and Planning Act 1979* (EP&A Act) and include:

²⁴² Submission 69, New South Wales Government, to the Standing Committee on State Development Inquiry into the NSW Planning Framework, p52

²⁴³ Submission 69 to the Standing Committee on State Development Inquiry into the NSW Planning Framework, p52

²⁴⁴ Nicole Gurrán, Vivienne Milligan, Douglas Baker, Laura Beth Bugg and Sharon Christensen, *New directions in planning for affordable housing: Australian and international evidence and implications*, Australian Housing and Urban Research Institute, June 2008, AHURI Final Report No. 120

- State Environmental Planning Policies (SEPPs)
- the developer contribution system as set out in sections 94 and 93F of the EP&A Act
- some Local Environmental Plans (LEPs).

4.137 The NSW *Environmental Planning and Assessment Act 1979* (EP&A Act), as amended in 1999 and 2000, explicitly aims to promote and retain affordable housing.²⁴⁵ There are clear provisions for statutory plans made under the EP&A Act, including local, regional, or state environmental planning instruments to allow arrangements for ‘providing, maintaining and retaining, and regulating any matter relating to, affordable housing.’²⁴⁶

4.138 In February 2009, the New South Wales Government amended the Infrastructure SEPP, as part of a package of reforms to deliver the Australian Government’s NBESP. The changes allow Housing NSW to self-approve social housing developments of up to 20 dwellings and 8.5 in height in residential zones and extend the area within which multi-dwelling and residential flats for social housing can be considered.²⁴⁷

State Environmental Planning Policies (SEPPs)

4.139 There are several legally enforceable State Environmental Planning Policies (SEPPs) made under the EP&A Act relating to the retention and creation of housing affordability as set out in the table below. For example, these policies may be used by state government authorities or councils in determining approval and consent conditions for proposed developments.

Table 4.2 SEPPs relating to affordable housing

SEPP	Objective
SEPP 10: Retention of Low Cost Rental Accommodation	This policy is to provide a mechanism for the retention of low cost rental accommodation such as boarding houses, hostels and other low rental dwellings in Sydney, Newcastle and Wollongong. ²⁴⁸
SEPP 36: Manufactured Home Estates	This policy aims to facilitate the establishment of manufactured home estates, to encourage the provision of affordable housing, to ensure that these estates are adequately serviced and have access to essential community facilities and services, and to provide measures, which will facilitate security of tenure for residents. ²⁴⁹
SEPP 65: Design Quality of Residential Flat Development	This policy aims to improve the design quality of residential flat development through design principles. Principle 9 of this policy (clause 17) requires that new developments should address housing affordability by optimising the provision of economic housing choices

²⁴⁵ *Environmental Planning and Assessment Act 1979* (NSW) (EP&A Act), s 5(a)(viii)

²⁴⁶ *EP&A Act*, s 26(d)

²⁴⁷ Submission 51, p 53

²⁴⁸ Submission 51, p 20; SEPP 10: Retention of Low Cost Rental Accommodation

²⁴⁹ SEPP 36: Manufactured Home Estates

SEPP	Objective
	and providing a mix of housing types to cater for different budgets and housing needs. ²⁵⁰
SEPP 70: Affordable Housing (Revised Schemes)	This policy relates to the provision of affordable housing for specific schemes in local government areas in the City of Sydney, City of South Sydney, City of Willoughby and Leichhardt. These schemes require major developments to either include affordable housing or pay a contribution towards the provision of affordable housing in the area. ²⁵¹

Affordable Rental Housing SEPP

4.140 The NSW Government announced an Affordable Rental Housing SEPP on 1 August 2009. The *State Environmental Planning Policy (Affordable Rental Housing) 2009* is designed to make it quicker, easier and more attractive to build affordable rental homes in New South Wales. It promotes the construction of new affordable unites, townhouses, granny flats and other low cost accommodation.²⁵²

4.141 The Committee received correspondence from the Director General Housing NSW, Mr Mike Allen, alerting it to the release of the new SEPP. The Committee is unable to comment on the SEPP or its potential effectiveness as was released after the Committee had completed its public consultation.

Development contributions

4.142 Other ways planning mechanisms can contribute to providing new and retaining existing affordable housing is through the development contributions system. Ms Monica Barone, Chief Executive Officer, Council of the City of Sydney, regards the developer contributions and bonus schemes (facilitated by planning agreements) as two potential tools which might ensure sufficient stock of affordable housing is provided into the future.²⁵³ However, at present Ms Barone regards these as inadequate and a barrier to growth in the provision of low cost rental accommodation:

To date, the NSW Government has provided little guidance in relation to appropriate planning controls to facilitate affordable housing. Where planning controls are unable to require contributions towards the provision of affordable housing, local government has few options to increase the amount of low cost accommodation.²⁵⁴

²⁵⁰ SEPP 65: Design Quality of Residential Flat Development

²⁵¹ Submission 51, p 20; SEPP 70: Affordable Housing (Revised Schemes)

²⁵² New South Wales Government, Supporting Affordable Rental Housing, Community Guide, p 1 www.housingnsw.gov.au accessed 4 August 2009.

²⁵³ Submission 47, p 6

²⁵⁴ Submission 47, p 6

4.143 Table 4.3 outlines the various development contribution methods operating in New South Wales:

Table 4.3 Development contribution methods²⁵⁵

METHOD	APPLICATION/ISSUES
Section 94 development contributions	<p>Application:</p> <p>Optimum where growth is faster and higher levels of contributions are able to offset the considerable administration costs, financial risks and inefficiencies of managing money amongst and within the funds</p> <p>Areas with multiple owners who are unable to co-ordinate in offering dedications or works-in-kind</p> <p>Key issue:</p> <p>Substantial work required to satisfy statutory requirements against potential benefits</p>
Section 94A levy	<p>Application:</p> <p>Little growth and slow accrual of funds in established urban areas or rural area, or where provision of facilities benefits a dispersed set of contributors</p> <p>Areas with multiple ownership with little scope for land dedications or works-in-kind</p> <p>Costs of needed infrastructure are relatively low and spread over time</p> <p>Key issue:</p> <p>Lower level of contributions but greater flexibility in expenditure</p>
Planning agreements	<p>Application:</p> <p>One or few owners that have an incentive to fund infrastructure</p> <p>More successful where major growth or development occurs in a distinct area</p> <p>Can offer different and better outcomes through efficiencies in the process or through innovation by the parties</p> <p>Key issue:</p> <p>Are the outcomes worth the substantial effort required to implement a satisfactory agreement</p>

Changes/reforms to developer contribution system

4.144 The NSW Government announced a package of reforms to infrastructure and local government levies (including sections 94 and 94A of the EP&A Act) to be consistent with their policy to boost housing supply and affordability. These include:

- cessation of development charges imposed by Sydney Water and Hunter Water
- refinements to the types of infrastructure contribution paid by developers to the state to 30 June 2011

²⁵⁵ NSW Department of Planning *Development Contributions: Practice Notes*, July 2005, p 3

- allowing deferral of payment to the point of sale, to improve developers' cash flows.
- setting a \$20,000 threshold for contributions paid by developers to local governments applying to residential dwellings, with the Minister for Planning's approval required to charge above this.²⁵⁶

4.145 The terms of reference for the Legislative Council Standing Committee on State Development inquiry into the New South Wales planning framework includes consideration of the implications of the planning system on housing affordability. That Committee is due to table its final report in December 2009.

Affordable housing and the new developer contribution system

4.146 Councils are limited to the collection of developer contributions for key community infrastructure only, and the definition of this does not include affordable housing,²⁵⁷ councils are limited in how they can collect levies specifically for the provision of affordable housing.

4.147 In terms of key community infrastructure, the *Environment and Planning Assessment Amendment Act 2008* establishes a two-tier system for local council contributions. Councils can levy for key community infrastructure without approval, as they currently do. The list of key community infrastructure is set out and includes:

- land works and buildings
- drainage and water management works
- local roads
- bus stops
- sporting, recreational, cultural and social facilities
- parks
- car parking
- district facilities that have a direct connection with the development that is the subject of the contribution.²⁵⁸

4.148 Councils may obtain the approval of the Minister for Planning if they want to get a contribution for any other kind of community infrastructure ("additional community infrastructure"). A council must demonstrate that a legitimate case exists for the extra contribution by doing a business plan and getting an independent assessment of the proposal.²⁵⁹

²⁵⁶ Submission 51, p 19

²⁵⁷ *Environment and Planning Assessment Amendment Act 2008*, Schedule 3.3 (amending the Environmental Planning and Assessment Regulation 2000, clause 31A)

²⁵⁸ *Environment and Planning Assessment Amendment Act 2008* (amending the Environmental Planning and Assessment Regulation 2000, clause 31B), Legislation Review Committee, *Legislation Review Digest*, No.7 of 2008, pp 18-19

²⁵⁹ *Environmental Planning and Assessment Amendment Act 2008*, s 116I (2); Legislation Review Committee, *Legislation Review Digest*, No.7 of 2008 pp 18-19

- 4.149** The same approval requirement will apply when councils use a voluntary planning agreement (old section 93F) to get the extra contribution. In this case, the approval of the Minister for Planning will be required not just for additional community infrastructure but also for the provision of any public infrastructure that could be obtained under a planning agreement beyond key community infrastructure.²⁶⁰
- 4.150** The Amendment Act specifically defines public infrastructure to include affordable housing and not community infrastructure.²⁶¹ There is the provision that a council can make a case to the Minister for Planning for “additional community infrastructure” which could potentially include affordable housing.²⁶² However, the case would need to include a detailed business plan and an independent report that assess the proposed development contributions against the key considerations in Part 5B of the Amendment Act.²⁶³
- 4.151** In its submission to the NSW Planning Framework Inquiry, the Department of Planning advised that it was preparing an Affordable Housing SEPP, which has since been released, and provides incentives (as opposed to levies) for affordable housing developments:

The SEPP will also incorporate existing provisions of the Infrastructure SEPP, which will provide for social housing near centres without the need for rezoning, and enable Housing NSW to self-approve public housing projects of up to 2 storeys or 20 units.²⁶⁴

Effectiveness of developer contributions

- 4.152** In terms of monetary contributions, Marrickville Council advised that such contributions do not actually alleviate the diminishing stock of affordable housing and that the voluntary nature of agreements “means there is no ability to ensure an adequate and consistent supply” of affordable housing.²⁶⁵
- 4.153** North Sydney Council, which owns or part-owns 44 units of affordable housing, told the Committee that this was made possible by ‘adopting s94 contributions to leverage development in the area’. However, Mr Martin Ellis, Director, Community and Library Services, North Sydney Council, added, ‘the sums collected are usually small compared to the cost of development or purchase’.²⁶⁶
- 4.154** Mr Hewton, Divisional Manager, Corporate Planning and Strategy, Manly Council, also told the Committee that there are very few planning and development mechanisms available legally

²⁶⁰ *Environmental Planning and Assessment Amendment Act 2008*, s 116V; Legislation Review Committee, *Legislation Review Digest*, No.7 of 2008 pp 18-19

²⁶¹ *Environmental Planning and Assessment Amendment Act 2008*, s 116C (b)

²⁶² *Environmental Planning and Assessment Amendment Act 2008*, ss 116I (1(b)) and 116I (2)

²⁶³ Amendment of Environmental Planning and Assessment Regulation 2000, clause 31B

²⁶⁴ Answers to questions on notice taken during evidence, Department of Planning, Standing Committee on State Development Inquiry into the NSW Planning Framework, Question 42

²⁶⁵ Submission 37, pp 6, 8

²⁶⁶ Submission 54, North Sydney Council, p 1

require the provision of affordable housing in development applications and they create difficulties for councils:

Manly Council could negotiate a planning or developer agreement to deliver a specific quantity of affordable housing. However, such an agreement has specific requirements under section 94 of the EP&A Act and usually involve an agreement to offset another development benefit such as height, floorspace or parking. They are also difficult mechanisms and policies for Manly Council to enforce and control in the provision of housing developments.²⁶⁷

Inclusionary zoning

4.155 Inclusionary zoning is a zoning mechanism where new developments must provide an affordable housing contribution either in the form of dwelling units or monetary contributions. Almost all developers choose to provide a financial contribution.²⁶⁸

4.156 Mr Lennon told the Committee that inclusionary zoning would offer providers of affordable housing three things:

- a financial contribution to the cost of housing supply
- access to locations that the market would prohibit
- a profile and a consideration in urban planning that is currently does not have.²⁶⁹

4.157 Mr Lennon also told the Committee that in the UK, section 106 requirements, which are similar to what are referred to as inclusionary zoning requirements in Australia, have represented a quarter to a third of the value of housing association stock supply in the last 15 years.²⁷⁰

4.158 When the Committee visited City West Housing in Pyrmont/Ultimo it saw first hand the type of development that can occur when inclusionary zoning levies are applied in addition to capital investment. Mr Perkins explained that the legislations enacted for this development established the principles for “Affordable housing,” its administration and accountability:

Planning legislation established the initial affordable programme for the City West Precinct within Sydney Regional Environmental Plan (SREP) No.26, with this legislation required to collect development contributions via the planning process.

On an ongoing basis these principles are still applied but over time the funds from this source diminish and the relevance of the legislation with it, in my opinion. The Articles of Association for the Company (established under the Corporations Act.) mirror these principles and specifically record the objects, principles and

²⁶⁷ Submission 56, Manly Council, p 5

²⁶⁸ Submission 47, Council of the City of Sydney, p 16

²⁶⁹ Mr Lennon, Evidence, 30 June 2009, p 23

²⁷⁰ Mr Lennon, Evidence, 30 June 2009, p 24

accountabilities applicable for the provision of affordable housing, and by which the Company has been, and continues to be bound.²⁷¹

4.159 Ms Barone told the Committee that the development of CWH ensured the Ultimo-Pyrmont redevelopment area retained a socially diverse population representative of all income groups. Regional Environmental Plan provisions establishing the planning, funding and administrative arrangements for the program's implementation have since been incorporated into *Sydney Local Environmental Plan 2005*. Ms Barone told the Committee they include:

... inclusionary zoning mechanism whereby all new development in Ultimo-Pyrmont must provide an affordable housing contribution either in the form of dwelling unit/s or monetary contributions. To date, the program has provided 446 units housing over 930 people in Ultimo-Pyrmont.²⁷²

4.160 Dr Milligan outlined the approach that has been taken in South Australia to facilitate the provision of affordable housing. South Australia has a statewide approach to an expectation that all major sites, owned by either the public or private sector, that are redeveloped at higher densities will include a target of 15 per cent affordable housing and what is meant by that is defined in legislation. The result of this is that:

It essentially sets a price point for which the housing must be delivered; so it gives developers the knowledge of what is expected, and that price point is geared to income of the affordable housing target group. What it means is that a social investor, like a not for profit developer, can purchase that housing at a limited price, which makes it affordable.²⁷³

4.161 In the United States, where inclusionary zoning is widely used, target of 10 to 15 per cent affordable housing inclusion are not directly linked to capital funding for affordable housing development. However, such targets are usually supported by the availability of planning bonuses or concessions such as increases in density and reduced fees. Many state and local jurisdictions with affordable housing strategies also dedicate their own resources or public land to support low income housing programs. Mandatory inclusionary zoning requirements in the United States are made more feasible by the existence of Federal and State tax incentives designed to stimulate development of housing for low income households.²⁷⁴

4.162 However, Mr Angus Nardi, Acting New South Wales Executive Director, Property Council of Australia, told the Committee that the Property Council would like an increase in land supply, councils prevented from mandating the delivery of affordable housing components and mandating issues such as dwelling sizes and mixes in addition to the lowering of development levies.²⁷⁵

²⁷¹ Answers to questions taken on notice during evidence, 10 June 2009, Mr Perkins, p 1

²⁷² Submission 47, p 16

²⁷³ Dr Vivienne Milligan, Associate Professor, City Futures Research Centre, Faculty of Built Environment, University of New South Wales, Evidence, 10 June 2009, p 40

²⁷⁴ *New directions in planning for affordable housing: Australian and international evidence and implications*, Australian Housing and Urban Research Institute, p 4

²⁷⁵ Mr Nardi, Evidence, 11 June 2009, p 3

- 4.163** Mr Nardi maintained that inclusionary zoning schemes were an added cost to the development process which makes it more difficult to deliver any housing, not just affordable housing.

It is a market reality that developers need to deliver a profit. If additional costs cannot be reasonably absorbed, that they will be passed on to new home owners of the project will simply not go ahead in New South Wales.²⁷⁶

- 4.164** Another factor in the Property Council's lack of support for inclusionary zoning was that there is no 'one size fits all' approach:

The delivery of affordable housing is not as simple as the application of a levy or a requirement to dedicate floor space, nor is there a one size fits all approach. The committee does need to consider the delivery of appropriate incentives, to ensure that the private sector investment in affordable housing does not add additional costs²⁷⁷

- 4.165** In support of inclusionary zoning, Mr Lennon countered developer opposition on the grounds that the costs are passed in the form of higher house prices:

If you look at the history of Australian cities, it has never been a stable or unencumbered operating environment for the last 200 years. ...the land development industry has fought against subdivision controls, building controls and easements of a variety of kinds. If I look over the past 20 years, in New South Wales developer charges have been put in place for water, sewerage, local roads, arterial roads, power supply and in some cases all the way down to community services and the provision of library services. It is not as if we are dealing with a static concept here; we are talking about government and the public interest constantly intertwining with the land market and looking at what is in the public interest going forward.²⁷⁸

- 4.166** In relation to inclusionary zoning Ms Boland told the Committee of the experiences in Edinburgh:

In the past few years Edinburgh local government has introduced quite high levels of inclusion in every zone. There were a lot of objections by many of the developers upfront, but five years into it everyone had adjusted around it and they felt there were reductions in the base of the sale value of the land and the developer margins had also diminished somewhat, but there was a lot more housing being delivered as a result.²⁷⁹

- 4.167** Mr Nardi cautioned the Committee against simply imposing levies, and said that it is important to look at the whole model. Mr Nardi cited the UK as an example:

The thing about levies is that everyone recites the United Kingdom schemes. They forget that in the United Kingdom there are other components of that model such as the Government handing over land at zero cost, major infrastructure upgrades around that area, and rapid rezoning processes.²⁸⁰

²⁷⁶ Mr Nardi, Evidence, 11 June 2009, p 3

²⁷⁷ Mr Nardi, Evidence, 11 June 2009, p 3

²⁷⁸ Mr Lennon, Evidence, 30 June 2009, p 24

²⁷⁹ Ms Boland, Evidence, 7 April 2009, p 8

²⁸⁰ Mr Nardi, Evidence, 11 June 2009, p 7

- 4.168** Dr Milligan agreed with this and stressed to the Committee that the planning system is not a substitution for the use of government subsidies:

It is a supplementary lever that can make things work better and result in a better social outcome because you will also get a social mix. It has never been a primary lever and it cannot be the primary lever. It has worked well in the United Kingdom, but that is because it is accompanied by a social housing grant from government and a generous housing payment that is paid to low-income tenants. It is the three ingredients that make it work. The grant provides sufficient capital, the housing benefits enable the provider to receive a cost rental and to service some debt and the planning mechanisms give access to sites in well-located areas at a reasonable, affordable price for the land.²⁸¹

Committee comment

- 4.169** As advocated throughout this report the Committee is aware of the need for a holistic approach. The evidence of Dr Milligan and the Property Council reinforces this need. Consequently, it must be remembered that each of the recommendations made by the Committee are part of the whole picture and not individual ‘quick fix’ solutions to a wide and systemic problem.
- 4.170** The Committee received conflicting evidence on the value of inclusionary zoning, and its potential impact on affordable housing. If, as was suggested by the Property Council, inclusionary zoning will result in a lack of development then it is counter-productive and not in the public interest. If however, a particular local council supports inclusionary zoning, as does City of Sydney Council, those councils should be enabled to incorporate inclusionary zoning in their local planning framework.
- 4.171** Due to the conflicting evidence received by the Committee and the local nature of inclusionary zoning, the Committee recommends that the New South Wales Department of Planning review the effectiveness and appropriateness of inclusionary planning in consultation with regional organisations of councils.

Recommendation 11

That the New South Wales Department of Planning work with regional organisations of councils to examine the effect and appropriateness of inclusionary zoning in increasing the supply of affordable housing.

²⁸¹ Dr Milligan, Evidence, 10 June 2009, p 44

Chapter 5 Cohesive communities

A brief background to the provision of housing in Australia is included in Chapter 1 of this report. This chapter examines some of the social problems that have resulted from past policies and what is being done to address these and avoid creating similar problems in the future. This chapter is closely linked to the Committee's discussion of the importance of creating homes not houses in Chapter 3.

Historical inheritance

5.1 In the past, Australian governments have provided subsidised housing as a means of supporting families. From the 1950s to the mid 1980s this policy included the construction of large 'housing estate' developments in urban areas. This led to concentrations of disadvantaged people living in isolated pockets with poor access to services, in houses of poor design and layout.²⁸² In New South Wales a number of these highly concentrated housing sites remain and continue to contribute to social problems in local areas. In its submission to this inquiry the New South Wales Government described these areas:

Most areas with a concentration of public housing have poor health profiles, low levels of employment and education, and higher rates of crime than neighbouring communities. These outcomes reduce the quality of life for affected social housing tenants and are costly for Governments, the community, and the individuals themselves. Tenancy and asset management costs, levels of rent arrears, property damage and vacancy rates are high in communities where there is a cluster of public housing.²⁸³

5.2 Eligibility requirements for a tenancy in public and community housing have impacted significantly on the social makeup of public housing estates. The New South Wales government sets the criteria for entry into both public and community housing that receives government support, including properties leased to housing associations to manage, those with subsidised rental or for which recurrent funding is provided. The government requires these community housing providers to apply the same eligibility criteria which is used for public housing tenants and to prioritise applications on the basis of housing need.²⁸⁴

5.3 The primary criterion for eligibility for public or community housing (social housing) is household income. The Committee heard that from the early 1990s to the mid 2000s, although incomes and housing costs rose the income thresholds did not change. This affected the eligibility of many families and Mr Chris Martin, Policy Officer, Tenants' Union of New South Wales told the Committee that as a result 'many thousands of households on that rising tide of incomes drifted out of eligibility for social housing'²⁸⁵

²⁸² Submission 51, New South Wales Government, p 63

²⁸³ Submission 51, p 63

²⁸⁴ Submission 51, p 25

²⁸⁵ Mr Chris Martin, Policy Officer, Tenants' Union of New South Wales, Evidence, 11 June 2009, p 16

- 5.4** The allocation of social housing dwellings is also dependent on the level of complex needs of the applicant, for example, being frail and aged or having a mental illness. Mr Martin regards the current requirements as way of rationing social housing and that the true level of demand is not apparent:

As a result of that rationing the waiting list has roughly halved. It never quite got to 100,000, but it is now in the 40,000s. As I said, that is not a reflection of the need for affordable, secure housing; it is a reflection of just how tightly rationed and narrow the eligibility criteria have become over time.²⁸⁶

- 5.5** Ms Mary Perkins, Executive Officer, Shelter New South Wales, also expressed concern about the allocation of public housing and the detrimental effect this can have on the community:

... for the past many years now roughly 50 per cent of allocations to public housing have been on a priority housing basis to people in high needs. Now that is not distributed evenly across the Department of Housing stock because some property turns over more quickly than others. In some of the estates where you have some of your more hard-to-let properties, the property turns over more quickly so the concentrations of people with high levels of a disadvantage become much more accentuated. They become quite difficult places to live in and to manage.²⁸⁷

- 5.6** The long term effects of living a life of social exclusion were also noted by Ms Wall, Senior Housing Advisor, National Rental Affordability Scheme, Commonwealth Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA):

Households with various forms of disadvantage and where they are all concentrated in one suburb or in one area, and particularly where that often means there is not very good access to employment opportunities or good access to public transport or services, then that causes intergenerational problems and that is certainly one of the issues that is a key concern of the Commonwealth Government.²⁸⁸

- 5.7** The New South Wales Government further noted the intergenerational affects of social exclusion, where two or three generations of a family may have no experience of participating in the workforce:

There has been a rising incidence of public housing households containing no employed working age adults. Many of the children growing up in an environment of social and economic exclusion end up exhibiting poor school performance, truancy and poor literacy and numeracy.²⁸⁹

²⁸⁶ Mr Martin, Evidence, 11 June 2009, p 16

²⁸⁷ Ms Mary Perkins, Executive Officer, Shelter New South Wales, Evidence, 7 April 2009, p 54

²⁸⁸ Ms Clare Wall, Senior Housing Advisor, National Rental Affordability Scheme, Department of Families, Housing, Community Services and Indigenous Affairs, Evidence, 10 June 2009, p 10

²⁸⁹ Submission 51, p 63

Future directions

5.8 The Committee heard a lot of evidence about the problems in public housing, particularly in housing estates. This is unacceptable, and the Committee looked for suggestions and solutions to address these problems.

5.9 Ms Sue Wilson, Social Planning Co-ordinator, Wagga Wagga City Council, told the Committee that there are two key strategies that need to be undertaken, one for the future and one to manage the present (legacy of the past):

In the future all social/supported accommodation options need to be fully integrated into the wider community development. ... with incentives to the private sector and legislative requirements to developers re local housing development

Managing the present requires gradual dispersion of social housing estates and purchase of housing in the wider community across all communities making housing available to people to live in their local area where they can have the support of family and friends.²⁹⁰

5.10 Ms Felicity Reynolds, Chief Executive Officer, Mercy Foundation proposed to the Committee that it was not a never ending problem and if approached in a new way it can be solved:

One of the mistakes that sometimes some of us make is thinking that somehow there is this never-ending group of people who are chronically homeless. In theory there is not. There have been people who have been stuck 5, 10,15, 20 years. If we can solve their homelessness and we can continue to put in place programs that are preventative, we should not make the assumption that somehow there is always going to be this bucket of chronically homeless people who need housing.²⁹¹

5.11 Another way of thinking about communities is in terms of ‘resilience’. Resilient and sustainable communities are ones in which residents feel connected, supported and safe. Ms Clover Moore MP, Lord Mayor of Sydney, told the Committee that many tenants of low cost rental accommodation are required to move so often that they live a transient life and do not participate in the community but this can be avoided:²⁹²

A focus should therefore be placed on measures which ensure housing tenure for tenants in low cost rental accommodation to encourage residents to establish foundations and participate in the community.²⁹³

Redefining the solution

5.12 The Australian Government White Paper *The Road Home: A National Approach to Reducing Homelessness* (White Paper) acknowledges that homelessness is more than simply a housing

²⁹⁰ Submission 50, Wagga Wagga City Council, p 4

²⁹¹ Ms Felicity Reynolds, Chief Executive Officer, Mercy Foundation Ltd, Evidence, 8 April 2009, p 46

²⁹² Answers to questions on notice taken during evidence 19 June 2009, Ms Clover Moore MP, Lord Mayor of Sydney, p 7

²⁹³ Answers to questions on notice taken during evidence 19 June 2009, Ms Clover Moore MP, p 7

problem. It has many causes, including the shortage of affordable housing, long term unemployment, mental health issues, substance abuse and family breakdown.²⁹⁴ The New South Wales Government notes in its submission these are all problems that have been associated with older style “housing estate” developments of the past where there was a lack of social inclusion.²⁹⁵ The White paper describes what is required for people to be, and to feel, socially included:

To be socially included, all Australians need to be able to play a full role in Australian life. In economic, social, psychological and political terms and to be given the opportunity to:

- to secure a job
- access services
- connect with family, friends, work, personal interests and local community
- deal with personal crises such as ill health, bereavement or the loss of a job
- have their voices heard.²⁹⁶

5.13 The White Paper outlines how the Australian government aims to prevent homelessness by tackling these issues, setting targets and specifically targeting resources at homeless people and those at risk of becoming homeless. It has been found that ‘people who participate in work and their community are more likely to leave homelessness permanently.’²⁹⁷

5.14 Working in tandem with the Australian government, state governments, including New South Wales, have signed partnership agreements. Under the National Partnership Agreements the States and Territories are required to:

- Integrate public and community housing waiting lists
- Implement support arrangements to assist social housing tenants to transition from social housing arrangements to affordable private rental and home ownership as their circumstances change
- Ensure better social and economic participation for social housing tenants by locating housing close to transport, services and employment opportunities
- Reduce concentrations of disadvantage through appropriate redevelopment to create mixed communities that improve social inclusion.²⁹⁸

5.15 In 2007 the NSW Government launched “A New Direction in Building Stronger Communities 2006/07-2010/11”. This strategy is designed to bring together social housing

²⁹⁴ Commonwealth of Australia, *A Road Home: A National Approach to Reducing Homelessness*, 2008, p viii

²⁹⁵ Submission 51, p 63

²⁹⁶ *A Road Home: A National Approach to Reducing Homelessness*, 2008, p 74

²⁹⁷ *A Road Home: A National Approach to Reducing Homelessness*, 2008, p xi

²⁹⁸ Submission 63, Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA), p 5

residents, government agencies, community organisations and businesses in an integrated approach to improve housing, services and opportunities within particular geographic areas.²⁹⁹

5.16 The Building Stronger Communities Strategy is targeted at breaking the cycle of disadvantage in seven social housing areas by taking a more integrated approach. The seven priority locations are: Bathurst/Orange, Claymore, Dubbo, Killarney Vale/Bateau Bay/Tumbi Umbi, Mt Druitt and Wagga Wagga. The aim of the initiative are to:

- improve housing and the local environment
- improve educational opportunities for residents
- coordinate the delivery of appropriate services in the places where they are needed
- increase the number of residents seeking employment
- encourage tenants to take responsibility for their communities
- achieve more stable communities.³⁰⁰

5.17 The principles of this strategy are:

- good planning with sufficient resources to support sustainable initiatives
- local residents and service providers involved in planning local initiatives
- Well resourced and supported consultative structures
- Promotion of respect and responsibility among residents
- Residents responsible for the physical and social well being of the community
- A coordinated approach by Housing NSW and other agencies.³⁰¹

5.18 Ms Sue Cripps, Chief Executive Officer, Homelessness NSW, told the Committee that her organisation is mindful of the need for secure and affordable housing that is in the right place, appropriate to household need and is socially and economically sustainable in all parts of New South Wales:³⁰²

There is no ‘one size fits all’ solution to homelessness, which means responses to individual circumstances, and sensitive to the needs of rural and regional NSW. Strategies that focus on metropolitan centres and ignore the wider NSW community will have minimal impact on homelessness more broadly across NSW.³⁰³

²⁹⁹ Submission 51, p 65

³⁰⁰ Housing NSW, *Building Stronger Communities 2007-2010*, www.housingnsw.gov.au

³⁰¹ *Building Stronger Communities 2007-2010*, www.housingnsw.gov.au

³⁰² Answers to questions on notice taken during evidence 8 April 2009, Ms Sue Cripps, Chief Executive Officer, Homelessness NSW/.ACT, Appendix, Submission to NSW Rural and Regional Taskforce, p 6

³⁰³ Answers to questions on notice taken during evidence 8 April 2009, Ms Sue Cripps, Appendix, Submission to NSW Rural and Regional Taskforce, p 6

5.19 As noted in Chapter 1 the NSW Auditor General conducted an audit in 2007 to assess if the government's outcomes for homeless people were being achieved and to assess the level of success in assisting homeless people to access government support services such as health care and legal assistance. The Auditor General found that there was a broad range of programs that respond to homelessness and people at risk of homelessness in NSW. However, it was also found that there is limited capacity for information sharing about services, no statewide framework to report against these programs, and a lack of performance measures or targets on homelessness. The Auditor recommended the development of a statewide framework for homelessness in NSW, improving reporting and data collection to assist in service delivery planning, and improving homeless peoples' access to mainstream services.³⁰⁴ The Auditor General also noted that homelessness is not a specific priority action in the NSW State Plan and recommended that the new NSW Framework link to the State Plan.³⁰⁵

Committee comment

5.20 The Committee is concerned that the NSW Homeless Action Plan was finally released during the closing days of this inquiry and it is unable to assess its possible impact or comment how stakeholders regard the likelihood of its success or otherwise in addressing these long-term and worrying issues.

5.21 As stated in Chapter 3 the Committee views reducing homelessness as 'everyone's responsibility' and regards a framework for a co-ordinated approach as essential to avoid recreating the problems of the past and looking to a future with sustainable cohesive communities where all members are able to participate. The Committee has already recommended that policies to reduce/prevent homelessness and the provision of social and affordable housing take priority in the New South Wales State Plan. The NSW Homelessness Action Plan is integral to the developing this approach and without evidence the Committee can only hope that it will begin to create a better future for homeless people, as well as those on very low to moderate incomes who experience a lower quality of life as a result of living in housing stress.

The need for outreach services and access to social infrastructure

5.22 Mr Bernard Beorma, Vice Chair, Catholic Social Services NSW/ACT, emphasised that more than a "bricks and mortar approach" is needed to tackle homelessness:

We know that homelessness is more than just not having a home and that for homeless people acquiring a property is the beginning of overcoming their homeless situation not the end of it. It is then that the provision of social services becomes important to maintain a tenancy.³⁰⁶

5.23 The New South Wales government regards the co-ordination of support services as a key challenge for effective intervention strategies. While the provision of housing and support

³⁰⁴ NSW Auditor General's Report Performance Audit, *Responding to Homelessness*, May 2007, p 2

³⁰⁵ NSW Auditor-General's Report Performance Audit, *Responding to Homelessness*, May 2007, p 2

³⁰⁶ Submission 14, Catholic Social Services NSW/ACT, p 1

services can be costly, The Government notes in its submission that this expenditure can result in savings to government in other areas:

Homeless people are high end users of health services including ambulances, hospital emergency rooms and mental health emergency intervention teams, and are frequently in contact with the justice system. There is potential for homelessness programs to be dramatically cost effective. If homelessness programs were able to reduce the utilisation of health and justice programs down to population rates of utilisation, the savings achieved would reduce the budget outlays in these areas and pay for the homelessness programs several times over.³⁰⁷

5.24 The NSW Partnership Against Homelessness, established by the NSW Government in 1999, aims to help people to access services, to coordinate services and prevention approaches, and to improve access to temporary or crisis accommodation and facilitate the move to long term accommodation by a network of twelve government agencies working together.³⁰⁸ However, the Committee is concerned that 10 years on, homelessness and the risk of homelessness remain a major problem in NSW.

5.25 The New South Wales government told the Committee that the recently released NSW Homelessness Action Plan provides the strategic policy framework to address homelessness in New South Wales:

A key emphasis of the Action Plan is the need for inter-agency collaboration and responses that are delivered in partnership with the non-government sector.³⁰⁹

5.26 However, the City of Sydney Council told the Committee that it takes more than the provision of infrastructure to develop a cohesive community. Communities need community development and social support services which engage residents in community capacity building activities.³¹⁰

5.27 To build social infrastructure it is important that both social and affordable housing is targeted with adequate and appropriate resources. In its submission Catholic Social Services NSW/ACT suggested that 'this involves the development of infrastructure including useable community spaces (utilise existing buildings through renovation), community health facilities and meaningful vocational opportunities (voluntary/paid work opportunities, leisure and recreational opportunities).³¹¹

5.28 Some housing providers have geographical advantages in relation to ensuring their tenants can have easy access to outreach and community programs. Mr Perkins, General Manager, City West Housing, told the Committee of the locational advantages of City West Housing:

...geographically we are located in an area where these things are accessible, so we have not had to deal with them not being accessible. But we also foster relationships with local community groups, and in particular though one of our preference

³⁰⁷ Submission 51, p 14

³⁰⁸ Submission 51, p 23

³⁰⁹ Submission 51, p 23

³¹⁰ Answers to questions on notice taken during evidence 19 June 2009, Ms Moore, p 7

³¹¹ Submission 14, p 10

shareholdings, which is the Uniting Church. They have a community centre in the area and we have a great relationship. ... Some housing providers provide direct links with support providers and have arrangements, but we refer people when we know they need assistance. Even if we become aware when they are being housed we make sure that they have those in place before they come because we cannot provide it ourselves.³¹²

- 5.29** The New South Wales Government recognises the complexity of factors that can result in homelessness that require support to be provided to people at risk. This includes supporting people to access support services. In its submission the Government outlined the role of the Housing and Human Services Accord in 'providing a framework to improve the planning, coordination and delivery of services to assist social housing tenants to sustain their tenancies, through partnerships between Housing NSW and other human service agencies and non-government organisations.'³¹³

Special needs

- 5.30** The Committee was given evidence about a housing association that includes social support as well as housing in its service provision. Ms Nazha Saad, Chief Executive Officer, St George Community Housing (SGCH) told the Committee that although it provided many support services for tenants of SGCH there is a need for more:

SGCH has support agreements with 49 support providers. These support providers specialise in supporting families, women escaping domestic violence, Indigenous households, homeless, people living with HIV/AIDS and people exiting the criminal justice system.

Some of the support services are not adequately funded to provide the level of support tenants require. Much of the support required for people with high and complex support needs has to be targeted to basic living skills in order to facilitate achieving a level of independence.³¹⁴

- 5.31** Inquiry participants informed the Committee that strong family ties cannot always be relied upon by all people in the community. Ms Sharon Price rsm, Executive Director, Conference of Leaders of Religious Institutes told the Committee that this is certainly the case for refugees and non-English speaking migrants. Ms Price said that these people do not have the language skills to seek out the services that could be helpful to them and it is particularly important that housing services are integrated with service coming directly to the clients.³¹⁵
- 5.32** Co-operative housing may be an alternative for some people with special needs. Ms Karine Shellshear, Executive Director, Association to Resource Cooperative Housing, told the Committee that co-operative housing has a 'range of additional social benefits to participants' are often comprised of people with like needs and one of the most successful co-operatives is

³¹² Mr Richard Perkins, General Manager, City West Housing Pty Ltd, Evidence, 10 June 2009, p 53

³¹³ Submission 51, p 23

³¹⁴ Answers to questions on notice taken during evidence 19 June 2009, Ms Nazha Saad, Chief Executive Officer, St George Community Housing, p 6

³¹⁵ Submission 3, Conference Leaders of Religious Institutes in New South Wales, p 7

a group of elderly Vietnamese people who have very good communicators working on their behalf.³¹⁶

Common Ground

- 5.33** “Common Ground” is a housing model, originating in New York that provides permanent, long-term supportive housing. Although the model particularly targets chronically homeless people it also targets key workers and people on low incomes, thus providing a mix of tenants across a range of ages, gender, single and family.³¹⁷
- 5.34** The strength of the model is in the support services it provides, according to Ms Reynolds:
- Housing is key to homeless; it is absolutely the most crucial component but you must have the support services ... if we look at some of the suburbs out west, there was also infrastructure, transport, a whole lot of basic services that were missing³¹⁸
- 5.35** Ms Reynolds explained that the model in New York has a concierge to support tenants, who are often vulnerable, so they have somewhere where they feel safe. Support services are brokered through on site case managers and tailored to meet the needs of Common Ground tenants.³¹⁹
- 5.36** Common Ground models have been, or are in the process of being established across Australia – in Tasmania, South Australia and Victoria. During the course of this inquiry the New South Wales Premier, the Hon Nathan Rees MP, announced that New South Wales will develop a purpose built building in Camperdown for homeless people based on the New York Common Ground Model. This is an initiative to be undertaken by state and local government working with developers and the not for profit sector.³²⁰
- 5.37** In backing the Common Ground model of supported housing, the New South Wales government told the Committee that it has proven to have a greater success than models that move through crisis and transitional accommodation before entering long term arrangements.³²¹

Committee comment

- 5.38** The Committee regards the establishment of a Common Ground-type model within New South Wales as a positive step in the right direction. As a successful model that has proven its

³¹⁶ Ms Karine Shellshear, Executive Director, Association to Resource Cooperative Housing, Evidence, 7 April 2009, p 41

³¹⁷ Ms Felicity Reynolds, Chief Executive Officer, Mercy Foundation Ltd, Evidence, 8 April 2009, pp 42 - 46

³¹⁸ Ms Reynolds, Evidence, 8 April 2009, p 43

³¹⁹ Ms Reynolds, Evidence, 8 April 2009, p 44

³²⁰ “NSW commits to common ground”, 3 August 2009, www.premier.nsw.gov.au accessed 4 August 2009

³²¹ Answers to questions on notice taken during evidence 7 April 2009, Ms Maura Boland, Housing NSW, Part Two, p 19

effectiveness elsewhere, it will help meet the pressing needs of homeless people for housing and support services as well as the needs for and of key workers.

- 5.39** However, the construction of one building in one location will not go far enough in addressing the complex needs of homeless people in New South Wales. The Committee has heard how this model is being developed in cities throughout Australia and is of the view that this initiative can be replicated other cities within New South Wales. The Committee is recommending that potential sites are identified and evaluated as a matter of priority. As the success of the model is reliant on the presence of a ‘concierge’ and the provision of on-site support services, all identified sites need to have input from NSW Health who are responsible for many of the required services.

Recommendation 12

That Housing NSW in liaison with the Department of Planning and NSW Health identify and assess potential sites for additional Common Ground-type developments that have the necessary support structures available in the local area.

Local solutions

- 5.40** As successful as the Common Ground type model seems to be, Ms Reynolds told the Committee that she did not think it would be a great model outside of urban areas. Ms Reynolds regards other models which provide outreach services as more suited to urban and regional areas, including Pathways to Housing:

I think it is an urban [model]. I think we need to think of some other things for rural and regional areas and I think that is where local government could certainly perform a role.³²²

- 5.41** Pathways to Housing is a model that emphasises consumer choice. It provides a range of low cost housing options and gives consumers the choice of housing type e.g. single person studio or multi-occupancy units. While it is required that homeless people accept a minimum level of support services, tenants are allowed to determine the type and intensity of services they receive.³²³:

- 5.42** Ms Reynolds said that the Federal government has realised that it cannot do it all, that it needs local communities and governments to identify what is needed to support housing:

What they have been doing is encouraging local plans to end homelessness. Just as I would not know what to do in Dubbo, I suspect Dubbo has half a clue what needs to happen in Dubbo. They will know the services on the ground; they will know the types of people who are affected by homelessness there ...that is where local government can perform a key role in helping to bring together those plans

³²² Ms Reynolds, Evidence, 8 April 2009, p 45

³²³ Submission 51, p 46

5.43 The Lord Mayor of Sydney indicated the willingness of local councils to follow this route:

...local government must be included in developing and implementing solutions, particularly through councils co-ordinating at a regional level.³²⁴

5.44 The Committee heard of some community housing providers who are assisting their tenants with more than housing. For example, St George Community Housing provides their tenants with a number of ways to ease the financial pressures and improve social cohesion. These include a Bursary Scheme, White Goods Loans and rent incentives as well as social outings to venues such as Taronga Zoo and a newsletter to let tenants know what is happening.³²⁵

5.45 Co-operative housing is another form of housing that offers local solutions where ‘people come together for a common purpose’ and tenants are offered training in tenancy and asset management, as well as governance, organisation and financial management. Ms Shellshear told the Committee that these democratic self-managed organisations have a very high level of tenant participation;

Tenants elect other tenants as directors who run the co-operative, manage the business, select and allocate tenancies, look after the finances, the assets and tenancies.³²⁶

Committee comment

5.46 The Committee embraces any move to involve all levels of government and the private sector in solving homelessness and providing sufficient affordable housing in locations to benefit both communities and individuals. The Committee is also mindful that while local governments know what is required within their area they often do not have the resources to provide the solutions. It is often not within the ambit of local governments to raise the required resources. State government support and coordination of the provision of well targeted, ongoing resources is imperative for success. The Committee is therefore recommending the development of regional advisory bodies as a mechanism to include local government and local housing providers, the establishment of regional advisory bodies.

Recommendation 13

That Housing NSW establish regional advisory bodies, with representatives of local council and housing providers, to enable local solutions for growth in affordable housing:

- in areas with appropriate existing physical and social infrastructure
 - with appropriately targeted resources.
-

³²⁴ Ms Moore, Evidence, 19 June 2009, p 4

³²⁵ St George Community Housing, www.sgch.com.au, accessed September 2009

³²⁶ Ms Shellshear, Evidence, 7 April 2009, p, Evidence, 7 April 2009, p 39

Availability of appropriate housing

5.47 In its submission the New South Wales Government told the Committee that suitability and quality of housing is as important as affordability of housing:

Housing can be affordable, yet inadequate to the needs of households. This includes housing that is poorly maintained, overcrowded, or inaccessible to infrastructure and services. It is important that there is affordable housing available that can meet the needs of groups with specific housing requirements such as people with a disability or mental illness, and older people.³²⁷

5.48 Ms Shellshear expressed her concern that the capacity for affordability has been severely impacted by the extensive loss of traditional low-cost housing stock, such as boarding houses, rooming houses, share housing, together with the highly competitive nature of the private rental market:

Such critical failure in the supply market has inflated costs and served to marginalise those who cannot afford, and/or are unable to compete, particularly in the Sydney Greater Metropolitan Region. This includes single people, low-income people, singles with children, youth, students and the aged, and especially people with the added disadvantage of a physical or mental disability, or a language and cultural barrier.³²⁸

5.49 As a result of the lack of supply of affordable housing Ms Shellshear told the Committee that a broad spectrum of people are living in a range of inappropriate circumstances, paying high proportions of their income in rent, living in overcrowded conditions or places not intended as housing such as laundries, garages and cars or in locations dislocated from mainstream infrastructure, or in the case of the homeless, in streets and parks.³²⁹

5.50 Private sector rental is not an option for many low income earners, a point made by Mr Gregor Macfie, Executive Officer of the Tenants Union of New South Wales:

... if someone is living with a disability on a very low income, the choices may only be public housing or some particular form of community housing. It is very difficult in the private market.³³⁰

5.51 The Committee spoke with Mr Randolph Fricke, a tenant with CWH. Mr Fricke explained his personal circumstances, his inability to pay for high rental accommodation and waiting lists of up to 12 years for community housing and the impact that this had on his housing options:

I was homeless for about 12 months. Prior to that I lived in a building in Newtown, which has since been demolished. I found myself unable to pay the rents in that area. They were too high. So I found myself on the streets with nowhere to live. So I went on a personal support program. I told them that I had an application with the Department of Housing and there were two community housing organisations that I

³²⁷ Submission 51, p 11

³²⁸ Submission 34, Association to Resource Co-operative Housing (ARCH), p 2

³²⁹ Submission 34, p 2

³³⁰ Mr Gregor Macfie, Executive Officer, Tenants' Union of New South Wales, Evidence, 11 June 2009, p 17

made applications with. They all had long waiting lists. For the Department of housing I was told 12 years and for the other community housing I was told about six years. So I thought that I would be on the street for a long time. But it was my personal support consultant who told me about City West Housing. I was told that there was a building near completion and that I might get in. I was lucky to get in, I think.³³¹

- 5.52** As social housing has evolved to meet the needs of the most disadvantaged, the Australian Government recognises the need for affordable housing by people who are having difficulty in the private rental market and will not necessarily get priority on the public housing waiting list. Ms Wall, described the situation of these people:

They may not even get access to public housing waiting lists but they are still paying more than 30 per cent of their income in rent and they are probably still in the bottom two quintiles so they are meeting that definition of housing stress.³³²

- 5.53** The Committee discussed the ‘continuum of housing need’ in Chapter 4 and noted the level of need for affordable housing by a broad range of people. Ms Boland told the Committee:

We talk ... about a continuum of need, from people who are homeless and where they are homeless or cycling in and out of homelessness, through people who need access to support and housing together, through people who have affordability issues but may still require social housing, to people who merely have affordability issues and need to be able to access affordable rental housing in myriad forms, whether it is some kind of subsidised affordable rental or private rental, through to people who need assistance to be able to access home ownership. I guess there is that full spectrum of need.³³³

- 5.54** This ‘continuum of need’ is not limited to people who have limited income. Ms Boland also noted the need to house people with disability:

... people who are rough sleeping in Sydney often have extremely complex needs. They may have mental health disorders. They may have drug and alcohol dependency. They may have an intellectual disability.³³⁴

- 5.55** Mr Bill Randolph, Professor and Director, City Futures, Research Centre, University of New South Wales, also spoke of the need for a range of assisted housing options particularly in relation to employment opportunities:

I think we have seen some problems with the existing system in terms of affordability—certainly in terms of the supply side—for homes for lower income Australians and, let us be quite frank about it, those lower income Australians are a critical part of the economy: they do very important jobs; they keep the economy going.³³⁵

³³¹ Mr Randolph Fricke, Tenant, City West Housing Pty Ltd, Evidence, 10 June 2009, p 60

³³² Ms Wall, Evidence, 10 June 2009, p 3

³³³ Ms Boland, Evidence, 7 April 2009, p 15

³³⁴ Ms Boland, Evidence, 7 April 2009, p 22

³³⁵ Professor Bill Randolph, Director, City Futures Research Centre, University of New South Wales, Evidence, 7 April 2009, p 33

5.56 The need to link housing opportunities to where there is a need is also seen as a priority within the Aboriginal housing sector. The Director General, Department of Aboriginal Affairs, Ms Jody Broun told the Committee that effective service delivery is about targeting where the need is, stating ‘[y]ou have to know where the need is, where it is moving to, what the trends are’.³³⁶

5.57 The need for appropriate affordable housing is not limited to urban areas. Ms Trish Evans, Affordable Housing Project Officer for The Northern Rivers Social Development Council, outlined the current situation in the Northern Rivers region:

There is a significant undersupply of affordable housing in the Northern Rivers region from highly subsidised and supported housing for people who are homeless through to subsidised private rental housing for low to moderate income working households. Levels of subsidy for these households vary depending upon proximity to the higher cost coastal locations within the region. To date, this region has not been able to secure a share of opportunities currently available to increase housing supply.³³⁷

5.58 The direct link between homelessness, the lack of affordable housing and the importance of limiting the cost of housing was made by Mr Paul van Reyk, Community Engagement and Content Manager, National Homelessness Information Clearinghouse, when he expressed his concerns for what he call ‘the chronically episodically homeless who are vulnerable to homelessness’:

This is a group of people who live in what we would call public housing and who clearly spend the bulk of their income meeting their housing debts. Every time there is a small family crisis that means an upsurge in family expenditure they are threatened with not being able to pay the rent and hence with eviction from either private or public accommodation. I think they are a very hidden group because what tends to happen is that they have short-term solutions that are classically cash handouts for quick-fix rent payments but certainly not long-term solutions to the fact that another crisis is going to come along and yet again they will be in that situation.³³⁸

Urban renewal

5.59 Past policies have resulted in approximately 40 per cent of all public housing properties in New South Wales being located in areas with concentrations of disadvantage. The New South Wales Government in its submission to the inquiry stated that although many public housing households function well, and most areas with a concentration of public housing have positive attributes and strengths, some public housing sites have become areas where most of those marginalised from social and economic life are concentrated.³³⁹

³³⁶ Ms Jodi Broun, Director General, Department of Aboriginal Affairs, Evidence, 8 April 2009, p 13

³³⁷ Submission 32, Northern Rivers Social Development Council, p 1

³³⁸ Mr Paul van Reyk, Community Engagement and Content Manager, National Homelessness Information Clearinghouse, Evidence, 8 April 2009, p 2

³³⁹ Submission 51, p 63

5.60 These ‘estates’ where there are concentrations of disadvantaged people often have poor access to services such as transport, education and employment opportunities, poor housing design and layout, which have contributed to social problems. These concentrations have proven to affect residents’ quality of life and increase the costs for government.³⁴⁰

5.61 The Australian Government acknowledges that the inherited model of providing public housing in concentrated estates is of concern and should not be repeated, telling the Committee that the transitional process of redeveloping these areas is difficult:

It is very costly to redevelop some of the some of those large estates, but really that is probably what has to happen.³⁴¹

5.62 The New South Wales Government is progressing its efforts to integrate public housing into local communities, with specific initiatives identified in its submission to the inquiry, including:

- new public housing which aims for mixed communities wherever possible
- improving the physical environment of existing public housing sites
- assisting tenants to redress their disadvantages through tenant participation activities and measures to improves social outcomes
- redeveloping and renewing existing public housing sites, including breaking up concentrations of public housing and replacing these with a mix of housing tenures.³⁴²

5.63 As a way of addressing the needs of disadvantaged communities the New South Wales Government is undertaking urban renewal programs such as the Living Communities project in Bonnyrigg, Minto and Airds and the Building Stronger Communities Strategy to regenerate seven priority communities. These projects aim to reduce disadvantage by improving services and opportunities for residents, build strong communities as well as renew the houses and public areas.³⁴³

5.64 Although there is overwhelming evidence that the creation of housing estates is not an ideal method of addressing the housing needs the Committee also heard evidence that indicates in some estates there is social cohesion and a supportive network for community members and solutions other than breaking up the community may more appropriate. Ms Clare Blakemore, Policy Officer, Social Justice, Partnership and Communication, UnitingCare Children, Young People and Families cited as an example the Minto Renewal Project:

Consultation with our service providers in the Minto area has indicated that before the area was redeveloped due the ‘concentration of disadvantage’, community members felt there was a strong sense of community and many community members supported and looked out for each other. This indicates that that there are strengths within the community that can be capitalised on in any broader policy to avoid concentrations of disadvantage. It may be that other factors, such as lack of transport, education and

³⁴⁰ Submission 51, p 63

³⁴¹ Ms Wall, Evidence, 10 June 2009, p 10

³⁴² Submission 51, p 63

³⁴³ Submission 51, pp 63 -67

employment opportunities, contribute more significantly to poor outcomes and social disadvantage than the 'concentration' level.³⁴⁴

Committee comment

- 5.65** Projects to address the ongoing and complex needs of tenants in public housing estates need priority action. The Committee understands that problems of social exclusion and isolation will not be remedied overnight, but require long term commitment and funding and a different approach to create homes not houses. Increasing both the standard of housing and diversity of tenants in housing estates is underway but will take time. In the meantime it is essential that resources are allocated to increase the 'life opportunities' of tenants through the provision of local social and physical infrastructure.
- 5.66** Housing estate tenant preferences need to be respected and people given real housing options. In some communities, where tenants are supportive of each other and want to remain together as a cohesive functioning community but require physical infrastructure and social inclusion strategies to do so. In these communities, specifically targeted resources should be allocated by the New South Wales Government to address these needs. The Committee regards the provision of resources to reduce social exclusion, which ensure residents can participate as active community members are ultimately less costly both financially and socially. For change to happen in this area greater input from both the Department of Planning and local residents is required. The Committee also regards success in this endeavour as dependent upon communication networks that are established between government, service providers and tenants.
- 5.67** As well as undertaking measures to redress the wrongs of the past it is vital that they are not repeated in the future. The Committee heard evidence in relation to effective ways to deliver social and affordable housing. These are discussed below and it is understood that these concepts apply equally to the provision of new housing as well as renewing previous housing developments.

Recommendation 14

That Housing NSW work with local government, not for profit housing organisations and tenant representatives to identify social cohesion programs which would benefit housing estate tenants, and make representations to specific government departments to ensure these programs are implemented.

Mixed communities in scattered developments

- 5.68** In other Western countries there have been similar concentrations of social housing with the same associated problems of social exclusion. Ms Perkins, told the committee that governments in countries such as Scotland are now taking a proactive approach, rather than targeting the problems in these communities they are adopting *placeshaping* policies with a goal of mixed communities:

³⁴⁴ Submission 35, UnitingCare, Young People and Families, p 3

People of different ages, lifestyles and incomes sharing in the benefits of decent housing and an external environment capable of meeting their needs now and in the future. A mixed community development promotes a well-integrated mix of land uses with well-designed homes of different types and tenures and is capable of supporting this range of household sizes, ages and incomes.³⁴⁵

- 5.69** Ms Clarie O’Neill, Executive Support Officer, Catholic Social Services noted that the cycle of homelessness may be broken when people can learn to reengage with the community and have positive role models:

Low cost housing, owner occupier, community and supported housing help to achieve an inclusive community that provides opportunity for full community participation for all.³⁴⁶

- 5.70** Western Sydney Regional Organisation of Councils (WESROC), in their *Response to the Housing Affordability Fund Consultation Paper*, state that ideally each residential area should contain a mix of housing types, styles, layouts and tenure to enable family groups, singles and the elderly to find suitable accommodation. In addition to being more socially equitable this would create a more balanced mix and reduce the demand for age-specific services such as schools, childcare and health centres and ensure a diversity of services to fulfil the full lifecycle of a community.³⁴⁷

- 5.71** This point was also made by Mr Adam Farrar, Executive Director, New South Wales Federation of Housing Associations, who told the Committee that it is ‘important for the viability and the general health of the community that they have a mix of households, a mix of incomes, and a mix of occupations’.³⁴⁸

- 5.72** This is the approach that has been taken by City West Housing Pty Ltd (CWH), a provider of housing for a diverse mix of people with links to the Ultimo/Pymont area. The application of a three tiered approach to income eligibility for tenants in City West Housing provides both financial and social benefits. (The financial benefits to CWH and similar organisations are outlined in Chapter 4.) General Manager, Mr Richard Perkins, told the Committee that ‘[t]his mix provides immeasurable benefits for housing managers and the community as one is creating a more normal community’.³⁴⁹

- 5.73** Although a number of tenants in Band 1 and some in Band 2 receive income solely from Centrelink, a wide range of occupations are represented across all bands and clearly includes those who can be classified as ‘key workers’. Examples of some of the occupations in each band include:

- Band 1 (income up to \$28,393) – shop assistants, hospitality workers (cleaners, bar staff, wait staff, hotel reception), child care workers, temporary clerical workers, taxi drivers, writers, part-time actors, musicians.

³⁴⁵ Submission 12, Shelter NSW, p 19

³⁴⁶ Submission 14, p 9

³⁴⁷ Response to the Housing Affordability Fund Consultation Paper, WSROC, July 2008, p 8

³⁴⁸ Mr Farrar, 8 April 2009, p 27

³⁴⁹ Submission 4, City West Housing Pty Ltd, p 4

- Band 2 (\$28,394 to \$45,472) – Security officers, bus drivers, construction workers, factory hands, real estate property workers, couriers, dance instructors, call centre staff, hotel/hospitality staff, trades people (such as electricians, plumbers, carpenters) restaurant staff, wait and bar staff.
- Band 3 (\$45,473 to \$76,949) – Nurses, police officers, teachers, transport workers, social workers, accounting staff, construction workers, medical administration staff, retail shop assistants, office clerical staff, public servants, waterside workers, real estate property staff, finance industry staff.³⁵⁰

5.74 The Committee visited City West Housing and heard from tenants about the positive effect of living in a mixed community where social inclusion was the norm and there was a real sense of community. Mr Francis Edwards, told the Committee of his experience living in a mixed community with on-site management:

They engender a spirit of cooperation. You feel good about doing the right thing. They become friends and family.³⁵¹

5.75 The same benefit was acknowledged by the General Manager of CWH, from a management point of view:

There are distinct management benefits also with this broader mix of people. We believe tenants when living without any perceived stigma take an increased pride in their dwellings and communal areas and we also evidence a reduced number of behavioural and maintenance issues than might otherwise be experienced.³⁵²

5.76 The Chief Executive Officer of Housing Choices Australia, Mr Michael Lennon, told the Committee that the ‘culture of tenant empowerment and control in other jurisdictions is a lot more advanced than it is in Australia’.³⁵³ Mr Michael Newey also raised this concept when he briefed the Committee on housing associations in the United Kingdom. Mr Newey said that it was important that tenants were regarded as customers, with a strong voice and influence.³⁵⁴ This concept is explored further in Chapter 4 in relation to review of the regulatory system guiding affordable housing.

5.77 Mr Lennon told the Committee that his organisation in Victoria aims to avoid concentrations of people with complex needs or in crisis situations by taking a similar approach to the distribution of tenants within its developments to CWH:

On any new development we strive for a 30:40:30 split; that is 30 per cent would be people on statutory incomes—Centerlink payments or disability support pensions; 40

³⁵⁰ Submission 4, City West Housing Pty Ltd, Appendix

³⁵¹ Mr Francis Edwards, Tenant, City West Housing Pty Ltd, Evidence, 10 June 2009, p 62

³⁵² Answers to questions on notice taken during evidence 10 June 2009, Mr Richard Perkins, General Manager, City West Housing Pty Ltd, p 3

³⁵³ Mr Lennon, Victoria, Evidence, 30 June 2009, p 19

³⁵⁴ Briefing by Mr Michael Newey, Parliament House, 19 February 2009

per cent would be households with some part-time work and some extra income; and 30 per cent would be low income households where some person works full time.³⁵⁵

5.78 From the evidence received during the inquiry, it is clear to the Committee that CWH is exceptional. The normal model is the public housing model. Ms Nazha Saad, Chief Executive Officer, St George Community Housing (SGCH) told the Committee they would like to move to a model which allowed them to provide housing across the spectrum of need - from public and community housing through to assisted equity ownership, where tenants could move from one to another but current funding arrangements prohibited this:

... we actually have to move them out of that house because it is tied to a supported housing program, even though that this the house they have grown to love—they have stability, it is close to schools ... we are seeking more a portfolio approach to being able to manage the properties that we have. I know that Housing NSW is aware and wishing to do something about that.³⁵⁶

5.79 The eligibility criterion applied to prospective tenants of non-mainstream, community housing is the same as eligibility criterion for public housing tenants. This limits the providers flexibility to accommodate applicants who may not be able to access affordable housing but are ineligible as their income is above that required for public housing. Ms Perkins, told the Committee that community housing providers need to be flexible enough to offer housing to a broader range of people for social reasons and financial sustainability.³⁵⁷

5.80 An alternative means of ensuring mixed tenancies was offered by Ms Clover Moore MP, Member for Sydney, who wrote in her submission that home ownership has been shown to increase security, build social capital and engender pride and a sense of responsibility that is less common in short term rental accommodation. Ms Moore offered that shared equity schemes have been proposed as a way for tenants on a moderate income to be able to enter the housing market, which may otherwise be inconceivable. These no-interest schemes use financial backing from government or not for profit organisations as equity. Ms Moore suggested that the New South Wales Government could retain 25-40 per cent of the equity in the property, depending on the tenants' circumstances.³⁵⁸

Committee comment

5.81 The Committee has seen the success of mixed income tenancies at City West Housing. The impact of eligibility criteria on both the residents of social housing and the providers is substantial. The Committee considers it important to establish communities that are both socially and financially sustainable over the long-term and are akin to communities that have grown up over time. By constraining registered community housing providers to apply strict eligibility criteria for the allocation of tenancies there is an automatic imbalance in the community; with a predominance of people on very low incomes with high needs.

³⁵⁵ Mr Lennon, Evidence, 30 June 2009, p 20

³⁵⁶ Ms Nazha Saad, Chief Executive Officer, St George Community Housing, Evidence, 19 June 2009, p 30

³⁵⁷ Submission 12, Shelter NSW, p 8

³⁵⁸ Submission 33, Ms Clover Moore MP, Member of Sydney, p 4

- 5.82** The Committee considers that it is in the best interests of all tenants to live in communities comprised of a mix of people with financial and life experiences. By allowing registered community housing providers greater flexibility in the application of eligibility criteria and expanding these criteria, a broader range of tenants can be housed in communities that are more socially inclusive and sustainable.

Recommendation 15

That Housing NSW review its eligibility criteria for tenancy in registered community housing to provide greater flexibility and a broader social mix, and in consultation with local government, establish target percentages for each income group – very low, low and moderate income households.

Location

- 5.83** Dr Milligan and colleagues, in the research document *Innovation in Affordable Housing in Australia* outline that well located housing, close to transport, educational and employment opportunities can be seen to improve social cohesion, whereas, shortages in the supply of affordable housing for low and moderate income workers near employment opportunities, exacerbates social disadvantage and undermines economic prosperity. The provision of affordable, well located housing has important socio-economic and environmental benefits, including social integration, environmentally sustainable urban and housing design, a stability in the construction industry.³⁵⁹
- 5.84** Ms Reynolds, also focussed on the importance of locating housing even though it may not always be the cheapest option in the short term:

It is essential that new developments for low cost and social housing not be concentrated in particular areas, but appropriately scattered throughout metropolitan and regional areas. This will mean that some land costs to develop new housing may be more expensive than if land is only purchased in cheaper areas, but savings will be made in the long term because of improved social inclusion and reduction in anti-social behaviors.³⁶⁰

- 5.85** The Committee heard that residents of Western Sydney often suffer from locational disadvantage. Assistant Director, WESROC, Ms Sharon Fingland told the Committee that while it is often considered an area of cheaper housing it is not cheap for the residents who live there. There is a lack of adequate, affordable housing that provides reasonable access to work opportunities and community services at a cost that does not cause substantial hardship to the occupants for residents.³⁶¹

³⁵⁹ Tabled document, Milligan V, Gurran N, Lawson J, Phibbs P & Phillips R, *Innovation in Affordable Housing in Australia: Bringing Policy and Practice for Not for Profit Housing Organisations Together*, Australian Housing and Urban Research Institute, June 2009, p 30

³⁶⁰ Submission 30, Mercy Foundation Ltd, p 4

³⁶¹ Submission 65, Western Sydney Regional Organisation of Councils Ltd, p 12

High car dependency is exacerbating income dependency in many areas ... in these areas people are already suffering from a combination of housing stress and transport stress ... Transport costs are the third largest item in household budgets after housing and food.³⁶²

5.86 Ms Fingland, explained the result of people moving to areas where the housing is cheaper by the living costs high:

...we have concentrated the disadvantage in such a way that it is certainly not acceptable. From the development point of view, when we have over-concentrations of disadvantage, poor communities and poor environmental outcomes, people do not want to live there. You are left with people with no housing choices.³⁶³

5.87 Ms Fingland went on to describe the areas which she regards as requiring socially sustainable urban renewal:

These are the older suburbs, which basically, I would argue, have been forgotten in the planning process. ...They are not the areas that have gentrified, but the areas where the housing stock is coming to the end of its natural life. It is often described as fibroland, or the other areas of three storey walk-ups that were built in the 1950s and 1960s around centres in western Sydney.³⁶⁴

5.88 The Northern Rivers Social Development Council (NRSDC) is also concerned about the social mix within local communities and the effect that it can have on the community as a whole. As a solution Ms Trish Evans, Affordable Housing Project Officer, NRSDC, suggested that there should be:

- strict limits on the amount of low cost housing development permitted in lower cost locations that are not well serviced by transport or near service centres.
- additional funding to help the growth of community based services.³⁶⁵

5.89 The New South Wales Government is aware of the difficulties of balancing affordable rents and high commuting costs due to the spatial mismatch between jobs and workers and the problems that can occur:

Spatial mismatch between jobs and housing may undermine efforts to promote social inclusion and workforce participation, if unemployed people are unable to access suitable jobs near where they live. High commuting costs associated with entry into employment may operate as a disincentive to workforce participation for some individuals, or make some forms of work impractical – such as jobs involving shift work or irregular hours.³⁶⁶

³⁶² Submission 65, p 13

³⁶³ Ms Sharon Fingland, Assistant Director, Western Sydney Regional Organisation of Councils, Evidence, 19 June 2009, p 21

³⁶⁴ Ms Fingland, Evidence, 19 June 2009, p 21

³⁶⁵ Submission 32, Northern Rivers Social Development Council, p 3

³⁶⁶ Submission 51, p 12

- 5.90** According to Ms Boland, Housing NSW does not currently have enough information on the needs of regional locations to develop evidence based regional responses to homelessness. Ms Boland told the committee that following the release of the NSW Homelessness Action Plan the NSW government hopes to be able to respond more regionally:

... hope that we can get broader engagement of communities beyond government agencies and service providers and involve business communities and so on to be able to come together to develop a response to homelessness for the location.³⁶⁷

Committee comment

- 5.91** The NSW Homelessness Action Plan, *A Way Home: Reducing Homelessness in NSW*, was released on 3 August. The Committee did not have the opportunity to question witnesses about the plan and is therefore unable to comment on the plan itself, or on extra funding that may have come from the Australian Government, under the National Partnership on Homelessness, on completion of this plan.

- 5.92** The Committee is concerned at the continuing lack of physical and social infrastructure in areas where housing is relatively more affordable. It regards this as a result of a lack of planning and inadequate resources. Long-term co-ordinated planning and resource allocation is essential to the development of resilient communities with appropriate supporting infrastructure

Key Workers

- 5.93** It is apparent that concentrations of affordable housing in one location can affect the social make-up of an area. The Committee heard evidence that the reverse is also true. The New South Wales Government told the Committee of evidence that an increasing proportion of affordable dwellings are either in non-metropolitan regions or in the outer regions of the larger cities and this is an economic as well as a social welfare issue.³⁶⁸ In its submission the Government stated:

In New South Wales, the greatest affordability challenges appear to be faced by lower paid workers who live in inner Sydney, where housing affordability pressures affect both low and moderate income earners. In the inner ring of Sydney, 90.5 % of low income households and 52% of moderate income households renting in the private market are paying more than 30% of their gross household income as housing costs.³⁶⁹

- 5.94** Workers in the city face increasing pressure to relocate to areas where rents are lower, although not necessarily affordable.³⁷⁰ Professor Bill Randolph told the Committee that the problem for key workers also lies in the mismatch between the location of low paid jobs and where the people filling those positions can afford to live:

³⁶⁷ Ms Boland, Evidence, 30 June 2009, p 3

³⁶⁸ Submission 51, p 11

³⁶⁹ Submission 51, p 12

³⁷⁰ Submission 51, p 12

... the key worker problem lies in our cities. This is not rocket science: it is low-paid workers, and these are the occupations they are in. One of the key issues when you are thinking about key workers is where those jobs are, as opposed to where the opportunities for them to live are.³⁷¹

5.95 This was supported by Ms Monica Barone, Chief Executive Officer, Council of the City of Sydney, who told the Committee that where there is insufficient affordable housing to accommodate low paid workers these key workers have to commute long distances on a daily basis to the outer suburbs where housing is more affordable.³⁷²

5.96 Ms Barone indicated that over the past decade there had been a loss of key workers within the City of Sydney. This group includes, those engaged in critical child care, cleaning maintenance and community services sectors.³⁷³ Ms Barone is concerned that the loss of these residents within the City can threaten economic competitiveness and growth:

The result can be an unsustainable position of lack of diversity, labour shortage in certain occupations and a degradation of social capital, which can manifest itself in social exclusion.³⁷⁴

5.97 Mr Anthony Hewton, Divisional Manager, Corporate Planning and Strategy, Manly Council, cited the increased conversion of former working homes into luxury or gentrified dwellings as a cause of the loss of key workers in the area.³⁷⁵

5.98 Mr Farrar spoke to the Committee regarding the social impact of this mismatch. He voiced his concern for key workers who cannot afford to live where they can access jobs, schools and the services they need, citing the following example:

The North Shore is an area where there is an ageing population with a need for care workers. Care workers simply cannot afford to live in the area where their services are needed and some of the major charities that are aged care providers are finding that a major problem in delivering the services that they need in a lot of those areas. This is simply a general point about the impact. The individual impacts we know, the impacts of the concentration of disadvantage because people simply have to live where they can afford to live or where public housing is provided and the generational problems that that creates in term of ongoing disadvantage are pretty well known.³⁷⁶

5.99 In relation to regional areas, Ms Evans suggested the introduction of locational targets for development of social and affordable rental housing to ensure socially, economically diverse and productive communities with reduced key worker commuting time in non metropolitan locations.³⁷⁷

³⁷¹ Professor Randolph, Evidence, 7 April 2009, p 30

³⁷² Submission 47, p 10

³⁷³ Submission 47, p 10

³⁷⁴ Submission 47, p 10

³⁷⁵ Submission 56, Manly Council, p 3-4

³⁷⁶ Mr Farrar, Evidence, 8 April 2009, p 25

³⁷⁷ Submission 32, p 3

- 5.100** One way of addressing key worker issues is to decentralise jobs. The New South Wales Government told the Committee that it places a priority on the need to improve transport and access to employment opportunities across Greater Metropolitan Sydney. The State Plan outlines the NSW Government's ongoing plans for Parramatta, Liverpool, Penrith, Gosford, Newcastle and Wollongong to increasingly become a focus for jobs and other services and facilities. The NSW Government is also encouraging economic activity in areas suited to increased housing growth through regional planning strategies.³⁷⁸
- 5.101** Problems with appropriately located affordable housing are not limited to New South Wales. The New South Wales Government told the Committee that the problems associated with the loss of key workers in London, South East and East of England are being addressed in the UK by the Government's Key Worker Living Programme³⁷⁹ (refer to paragraph 4.88 - shared equity). These are areas where the high cost of housing is affecting employers' ability to recruit and keep staff. The program targets specific occupations and helps key workers in frontline delivery services to either rent at an affordable price or upgrade to meet household needs.³⁸⁰

Committee comment

- 5.102** The Committee can see that the inability of key workers to live close to where they work may become an increasingly difficult problem for communities within New South Wales unless there is an increase in affordable housing that is located throughout all communities. It is also apparent that the need for transport links for workers residing out of the communities where they work need to be improved.

Quality and maintenance

- 5.103** City West, the Mercy Foundation and St George Housing representatives all told the committee of the importance of the quality of the housing for social inclusion. Speaking in relation to the success of the Common Ground Model, Ms Reynolds said:

The other important aspect of it is that it is high-quality housing. It looks like any other housing in the street and you or I would want to live there. That encourages social inclusion.³⁸¹

- 5.104** St George Community Housing (SGCH), who manage twenty per cent of community housing in New South Wales have, with assistance from the state government, recently moved into the provision of 'affordable housing'. Ms Saad, told the Committee of this housing comprises units within a complex that is close to transport and amenities:

...there is no difference. You would not know which units we had versus what the private owners have – that is the intent of course.³⁸²

³⁷⁸ Submission 51, p 12

³⁷⁹ Submission 51, p 11

³⁸⁰ Housing, Key worker living, www.communities.gov.au, accessed 27 August 2009

³⁸¹ Ms Reynolds, Evidence, 8 April 2009, p 44

³⁸² Ms Saad, Evidence, 19 June 2009, p 27

5.105 City West Housing development at Pyrmont has been purpose built for affordable housing while also being indistinguishable in the local community as “social housing”. Mr Perkins told the Committee that this has a number of advantages including reduced maintenance costs and greater awareness of the design aspects in relation to environmentally sustainable developments. The cost of maintenance is particularly relevant to the management of CWH, as its business plan requires recurrent costs to be covered through positive cash flow rather than ongoing funding.³⁸³

5.106 Residents of CWH informed the Committee that the way in which their homes are maintained has a big impact on the tenants’ sense of well being:

You do notice the building manager.... He is just looking and taking care. Doing a great job. That is a great sign to me.³⁸⁴

5.107 CWH tenants also recounted stories of how individual maintenance needs are taken care rapidly and their satisfaction with this. By supplying tenants with contact details of local tradespeople to call for repairs CWH engenders a sense of responsibility and independence in its tenants:

For instance, if something happened in my unit with the plumbing, there is a number I can ring, yes. If I do not ring them, I am responsible for myself. But I could ring that number and City West takes responsibility for it.³⁸⁵

5.108 The standard of services provided by these tradesman is reviewed on an annually, based on tenant feedback.³⁸⁶

5.109 Reduced maintenance costs at CWH may not result only from good design principles. Mr Perkins told the Committee that some of it can also be attributed to living in a “normal” community:

We believe tenants when living without any perceived stigma take an increased pride in their dwellings and communal areas and we also evidence a reduced number of behavioural and maintenance issues than might otherwise be experienced.³⁸⁷

Type of housing

5.110 The Committee heard evidence that the needs of people change and are not always appropriate to current circumstances and needs. Ms Wall told the Committee that with changing demographics of modern public housing tenants that ‘a high proportion are actually single-person households ... living in three-bedroom accommodation’³⁸⁸

³⁸³ Answers to questions on notice taken 10 June 2009, Mr Perkins, p 2

³⁸⁴ Mr Francis Edwards, Tenant, City West Housing Pty Ltd, Evidence, 10 June 2009, p 60

³⁸⁵ Ms Raylee Ford, Tenant, City West Housing Pty Ltd, Evidence, 10 June 2009, p 61

³⁸⁶ Mr Perkins, Evidence, 10 June 2009, p 59

³⁸⁷ Answers to questions on notice taken 10 June 2009, Mr Perkins, p 3

³⁸⁸ Ms Wall, Evidence, 10 June 2009, p 10

5.111 Ms Fingland noted that housing tenures in the Western part of Sydney suffer similar problems with a lack of housing choices, resulting in people living in housing that was no longer appropriate as they grew older. Ms Fingland told the Committee that often the appropriate type of housing was simply not available.³⁸⁹

5.112 There are solutions to this mismatch of housing type, which could ensure that this is minimised in the future. Ms Fingland informed the Committee of the approach that was taken in Baulkham Hills:

What we did in Baulkham Hills was instigate density control, which forced the developers to provide a range of housing choice simply by making sure that in order to build the densities that were required they had to provide a different form of housing than just the separate family home, and we achieved a mix in that area.³⁹⁰

5.113 The Committee heard that people with a disability suffer from the same problem, that is, housing that is inappropriate for their needs. Mr Dean Price, Advocacy Manager for People with Disability Australia (PWD), told the Committee of his organisations belief that ‘institutional, segregated or large congregate models of care are inappropriate models for the accommodation of people with a disability’.³⁹¹ Mr Price stated that internationally, best practice for supporting people with disability to live in the community is:

...focussed on individual supports, where the person receiving the service has maximum possible control over the resources available, and the ability to shape their supports in accordance with their identity and needs.³⁹²

5.114 Mr Price told the Committee that building houses based on universal design principles would increase housing stock for people with disability and allow for greater social interaction and cohesion. Universal design is the design of products, services and environments to be useable by everyone regardless of age or ability. Mr Price stated that if these principles were applied:

...people with disability could live within communities rather than being segregated, and could visit other people within communities, given that all houses would have universal design features.³⁹³

Committee comment

5.115 The Committee is of the view that affordable housing should be of similar quality to other dwellings nearby. Just because a house is ‘affordable’ does not mean it must be of a poorer standard or stand out from other houses in the area. The quality of homes provided by CWH attests to this. Evidence shows that this increases social inclusion and takes some of the stigma away from being a social housing tenant. The Committee considers it important for social cohesive communities that people are accepted and have a sense of belonging in the community where they live, this is what helps to make a ‘house a home’.

³⁸⁹ Ms Fingland, Evidence, 19 June 2009, p 20

³⁹⁰ Ms Fingland, Evidence, 19 June 2009, p 19

³⁹¹ Submission 16, People with Disability Australia, p 8

³⁹² Submission 16, p 9

³⁹³ Submission 16, p 10

- 5.116** Housing that can be ‘remodelled’ to suit a variety of purposes and remain appropriate for tenants is worth considering and the Committee suggests that the concept of universal design is further investigated for application to future affordable housing projects within New South Wales.

Caravan/residential parks

- 5.117** During the inquiry, the Committee considered the suitability of caravan/residential parks as an affordable housing alternative (hereafter referred to as ‘caravan parks’). Such parks are often called residential parks or manufactured home estates and the type of dwelling can be a temporary structure like a caravan or a more fixed structure like a manufactured home. In some instances the housing is transitional and only sought for short-term and medium-term needs. In others the housing more permanent, and in such cases the dwelling may be owned and the site rented or the dwelling and the site may be rented by the park resident from park owner.
- 5.118** Ms Fingland, told the Committee that, while caravan/residential parks might not be an ideal form of housing, many people who live in caravan/residential parks find it ‘acceptable’, with the caveat that it is not, in her view, appropriate for crisis accommodation:

I certainly think in times of housing difficulty, while some people would not think they are the most ideal form of housing, they have provided housing that many of the people who live there find acceptable. It certainly is another form of housing that maybe should be considered. I am not sure that it is necessarily terribly appropriate to use it though for housing for people in crisis accommodation. I think that is probably inappropriate, but obviously a roof over your head is better than nothing. I believe the Committee should look at any form of housing that is available, because it is all catering for a range of different needs.³⁹⁴

- 5.119** Mr Macfie, agreed that for some, caravan parks were a highly acceptable housing choice:

...we should be respectful of the fact that a significant number of people do make their homes in residential parks, in caravan parks. Many of them regard it as home and they are very proud of their houses there.³⁹⁵

- 5.120** Ms Cripps, also distinguished between those residents of caravan/residential parks who choose to locate there, and those who rely on caravan/residential parks for crisis accommodation:

There are two communities that we need to think about. There are people who choose to retire to caravan parks and they have their own fixed environment and that is their house, and lovely, good on them, then there are people who through being homeless end up being placed in caravan parks or seeking caravan parks as a short-term or temporary measure whilst their issues are sorted through and alternate accommodation is sourced.³⁹⁶

³⁹⁴ Ms Fingland, Evidence, 19 June 2009, p 23

³⁹⁵ Mr Macfie, Evidence, 11 June 2009, p 14

³⁹⁶ Ms Cripps, Evidence, 8 April 2009, p 52

- 5.121** The issues that face these two groups of residents are different, and are examined in the following section.

Caravan/residential park redevelopment

- 5.122** The primary issue facing long-term residents of caravan/residential parks is their redevelopment. The Committee was provided with an example of the problems arising from redevelopment of caravan parks in Western Sydney, where Ms Fingland described impact on residents of the redevelopment of caravan parks in Blacktown and Fairfield. As a result of increasing land prices, the caravan parks have been sold for standard housing development:

People in the caravan parks, particularly people in the relocatable homes parks, leased their land and owned their houses. It was a sad situation in Parklea when the people who lived there were told they had to relocate their homes because the land was going to be developed for standard urban development.

They were encouraged to move to Lansdowne in Fairfield, but the developers at the same time were approaching Fairfield council because they also wanted to redevelop their land, so these people were left in dire circumstances. Fairfield council certainly called for a social impact assessment and tried to fight the issue so as to preserve this type of housing in its area, because in addition to people buying their homes in those areas, the Department of Housing used quite a lot of accommodation in those areas for emergency accommodation. So, it was providing for a wider range of need at the lower end of the income scale.

The other thing that is really poor about this is that a lot of people living in those areas were people who had been displaced from institutions, particularly mental institutions, and they have been finding it almost impossible to find suitable accommodation other than in some of these caravan parks.³⁹⁷

- 5.123** Mr Macfie explained that caravan/residential park residents are particularly vulnerable because while many of them own their home or van, they do not own the site:

I think it is about 70 per cent to 80 per cent of residential park residents are older people who have bought the van and then rent the space in the park from the park owner and they live there. The problem with that is that as low-cost housing the asset they own is the caravan, which depreciates quickly over time; they often lose a lot of capital very quickly. Obviously, they do not own the land and the land itself is subject to redevelopment, for example. The cost of the land in a sense goes up and appreciates, which is a benefit to the park owner but clearly not for the owner of the van.³⁹⁸

- 5.124** Mr Martin, also representing the Tenants Union, described the problem as an inherent conflict of interest between the park owners and the residents:

I think there is a really basic conflict in the proposition of a residential park, especially if you want to call them owner-renters where they own the dwelling and rent the site ... Quite often they are older; it represents a major investment for them and because

³⁹⁷ Ms Fingland, Evidence, 19 June 2009, p 22

³⁹⁸ Mr Macfie, Evidence, 11 June 2009, p 14

of their age and other circumstances they often do not want to move. So, that is the residents' interests on one side. On the other side is the park operator's interest. Very often they own this park precisely for the purpose of later redeveloping it. That is a basic contradiction I do not think we have overcome. Those residents really are in a bad situation.³⁹⁹

- 5.125** Ms Leonie King, Executive Director, Community Housing Division, Housing NSW, also spoke about the tension between operators and residents:

Caravan parks, or manufactured home estates or residential parks, are obviously one of the key mechanisms in the supply of low-cost accommodation, and it is obviously constantly a trade-off in terms of private owners or operators of caravan parks regarding whether they want to continue to operate that as a caravan park.⁴⁰⁰

- 5.126** Ultimately, Ms King advised the Committee, if a private operator can make a profit by selling land for development, there is not 'anything necessarily the Government can do, other than consider the incentives that are there for them to retain operation as a caravan park.'⁴⁰¹

- 5.127** To help address this tension, in 2007 the NSW Government released the Assistance Protocol for Residential Park Closures. The protocol essentially provides a framework in which relevant agencies assist park residents in the event that a residential park closes. Ms King explained the purpose of this protocol:

Where a caravan park is intending to close, there is a protocol around how residents are supported and assisted to find alternative low-cost accommodation. Certainly Housing New South Wales is very active in this respect. If we are advised that a caravan park looks like it will close, we are very proactive in terms of going out to talk to residents and giving them information about their alternatives.⁴⁰²

- 5.128** The protocol also establishes a working group called the Park Closure Taskforce, which is made up of representatives from key government agencies. The purpose of the taskforce is to oversee, establish and implement the protocol and to monitor and evaluate the scope of park closures and the needs of the residents affected.

- 5.129** The Committee heard an example from Queensland where the government has been purchasing caravan parks that have come on the market:

In Queensland, for example, the State Government has been purchasing some caravan parks that have come on the a market, not to run them as public housing but to lease them out to ensure they continue to be available as low-cost accommodation options for people in transition, and sometimes that can be relatively long term.⁴⁰³

³⁹⁹ Mr Martin, Evidence, 11 June 2009, p 14

⁴⁰⁰ Ms Leonie King, Executive Director, Community Housing Division, Housing NSW, Evidence, 7 April 2009, p 13

⁴⁰¹ Ms King, Evidence, 7 April 2009, p 14

⁴⁰² Ms King, Evidence, 7 April 2009, p 13

⁴⁰³ Ms Wall, Evidence, 10 June 2009, p 13

- 5.130** Ms King told the Committee about a New South Wales interagency review of residential parks and manufactured home estates that is 'looking at mechanisms to support the retention of those caravan parks'.⁴⁰⁴ Ms Wall also reflected on the role of government in relation to caravan parks, advising the Committee that 'it is one of the other issues that will be considered as part of any national regulatory framework':

We will look at to what extent we should be attempting to pick up those sorts of housing options within a more consistent national framework. There are certainly very different regulatory arrangements operating with regard to those sorts of facilities at the moment.⁴⁰⁵

Affordability

- 5.131** The other issue facing long term residents is affordability. ABS figures show that 71 per cent of caravan park residents have a household income below \$500 per week. Ninety per cent of this group reported a household income below \$350 per week and 10 per cent had an income between \$350 and \$499. Most marginal caravan park residents were poor.⁴⁰⁶
- 5.132** The Committee heard evidence that contradicts the notion of caravan/residential parks as an affordable housing option, for example on the Northern rivers:

On the coast more and more of the caravan parks are places for retirees. But that has its own affordability issues and I think a large group of older people living in coastal parks in our region are in real trouble, especially when a partner dies. If they are pension dependent and they switch to the single pension, they have the site fees of \$120 a week that are going up in some cases by 30 per cent in a year.⁴⁰⁷

- 5.133** This experience was reiterated by Mr Jim Clark, Vice President of the Lake Macquarie Park Residents Association, who described the increase in caravan/residential park rents 'blatant exploitation of pensioners':

Many single pensioners are unable to afford to live in their own home, nor can they afford to get out. An example of how these rents have gone up, on 1 February 1995 a single pension was \$163.50 per week, rent was \$73 per week; on 20 September 2007 a single pension was \$268.65 per week, rent was \$104 per week. Pensions have increased by 60 per cent; rent has increased by 70 per cent. The same applies to pensioner couples...indeed there are some single pensioners paying 50 per cent of their pension to live in their own home.⁴⁰⁸

⁴⁰⁴ Ms King, Evidence, 7 April 2009, p 13

⁴⁰⁵ Ms Wall, Evidence, 10 June 2009, p 13

⁴⁰⁶ Chamberlain C and Mackenzie D, *Counting the Homeless 2006: New South Wales*, Australian Institute of Health and Welfare, 2009, p 42

⁴⁰⁷ Ms Evans, Evidence, 11 June 2009, pp 22 - 23

⁴⁰⁸ Mr James Clark, Vice President, Lake Macquarie Park Residents Association, Evidence, 10 June 2009, p 28

5.134 Mr Macfie also provided evidence that caravan/residential parks are not necessarily ‘low cost’:

We are certainly aware of some evidence that it just is not low cost. They are actually significant poverty traps for people. There is a case from Kiama of a development application for a very large residential park. The Land and Environment Court found against the developer. They found that in fact two- and three-bedroom houses in Kiama were actually lower cost and better quality. Obviously you would need to look at comparable markets, but from everything we have seen it is not an option. It is a poverty trap. The protections are inadequate for people. As I said, the main asset they have is the van that depreciates very quickly and people can end up with very little at the end.⁴⁰⁹

5.135 The Committee was provided an example of the comparison between caravan/residential park rents and private rental by Mr Ronald McLachlan, President of the Port Stevens Park Residents Association:

I rent on the private market. I pay slightly more than the average park rent but I get no maintenance costs, no insurance costs on the building. I get free power; I get free water. Compared with what I was experiencing in the park, it is heaven.⁴¹⁰

Suitability as crisis accommodation

5.136 The other area of concern raised during the inquiry was the suitability of caravan parks as crisis accommodation – for those who are placed in caravan parks temporarily and do not make the lifestyle choice to reside there. Ms Cripps told the Committee that for these people, caravan parks ‘can never be a long-term permanent housing’ solution, for a number of reasons, including safety:

They are caravans, they are not mobile homes first off. ...Many homeless people particularly women and children, but also men, will choose to sleep in their car rather than sleep in the caravan park because they feel so vulnerable in caravan parks... About four months ago we were consulting around the State on the white paper and what this might mean. This was down towards Nowra and people talked about how they had their clients tell them that the drug dealer used to come around and door knock every night to see what people wanted in terms of take away. So caravan parks are not safe places so we need to be very clear. It is not holiday caravan parks that we are talking about, these are caravan parks that are quite dangerous for many people and are absolutely not a long-term solution.⁴¹¹

⁴⁰⁹ Mr Macfie, Evidence, 11 June 2009, p 14

⁴¹⁰ Mr Ronald McLachlan, President, Port Stevens Park Residents Association, Evidence, 10 June 2009, p 35

⁴¹¹ Ms Cripps, Evidence, 8 April 2009, p 52

- 5.137** The Committee was told that safety is also an issue in inland caravan parks in the Northern Rivers Region that are used as emergency short-term accommodation. Mr Davies provided the Banora Point caravan park in the Tweed local government area as an example:

If you look at Tweed local government area, Banora Point Caravan Park was a large source of low-cost accommodation for people. It was also where the majority of the DOCS reports to the Tweed DOCS office came from.

Committee comment

- 5.138** The Committee is concerned that a large number of residential caravan parks across New South Wales have closed due to increasing land prices and subsequent redevelopment. Caravan park residents are being placed in situations whereby they have to relocate their homes and find alternative affordable accommodation.
- 5.139** Evidence heard by the Committee from various witnesses has suggested that caravan/residential parks are not an affordable housing option and that many single pensioners who own their own home are unable to afford the site fees in caravan parks, but that they also cannot afford to relocate their homes. The Committee is also concerned about the evidence that where caravan parks are being used for crisis accommodation there is a high incidence of social problems.

Recommendation 16

That the Minister for Fair Trading refer an inquiry to the Standing Committee on Social Issues into caravan/residential parks, and in particular caravan/residential parks as an affordable housing option and the impact of their closure on permanent residents.

Boarding houses

- 5.140** Boarding houses are defined in the Affordable Housing SEPP as lodgings in a building that are wholly or partly let, that provide principal accommodation for lodgers for a period of at least 3 months or more, may have shared facilities, that accommodate one or more lodgers and have rooms that may or may not have private kitchen or bathroom facilities. The definition does not include backpacker hostels, a group home, serviced apartment, senior's accommodation or hotel or motel.⁴¹²
- 5.141** During the inquiry the committee received evidence about boarding houses as affordable accommodation. The evidence suggested that boarding houses in New South Wales are mostly privately run for-profit enterprises that house some of the most disadvantaged citizens in the community.⁴¹³ The concern is that the availability of boarding house style

⁴¹² Affordable Rental Housing SEPP, *Guidelines for Retention of Existing Affordable Rental Housing*, July 2009, p 3

⁴¹³ Submission 37, Marrickville Council, p 7

accommodation is declining, as many are not financially viable and are being consequently redeveloped for a different use or market.

Decline in number of boarding houses

- 5.142** The Lord Mayor of Sydney, stated that there is a marked decline in the number of boarding houses operating in Sydney:

The city's research ... demonstrates a sustained loss of boarding houses. Boarding houses provide an essential stopgap between homelessness and other forms of low-income rental accommodation. This loss has a profound effect on people at the bottom of the housing ladder, making homelessness more likely. Boarders and lodgers have no appropriate tenancy protection and can be evicted at any time. Once people are homeless it is much harder for them to access support services or get long-term accommodation.⁴¹⁴

- 5.143** The problem is two fold: first, the decline in the number of boarding housing in the inner city and secondly, boarders and lodgers have no tenancy rights in New South Wales and are explicitly excluded from the *Residential Tenancy Act 1987*.⁴¹⁵ Ms Moore suggested that as boarders are low-income earners and in some instances on the precipice of homelessness it is important that as a group they are safeguarded against unfair conduct in relation to their housing rights.⁴¹⁶

- 5.144** Marrickville Council has also reported a decline in boarding house style accommodation and an increase in rent for those pre-existing boarding houses:

The tight rental market has resulted in a number of renovations of boarding houses with the aim of targeting a higher income group. These renovated boarding houses are lifting tariffs to the high end of the Office of State Revenue land tax exemption threshold and therefore excluding a large proportion of very low to low income workers. For these residents the additional housing costs associated with the increased tariffs is beyond their capacity to pay.⁴¹⁷

- 5.145** The loss of boarding house style accommodation in this region is creating a significant loss of affordable housing and is forcing low-income households to move out from the city. Marrickville Council argue that this will also affect business efficiency in terms of recruitment and retention; as such groups will seek employment closer to home.⁴¹⁸

Boarding house operators

- 5.146** Ms Moore told the Committee that one of the problems facing boarding house operators is that boarding houses, particularly in the inner city are not financially viable and greater

⁴¹⁴ Ms Moore, Evidence, 19 June 2009, p 3

⁴¹⁵ Tenants NSW, Factsheet 14 *Boarders and Lodgers*, www.tenants.org.au, accessed 21 September 2009

⁴¹⁶ Ms Moore, Evidence, 19 June 2009, p 3

⁴¹⁷ Submission 37, p 7

⁴¹⁸ Submission 37, p 7

financial incentives are needed to sustain investment. It was suggested that recent government initiatives could be adapted to create a viable option:

Guidelines for the Commonwealth National Rental Affordability Scheme and the Housing Affordability Fund need to enable investment in affordable housing properties in the inner city, particularly to ensure adequate low-income key-worker housing. Inner city land values are high and redevelopment generally involves complex contamination or infrastructure problems.⁴¹⁹

5.147 Ms Cripps believes that new style boarding houses should be provided with government capital and support from the non-government sector. She contends that the wider community has a negative perception of boarding houses, this is in part due to the fact that many are in poor condition and are seen to have a low standard of facilities with a lack of privacy.⁴²⁰

Successful model

5.148 The Gethsemane Community in Petersham was identified during the inquiry as a boarding house that operates successfully in granting lodgers tenancy rights:

It is a boarding house style accommodation so basically it is a congregate care model of accommodation so lots of bed sits all in the one building with a support service that is there. But, of course, people have their tenancy rights. You would be aware that in New South Wales we do not have tenancy legislation for boarders and lodgers so somebody in a boarding house as we speak today could actually be evicted and given five minutes notice and be put out on the street.⁴²¹

5.149 Like Ms Moore, Ms Cripps highlights the importance of granting boarders tenancy rights. Granting such rights and eliminating the ability of a boarding house owner or manager from evicting a boarder at short notice creates security for a group of people who are otherwise vulnerable.

Affordable Housing State Environmental Planning Policy

5.150 The new Affordable Housing State Environmental Planning Policy (SEPP) introduced in 2009 applies to boarding houses and residential flat buildings that became low rental dwellings before 28 January 2000. The SEPP works on several levels. As set in Part 3, the aim of the policy is to mitigate the loss of affordable housing caused from redevelopment, encourage new development of affordable housing and protect the needs and rights of boarders.

5.151 In determining if development consent should be obtained in respect to boarding houses and low-rental residential flat buildings, the criteria in which it is assessed against includes:

- whether there is a reduction in low rental accommodation on the site
- the availability of sufficient comparable accommodation in the local area

⁴¹⁹ Ms Moore, Evidence, 19 June 2009, p 5

⁴²⁰ Submission 20, Homeless NSW, pp 4-5

⁴²¹ Ms Cripps, Evidence, 8 April 2009

- the social and economic impact on the local community
- the arrangements to assist displaced residents find other affordable accommodation
- total loss of low-rental housing
- cost of structural and fire safety upgrades
- whether imposing an affordable housing condition would mitigate loss of affordable housing
- financial viability of boarding houses.

5.152 As in relation to a number of other key policy documents, this SEPP was released after the Committee completed its public consultation and therefore was unable to seek input from relevant stakeholders.

Committee comment

5.153 The Committee is aware that affordable housing in the inner city is declining and that the closure of boarding houses due to redevelopment is decreasing available housing for low-income households.

5.154 Evidence suggests that granting boarders tenancy rights is fundamental if boarding houses are to be an adequate affordable housing option. Further, boarding house operators need to be supported by the government and non-government sector to remain viable in the community.

Recommendation 17

That Housing NSW undertake a review of boarding houses in New South Wales, specifically:

- the number of boarding houses that have closed due to redevelopment
- ascertaining what, if any, financial incentives and assistance is required for boarding house owners to provide affordable housing now and in the future

and examine methods of protecting the tenancy rights of boarders, including but not limited to legislative possibilities to amend the *Residential Tenancy Act 1987*.

Appendix 1 Submissions

No	Author
1	Mr Dave Harper
2	Mr Terry Tredrea
3	Ms Sharon Price RSM (Conference of Leaders of Religious Institutes in NSW)
4	Mr Richard Perkins (City West Housing Company Pty Ltd)
5	Mr Adam Spinner (Orbital Visions Pty Ltd)
6	Mr Neil Kenzler (City of Canada Bay)
7	Mrs Cosette Kenna
8	Mr Greg Murdoch (Murray Shire Council)
9	Mr James Carty (The House of Welcome)
10	Mr Michael Jothy
11	Mr Adam Farrar (NSW Federation of Housing Associations)
12	Ms Mary Perkins (Shelter NSW)
13	Ms Diane Lawrence (Warringah Council)
14	Ms Claire O'Neill (Catholic Social Services NSW/ACT)
15	Mr Jon Bisset (Council on the Ageing (NSW))
16	Mr Dean Price (People with Disability Australia)
17	Mr Derek Yule (Churches Community Housing)
18	Ms Judy Hopwood MP (Member for Hornsby)
19	Mr Mark Snell
20	Ms Sue Cripps (Homelessness NSW)
21	Dr Louise Crabtree (Urban Research Centre, University of Western Sydney)
22	Ms Dianne Flint (North Coast Women's Housing Co-Operative)
23	Mr Benjamin Williams (Australian Christian Lobby)
24	Ms Annette Michaux (The Benevolent Society)
25	Ms Louise Voigt (Barnardos Australia)
26	Ms Melina Morrison (The Mercury Centre Co-operative)
27	Ms Sylvia Hale (Greens NSW)
28	Ms Leonie Green (Mission Australia)
29	Ms Alison Peters (Council of Social Service of NSW (NCOSS))
30	Ms Felicity Reynolds (The Mercy Foundation Ltd)
31	Sister Jan Barnett RSJ (Conference of Leaders of Religious Institutes in NSW)
32	Ms Trish Evans (Northern Rivers Social Development Council)

No	Author
33	Ms Clover Moore MP (Member for Sydney and Lord Mayor City of Sydney Council)
34	Ms Karine Shellshear (Association to Resource Co-operative Housing)
35	Ms Clare Blakemore (UnitingCare Children, Young People and Families)
36	Mr Sacha Bermudez-Goldman SJ (Jesuit Refugee Service Australia)
37	Mr Gary Moore (Marrickville Council)
38	Mr Greg Mullins AFSM (NSW Fire Brigades)
39	Confidential
40	Confidential
41	Mr Ken Morrison (Property Council of Australia)
42	Mr Rob Ramjan AM (The Schizophrenia Fellowship of NSW Inc)
43	Mr Mike Colreavy (Bellingen Shire Council)
44	Mr Phil Tolhurst (Liverpool City Council)
45	Mr Matthew Johnson (Lithgow City Council)
46	Ms Nikki McAdoo (Highlands Community Centres Inc)
47	Ms Monica Barone (City of Sydney Council)
48	Mr Paul Anderson (Eurobodalla Council)
49	Mr Ray Brownlee (Randwick City Council)
50	Ms Sue Wilson (Wagga Wagga City Council)
51	New South Wales Government
52	Clr Duncan Gair (Wingecarribee Shire Council)
53	Ms Megan Dephoff (Parramatta City Council)
54	Mr Martin Ellis (North Sydney Council)
55	Mr Dean Fisher (Port Macquarie Hastings Council)
56	Mr Anthony Hewton (Manly Council)
57	Mr and Mrs Jenkins
58	Mr Daryl Dutton (Upper Hunter Shire Council)
59	Mr Robert Browning Jones (Central Coast North Park Residents Association)
60	Mr Jim Clark (Lake Macquarie Park Residents Association)
61	Ms Pam Meatheringham (Lake Macquarie Park Residents Association)
62	Mr Ron McLachlan (Port Stephens Park Residents Association)
63	Dr Jeff Harmer (Department of Families, Housing, Community Services and Indigenous Affairs)
64	Mr Tom and Mrs Lil Johnson
65	Mrs Sharon Fingland (Western Sydney Regional Organisation of Councils Ltd)
66	Mr Aaron Gadiel (Urban Taskforce Australia)

Appendix 2 Witnesses

Date	Name	Position and Organisation
Tuesday 7 April 2008 Jubilee Room, Parliament House	Ms Maura Boland	Executive Director, Policy and Strategy Division, Housing NSW
	Ms Leonie King	Executive Director, Community Housing Division, Housing NSW
	Ms Linda Blinkhorn	Principal Policy Officer, Portfolio Strategy and Planning, Housing NSW
	Mr John MacMillan	Manager, Homelessness Unit
	Mr Marcus Ray	Director, Legal Services, Department of Planning
	Ms Faye Roberts	Director, Sydney Region East, Department of Planning
	Mr Bill Randolph	Director, City Futures Research Centre, University of NSW
	Ms Karine Shellshear	Executive Director, Association to Resource Co-operative Housing
	Mr Rob Buchannan	Senior Project Officer, Association to Resource Co-operative Housing
	Mr John Mant	Patron, Association to Resource Co-operative Housing
	Ms Alison Peters	Director, Council of Social Service of NSW
	Mr Warren Gardiner	Senior Policy Officer, Council of Social Service of NSW
	Ms Mary Perkins	Executive Officer, Shelter NSW
	Mr Craig Johnson	Principal Policy Officer, Shelter NSW
Wednesday 8 April 2009 Jubilee Room, Parliament House	Mr Paul van Reyk	Community Engagement and Content Manager, Homelessness Information Clearinghouse
	Ms Jody Broun	Director General, Department of Aboriginal Affairs
	Mr Adam Farrar	Executive Director, NSW Federation of Housing Associations
	Ms Eleri Morgan-Thomas	National Manager Housing Services, Mission Australia
	Ms Felicity Reynolds	Chief Executive Officer, Mercy Foundation Ltd
	Ms Sue Cripps	Chief Executive Officer, Homelessness NSW
	Ms Louise Voigt	Chief Executive Officer and Director of Welfare, Barnardos

Date	Name	Position and Organisation
Wednesday 10 June 2009 Jubilee Room, Parliament House	Mr Chris Wojtas	Australia Acting Section Manager, National Rental Affordability Scheme, Department of Family, Community Services and Indigenous Affairs
	Ms Clare Wall	Senior Policy Advisor, Housing Group, Department of Family, Community Services and Indigenous Affairs
	Mr Mike Allen	Acting Chief Executive Officer, Department of Housing and Aboriginal Housing Office (Cth)
	Mr Allen Hedger	Deputy Chief Executive Officer, Department of Housing and Aboriginal Housing Office (Cth)
	Ms Claire Croumbie-Brown	Acting Director, Policy and Strategic Development, Department of Housing and Aboriginal Housing Office (Cth)
	Mr Jim Clark	Park Residents Association
	Mr Robert Jones	Park Residents Association
	Mr Ron McLachlan	Park Residents Association
	Ms Pam Neatheringham	Park Residents Association
	Dr Vivienne Milligan	Associate Professor, City Futures Research Centre, Faculty of the Built Environment, University of NSW
	Dr Peter Phibbs	Professor, Urban Research Centre, College of Health and Science, University of Western Sydney
	Mr Richard Perkins	Chief Executive Officer, City West Housing Pty Ltd
	Ms Donna Mitchell	Housing Manager, City West Housing Pty Ltd
	Ms Raylee Ford	Tenant of City West Housing
	Mr Randolph Fricke	Tenant of City West Housing
Mr Francis Edwards	Tenant of City West Housing	
Mrs Margaret Edwards	Tenant of City West Housing	
Thursday 11 June 2009 Jubilee Room, Parliament House	Mr Angus Nardi	NSW Deputy Executive Director, Property Council of Australia
	Ms Kristin Pryce	NSW Policy Advisor, Property Council of Australia
	Mr Gregor Macfie	Executive Officer, Tenants' Union of NSW
	Mr Chris Martin	Policy Officer, Tenants' Union of

Date	Name	Position and Organisation
		NSW
	Mr Tony Davies	Chief Executive Officer, Northern Rivers Social Development Council
	Ms Trish Evans	Affordable Housing Project Officer, Northern Rivers Social Development Council
	Mr Derek Yule	Chief Executive Officer, Churches Community Housing
	Mr Phil Tolhurst	General Manager, Liverpool City Council
	Clr Genia McCaffery	President, NSW Local Government Association
	Clr Bruce Miller	President, Shires Associations
Friday 19 June 2009 Room 814/815, Parliament House	Ms Clover Moore MP	Member for Sydney, Legislative Assembly
	Ms Monica Barone	Chief Executive Officer, Council of the City of Sydney
	Mr Tye McMahon	Planner Social/Affordable Housing, Council of the City of Sydney
	Ms Liz Giles	Manager Homelessness, Council of the City of Sydney
	Ms Tamara Bruckshaw	Planner, Council of the City of Sydney
	Ms Sharon Fingland	Assistant Director, Western Sydney Regional Organisation of Councils (WSROC)
	Ms Nazha Saad	Chief Executive Officer, St George Community Housing
	Mr John Engeler	Commercial Program Manager, St George Community Housing
	Ms Sally Mannering	Senior Housing Manager, St George Community Housing
	Clr Larry Whipper	Councillor, Wingecarribee Shire Council
	Ms Margo McClelland	Social Planner, Wingecarribee Shire Council
	Mr Stephen Driscoll	Director, Sustainability and Policy and Development Director Rouse Hill, Landcom
	Mr Craig Brennan	Chief Executive Officer, Community Housing Canberra
	Ms Kim Sinclair	Deputy Chief Executive Officer, Community Housing Canberra

Date	Name	Position and Organisation
Tuesday 30 June 2009 Room 814/815, Parliament House	Ms Maura Boland	Executive Director, Policy and Strategy Division, Housing NSW
	Ms Leonie King	Executive Director, Community Housing Division, Housing NSW
	Ms Helen O'Loughlin	Director, Centre for Affordable Housing, Housing NSW
	Mr John MacMillan	Manager, Homelessness Unit, Housing NSW
	Mr Michael Lennon	Chief Executive Officer, Housing Choices Australia

Appendix 3 Tabled documents

Wednesday 8 April 2009

Public Hearing, Jubilee room, Parliament House

1. Perspectives on the Private Rental Market, presentation by Mr Bill Randolph, Australian Housing and Urban Research Institute and city Futures Research Centre, Faculty of Built Environment, University of New South Wales
2. List of references for report “Innovation in Affordable Housing in Australia 2009”, AHURI, tendered by Dr Vivienne Milligan

Thursday 11 June 2009

Public Hearing, Jubilee room, Parliament House

1. Summary Housing Information for Northern Rivers Region, NSW – March 09, produced by the Northern Rivers Social Development Council, tendered by Mr Tony Davies
2. Northern Rivers Social Development Council Overview, June 2009, tendered by Mr Tony Davies

Friday 19 June 2009

Public Hearing, Room 814/815, Parliament House

1. St George Community Housing Limited, presentation to the Legislative Council Standing Committee on Social Issues, by Ms Nazha Saad, Chief Executive Officer, tendered by Mr John Engeler
2. Extract from Landcom Corporation Act 2001, tendered by Mr Stephen Driscoll

Appendix 4 Minutes

Minutes No. 26

Wednesday 3 December 2008

Members' Lounge, Parliament House at 2.15pm

1. Members present

Mr Ian West, *Chair*

Mr Trevor Khan, *Deputy Chair*

Dr John Kaye

Mr Mick Veitch

Ms Marie Ficarra

2. Apologies

Mr Greg Donnelly

3. Confirmation of previous minutes

Resolved on the motion of Mr Khan: That draft Minutes Nos. 25 be confirmed.

4. Receipt of terms of reference for an inquiry into homelessness and low-cost rental accommodation

The Chair tabled the following terms of reference received from the Hon David Borger MP, Minister for Housing on 3 December 2008:

1. *That the Standing Committee on Social Issues inquire into and report on policies and programs outside of mainstream public housing that are being implemented within Australia and internationally to reduce homelessness and increase the availability of key worker accommodation and in particular:*
 - a. *models of low cost rental housing outside of mainstream public housing, including but not limited to co-operative housing and community housing*
 - b. *methods of fast tracking the capacity of providers to deliver low-cost rental accommodation in a short time frame*
 - c. *strategies to attract private sector investment in the provision of low cost rental accommodation*
 - d. *current barriers to growth in low cost rental housing*
 - e. *strategies to avoid concentrations of disadvantage and grow cohesive communities*
2. *That the Committee provide a final report to the House by the last sitting day in September 2009.*

Adoption of the terms of reference

Resolved, on the motion of Ms Ficarra: That the Committee adopt the terms of reference received from the Minister for Housing on 3 December 2008 for an inquiry into homelessness and the availability of low-cost rental accommodation in NSW.

Reporting terms of reference to the House

Resolved, on the motion of Dr Kaye: That in accordance with paragraph 5(2) of the resolution establishing the Standing Committees dated 10 May 2007, the Chair inform the House of the receipt of the terms of reference from the Minister for Housing for an inquiry into homelessness and the availability of low-cost rental accommodation in NSW.

Call for submissions

Resolved, on the motion of Mr Kaye: That the inquiry and the call for submissions be advertised at the earliest opportunity in the Sydney Morning Herald and Daily Telegraph.

Resolved, on the motion of Mr Kaye: That the closing date for submissions be Friday 6 March 2009.

Proposed timeline

Resolved, on the motion of Ms Ficarra: That the Committee adopt the following timeline, subject to member availability and any changes necessary and determined by the Chair in consultation with the Committee:

- Advertise for submissions: 8 December 2008
- Submissions closing: 6 March 2009
- Deliberative meeting: 13 March 2009
- Hearings: 7-8 April 2009
- Site visit: 20 May 2009 – Sydney
- Hearings: 10-11 June 2009
- Report deliberative: 21 September 2009
- Tabling date: 24 September 2009

Press release

Resolved, on the motion of Mr Khan: That a press release announcing the commencement of the inquiry and the call for submissions be distributed to media outlets throughout NSW to coincide with the call for submissions.

Invitations to stakeholders to make a submission

Resolved, on the motion of Mr Veitch: That the Committee write to the following individuals and organisations identified by the Secretariat, as well as any additional stakeholders identified by Committee members and notified to the Secretariat by COB Wednesday 10 December 2008, and any further stakeholders identified by the Secretariat, informing them of the inquiry and inviting them to make a submission:

Government:

- Housing NSW
- Department of Community Services
- Local Government and Shires Association
- NSW Police
- Aboriginal Housing Office
- NSW Health
- Housing Appeals Committee

Welfare Groups

- Anglicare
- NSW Council of Churches
- Australian Jewish Welfare Society
- NSW Ethnic Communities Council
- Homeless Persons Support Team
- Oxfam Australia
- People with Disability Australia Ltd
- Schizophrenia Fellowship of NSW
- Uniting Care ACT and NSW
- Uniting Care Burnside
- Wesley Uniting Church
- NSW Women's Refuge Movement
- Youth of the Streets
- Matthew Talbot Hostel
- Disability Council of NSW
- Sisters of St Joseph
- Babana Aboriginal Mens' Group
- Smith Family
- Public Interest Advocacy Centre, NSW
- Barnardos
- Churches Community Housing
- NSW Ecumenical Council
- The Exodus Foundation
- Lifeline Australia
- The Samaritans Foundation
- Salvation Army
- Trackside Adolescent Home
- Uniting Church in Australia
- Wesley Mission
- Shelter NSW Inc
- Women's Outreach
- YWCA & YMCA (NSW)
- Mission Australia
- Council on the Ageing (NSW)
- St Vincent De Paul
- NCOSS
- Homelessness NSW
- Tenants Union

- Christian Communities Outreach Ministries
- Catholic Church
- Australian Federation of Homelessness Organisations
- Human Rights and Equal Opportunity Commission
- National Council of Women NSW Inc
- Social Issues Committee, Anglican Diocese of Sydney
- Community Accommodation Support Team – Newcastle
- Community Housing Federation of Australia

Housing providers/groups:

- Aboriginal Housing Company
- Aboriginal Housing Office
- Housing Connection (NSW) Inc
- Aboriginal Hostels Limited
- National Community Housing Forum
- Eastern Suburbs Rental Housing Association Ltd
- Hume Community Housing Association Company Ltd

Others:

- CAEPR
- National Rural Health Alliance
- Australasian Human Rights Centre
- Community Services Commission

5. Adjournment

The Committee adjourned at 2.30pm, until 13 March 2009

Glenda Baker
Committee Clerk

Minutes No. 27

Thursday 19 February 2009

Room 1102, Parliament House at 10:00 am

1. Members present

Mr Ian West, *Chair*
 Mr Greg Donnelly
 Dr John Kaye
 Mr Mick Veitch
 Ms Marie Ficarra

2. Apologies

Mr Trevor Khan

3. Attendance by Members' staff

Resolved, on the motion of Mr Veitch: That in accordance with standing order 218(2) the Committee invite Social Issues Committee members' staff to attend the Committee briefing by Mr Michael Newey on 19 February 2009 at 10 am.

4. Presentation by Mr Michael Newey

Mr Michael Newey briefed the Committee on matters relating to the provision of social housing in the United Kingdom and Australia. ***Other people in attendance:*** Mr Paul Grainger (staff member of Mick Veitch)

5. Adjournment

The Committee adjourned at 12:15 pm, until 13 March 2009 at 9 am in Room 1102

Glenda Baker
Committee Clerk

Minutes No. 28

Friday 13 March 2009

Room 1102, Parliament House at 9:00 am

1. Members present

Mr Ian West *Chair*
Mr Greg Donnelly
Dr John Kaye
Mr Mick Veitch
Ms Marie Ficarra

2. Absent

Mr Trevor Khan

3. Confirmation of Minutes

Resolved on the motion of Mr Veitch: That draft Minutes Nos. 26 and 27 be confirmed.

4. Correspondence

The Committee noted the following items of correspondence:

Received

- 7 January 2009 - email from Mr Paul van Reyk, Community Engagement Consultant, SAAP/Homelessness Clearinghouse Project, to the secretariat, regarding the National Homelessness Information Clearinghouse.
- 18 February 2009 - email from Mr Stephen Powter, Manager, Policy, Human Services and Justice Branch, NSW Department of Premier and Cabinet, to the secretariat, requesting an extension of time to lodge the government submission to the inquiry.
- 6 March 2009 - email from Ms Carrie Williams, Social Issues Representative, Presbyterian Women's Association NSW, regarding the lodgment of a submission.
- 6 March 2009 - letter from Ms Jemma Hollands, Associate to the President, Australian Human Rights Commission, forwarding information previously submitted to the Green Paper on Homelessness and a discussion paper entitled Homelessness is a Human Rights Issue.
- 11 March 2009 - letter from Mr Merv Ismay, General Manager Holroyd City Council, forwarding a copy of Homelessness in Holroyd, a 2008 report on homelessness and its impact on the community.
- Material relating to the Committee's homelessness and low-cost rental accommodation briefing by Michael Newey on 19 February 2009 (Confidential)

Sent

- 10 March 2009, email to Ms Carrie Williams, Social Issues Representative, Presbyterian Women's Association NSW, inviting her to lodge a submission when completed.
- Letters inviting submissions, to:
 - General Managers of Local Councils within New South Wales
 - FaHCSIA
 - Homelessness Australia
 - NSW Federation of Housing Association
 - ACTU
 - Unions NSW

5. Submissions

Resolved, on the motion of Ms Ficarra: That according to section 4 of the *Parliamentary Papers (Supplementary Provisions) Act 1975* and standing order 223(1), the Committee authorise the publication of

Submissions 1 – 29 and Submission 31 and that Submission 30 be kept confidential at the request of the author.

6. Ongoing acceptance of submissions and supplementary submissions

Resolved, on the motion of Mr Kaye: That the Committee continue to accept submissions and supplementary submissions to the inquiry into homelessness and low-cost rental accommodation after the closing date.

7. Public hearings

Resolved, on the motion of Mr Veitch: That representatives of the following organisations be invited to attend public hearings on 7 and 8 April 2009 at Parliament House, as well as any other witnesses approved by the Chair in consultation with the Committee:

7 April 2009

Housing NSW
 Department of Planning
 Urban Research Centre, University of Western Sydney
 Association to Resource Co-operative Housing (ARCH)
 Homelessness NSW
 Shelter NSW

8 April 2009

FaHCSIA
 Department of Aboriginal Affairs
 NSW Federation of Housing Associations
 National Council of Social Services (NCOSS)
 Mercy Foundation
 Mission Australia
 Barnados

Resolved, on the motion of Mr Veitch: That the Committee hold another hearing on Friday 19 June 2009 and on Monday 30 June 2009 if required.

8. Adjournment

The Committee adjourned at 9:30 am, until 7 April 2009 at 9 am in the Jubilee Room.

Glenda Baker
Committee Clerk

Minutes No. 29

Tuesday 7 April 2009

Jubilee Room, Parliament House at 10:00 am

1. Members present

Mr Ian West *Chair*
 Mr Trevor Khan *Deputy Chair*
 Mr Greg Donnelly
 Dr John Kaye
 Mr Mick Veitch
 Ms Marie Ficarra

2. Submissions

Resolved, on the motion of Mr Donnelly: That according to section 4 of the *Parliamentary Papers*

(Supplementary Provisions) Act 1975 and standing order 223(1), the Committee authorise the publication of Submissions 51 and 34.

3. **Inquiry into homelessness and low-cost rental accommodation – public hearing**

The public and media were admitted.

The Chair made an opening statement regarding the broadcasting of proceedings and other matters.

The following representatives from Housing NSW and the Department of Planning were sworn and examined:

- Ms Maura Boland, Executive Director, Policy and Strategy Division, Housing NSW
- Ms Leonie King, Executive Director, Community Housing Division, Housing NSW
- Ms Linda Blinkhorn, Principal Policy Officer, Portfolio Strategy and Planning, Housing NSW
- Mr John MacMillan, Manager, Homelessness Unit, Housing NSW
- Mr Marcus Ray, Director, Legal Services, Department of Planning
- Ms Faye Roberts, Director, Sydney Region East, Department of Planning

The evidence concluded and the witnesses withdrew.

The following representative from the University of New South Wales was sworn and examined:

- Mr Bill Randolph, Australian Housing and Urban Research Institute and City Futures Research Centre, Faculty of Built Environment UNSW

The evidence concluded and the witness withdrew.

The following representatives from the Association to Resource Co-operative Housing were sworn and examined:

- Ms Karine Shellshear, Executive Director
- Mr Rob Buchanan
- Mr John Mant, Patron

The evidence concluded and the witnesses withdrew.

The following representatives from the Council of Social Service of NSW (NCOSS) were sworn and examined:

- Ms Alison Peters, Director
- Mr Warren Gardiner, Senior Policy Officer

The evidence concluded and the witnesses withdrew.

The following representatives from Shelter NSW were sworn and examined:

- Ms Mary Perkins, Executive Officer
- Mr Craig Johnson

The evidence concluded and the witnesses withdrew.

The public hearing concluded.

The public and media withdrew.

4. **Confirmation of Minutes**

Resolved on the motion of Mr Veitch: That draft Minutes No. 28 be confirmed.

5. Correspondence

The Committee noted the following items of correspondence:

Received

- Letter from Ms Trish Evans, Northern Rivers Social Development Council to the Secretariat, inviting representation from the Committee to attend the Northern Rivers Housing Forum on 5 May in Mullumbimby.
- Email from Ms Felicity Reynolds, Chief Executive Officer, Mercy Foundation, requesting that the Foundation's submission to the inquiry into homelessness and low-cost rental accommodation no longer be kept confidential.

Sent

- Letter to the Hon Kristina Keneally, Minister for Planning from Ian West regarding the appearance of Department of Planning representatives at the 7 April 2009 hearing.

6. Submissions

Resolved, on the motion of Ms Ficarra: That according to section 4 of the *Parliamentary Papers (Supplementary Provisions) Act 1975* and standing order 223(1), the Committee authorise the publication of Submissions 32 – 33, 35 – 50, and 52.

7. Acceptance and publication of documents tendered during the public hearing

Resolved, on the motion of Mr Veitch: That the Committee accept and publish, according, according to section 4 of the *Parliamentary Papers (Supplementary Provisions) Act 1975* and Standing Order 223(1) the following documents tendered during the public hearing:

- Perspectives on the Private Rental Market, presentation by Professor Bill Randolph

8. Additional questions on notice by members

Resolved, on the motion of Mr Veitch: That for the duration of the inquiry into homelessness and low-cost rental accommodation, Committee members forward additional questions on notice for witnesses at the hearings to the secretariat within 3 business days from the date of the hearing.

9. Return of answers to questions taken on notice

Resolved, on the motion of Mr Donnelly: That for the duration of the inquiry into homelessness and low-cost rental accommodation, the Committee request witnesses to return answers to any questions taken during the hearings within 21 days of the date on which the questions are forwarded to the witness by the committee clerk.

10. Adjournment

The Committee adjourned at 5:00 pm, until 8 April 2009 at 9:15 am in the Jubilee Room.

Glenda Baker
Committee Clerk

Minutes No. 30

Wednesday 8 April 2009

Jubilee Room, Parliament House at 10:00 am

1. Members present

Mr Ian West *Chair*
Mr Trevor Khan *Deputy Chair*
Mr Greg Donnelly (from 10:35am)
Dr John Kaye
Mr Mick Veitch

Ms Marie Ficarra

2. Inquiry into homelessness and low-cost rental accommodation – public hearing

The public and media were admitted.

The Chair made an opening statement regarding the broadcasting of proceedings and other matters.

The following representative from Homelessness Information Clearinghouse was sworn and examined:

- Mr Paul van Reyk, Community Engagement and Content Manager

The evidence concluded and the witness withdrew.

The following representative from the Department of Aboriginal Affairs (DAA) was sworn and examined:

- Ms Jody Broun, Director General

The evidence concluded and the witness withdrew.

The following representative from New South Wales Federation of Housing Associations was sworn and examined:

- Mr Adam Farrar, Executive Director

The evidence concluded and the witness withdrew.

The following representative from Mission Australia was sworn and examined:

- Ms Eleri Morgan-Thomas, National Manager, Housing Services

The evidence concluded and the witness withdrew.

The following representative from Mercy Foundation Ltd was sworn and examined:

- Ms Felicity Reynolds, Chief Executive Officer

The evidence concluded and the witness withdrew.

The following representative from Homelessness NSW was sworn and examined:

- Ms Sue Cripps, Chief Executive Officer

The evidence concluded and the witness withdrew.

The following representative from Barnardos Australia was sworn and examined:

- Ms Louise Voigt, Chief Executive Officer and Director of Welfare

The evidence concluded and the witness withdrew.

The public hearing concluded.

The public and media withdrew.

3. Submissions

Resolved, on the motion of Mr Donnelly: That according to section 4 of the Parliamentary Papers (Supplementary Provisions) Act 1975 and standing order 223(1), the Committee authorise the publication of Submissions 53 - 54.

4. Adjournment

The Committee adjourned at 5:00 pm, until 14 May 2009 at 2:15 pm in the Members' Lounge.

Glenda Baker
Committee Clerk

Minutes No. 31

Thursday 14 May 2009

Member's Lounge, Parliament House at 2:15 pm

1. Members present

Mr Ian West *Chair*
 Mr Trevor Khan *Deputy Chair*
 Mr Greg Donnelly
 Dr John Kaye
 Mr Mick Veitch

2. Confirmation of Minutes

Resolved, on the motion of Mr Donnelly: That draft Minutes Nos 29 and 30 be confirmed.

3. Correspondence

The Committee noted the following items of correspondence:

Received

- 5 May 2009 – Answers to questions on notice from Ms Mary Perkins, Executive Officer, Shelter NSW
- 6 May 2009 – Letter from Ms Karine Shellshear, Executive Director, Association to Resource Co-operative Housing (ARCH), clarifying statements made in evidence during the public hearing held on 7 April 2009.
- 7 May 2009 – Answers to questions on notice from Ms Sue Cripps, Chief Executive Officer, Homelessness NSW
- 8 May 2009 – Answers to questions on notice from Ms Jody Broun, Director General, NSW Department of Aboriginal Affairs

4. Proposed site visit 20 May 2009

Resolved on the motion of Dr Kaye: That the Committee undertake a site visit to City West Housing at Pymont on Wednesday 20 May 2009.

5. Answers to questions taken on notice

Resolved on the motion of Mr Khan: That, according to section 4 of the Parliamentary Papers (Supplementary Provisions) Act 1975 and Standing Order 223(1), the Committee authorise the publication of answers to questions on notice, correspondence and additional information relating to the inquiry into homelessness and low-cost rental accommodation, provided by the following:

- Ms Mary Perkins, Executive Officer, Shelter NSW
- Ms Jody Broun, Director General, Department of Aboriginal Affairs
- Ms Sue Cripps, Homelessness NSW.

6. Submissions

Resolved, on the motion of Mr Khan: That according to section 4 of the Parliamentary Papers (Supplementary Provisions) Act 1975 and standing order 223(1), the Committee authorise the publication of Submissions 55- 58

Resolved, on the motion of Mr Khan: That according to section 4 of the Parliamentary Papers (Supplementary Provisions) Act 1975 and Standing Order 223(1), Submission 39 be kept confidential at the request of the author.

7. Witnesses at hearings to be held on 10 and 11 June 2009

Resolved on the motion of Mr Veitch: That representatives from the following groups be invited to attend public hearings on 10 and 11 June 2009 at Parliament House, as well as any other witnesses approved by the chair in consultation with the Committee:

10 June 2009

- FaHCSIA
- Regional Caravan park who are on a pension
- Aboriginal Housing Office
- Academics – UNSW
- City West Housing
- City of Sydney Council

11 June 2009

- Property Council
- Tenants Union of NSW
- Churches Community Housing
- Northern Rivers Social Development Council
- Local Government Association
- Shires Association
- Local council – Western Sydney

8. Adjournment

The Committee adjourned at 2:30 pm, until Tuesday 20 May 2009 at 10:00 am in Hospital Road for meeting 10:30 am meeting at City West Housing, Pyrmont.

Glenda Baker
Committee Clerk

Minutes No. 32

Wednesday 20 May 2009

City West Housing Pty Ltd, Harris Street, Pyrmont at 10:15

1. Members present

Mr Ian West *Chair*
Mr Trevor Khan *Deputy Chair*
Mr Greg Donnelly
Ms Marie Ficarra
Dr John Kaye
Mr Mick Veitch

2. Site Visit to City West Housing Pty Ltd

The Committee attended City West Housing Pty Ltd, Pyrmont and was met by the General Manager, Mr Richard Perkins.

The Committee received a briefing on City West Housing Pty Ltd.

Mr Perkins left and the Committee was joined by the following tenants from City West Housing Pty Ltd:

- Ms Raylee Ford
- Mr Randolph Fricke
- Mr Francis Edwards
- Mrs Margaret Edwards

The Committee received a briefing on City West Housing, and undertook a tour of a housing unit within the complex.

3. **Adjournment**

The Committee adjourned at 1:00 pm until 8:45 on Wednesday 10 June 2009 for a public hearing in the Jubilee Room at Parliament House.

Glenda Baker
Committee Clerk

Minutes No. 33

Wednesday 10 June 2009

Jubilee Room, Parliament House at 8.45 am

1. **Members present**

Mr Ian West *Chair*
 Mr Trevor Khan *Deputy Chair*
 Mr Greg Donnelly
 Dr John Kaye (until 12 pm)
 Mr Mick Veitch
 Ms Marie Ficarra

2. **Confirmation of Minutes**

Resolved, on the motion of Mr Donnelly: That draft Minutes Nos 31 and 32 be confirmed.

3. **Correspondence**

The Committee noted the following items of correspondence received.

- 14 May 2009 – Answers to questions on notice from Ms Karine Shellshear, Executive Director, Association to Resource Co-operative Housing
- 15 May 2009 – Combined answers to questions on notice from Housing NSW and Department of Planning
- 20 May 2009 – Additional information from City West Housing Pty Ltd
 - City West Housing Pty Ltd – an outline of the company
 - City West Housing Pty Ltd 2008 Tenant Survey
 - City West Housing Pty Ltd 2008/09 – 2010/11 Business Plan
 - City of Sydney, 'Affordable Housing in Green Square', Practice Notes - May 2008

4. **Publication of answers to questions taken on notice**

Resolved, on the motion of Ms Ficarra: That, according to section 4 of the *Parliamentary Papers (Supplementary Provisions) Act 1975* and Standing Order 223(1), the Committee authorise the publication of answers to questions on notice relating to the inquiry into homelessness and low-cost rental accommodation by the following:

- Ms Karine Shellshear, Executive Director, Association to Resource Co-operative Housing
- Mr Mike Allen, Director General, Housing NSW on behalf of Housing NSW and Department of Planning – with the exception of information sourced from Counting the Homeless 2006: NSW Report which is under embargo by the Australian Institute of Health and Welfare

5. Publication of submissions

Resolved, on the motion of Mr Veitch: That according to section 4 of the Parliamentary Papers (Supplementary Provisions) Act 1975 and standing order 223(1), the Committee authorise the publication of Submissions 59 – 63.

6. Inquiry into homelessness and low-cost rental accommodation – public hearing

Witnesses, the public and media were admitted.

The Chair made an opening statement regarding the broadcasting of proceedings and other matters.

The following representatives from the Federal Department of Families, Housing, Community Services and Indigenous Affairs were sworn and examined:

- Mr Chris Wojtas, Acting Section Manager, National Rental Affordability Scheme
- Ms Clare Wall, Senior Policy Advisor, Housing Group

The evidence concluded and the witnesses withdrew.

The following representatives from Housing NSW and the Aboriginal Housing Office were sworn and examined:

- Mr Mike Allen, Director General, Housing NSW and Acting Chief Executive Officer, Aboriginal Housing Office
- Mr Allen Hedger, Deputy Chief Executive, Aboriginal Housing Office
- Ms Claire Croumbie-Brown, Acting Director, Policy and Strategic Development, Aboriginal Housing Office

The evidence concluded and the witness withdrew.

Dr Kaye left the meeting.

The following representatives from the Park Residents Association were sworn and examined:

- Mr Jim Clark
- Mr Robert Jones
- Mr Ron McLachlan
- Ms Pam Meatheringham

Mr Clark tendered the following document:

- Pre-publication copy “Affordable Housing in NSW – The Need for Action”, Ministerial Taskforce on Affordable Housing, 1996-1998.

Mr McLachlan tendered the following documents:

- Planning mechanisms for Affordable Housing”
- Housing Market Analysis: Caravan Parks”, from Housing NSW.

The evidence concluded and the witnesses withdrew.

The following representatives from the University of NSW and the University of Western Sydney were sworn and examined:

- Dr Vivienne Milligan, Associate Professor, City Futures Research Centre, Faculty of Built Environment, University of NSW
- Dr Peter Phibbs, Professor, Urban Research Centre, College of Health and Science, University of Western Sydney

Dr Vivienne Milligan tendered the following documents:

- Pre-publication copy “Innovation in Affordable Housing in Australia 2009”, AHURI
- List of selected references relating to Community and Affordable Housing.
- Diagrams “Framework for an affordable housing industry” and “Not for profit housing developers Australia 2008”

The evidence concluded and the witnesses withdrew.

The following representatives from City West Housing Pty Ltd were sworn and examined:

- Mr Richard Perkins, Chief Executive Officer
- Ms Donna Mitchell, Housing Manager

The evidence concluded and the witnesses withdrew.

The following tenants of City West Housing were sworn and examined:

- Ms Raylee Ford
- Mr Randolph Fricke
- Mrs Margaret Edwards
- Mr Frances Edwards

The evidence concluded and the witnesses withdrew.

The public hearing concluded.

The public and media withdrew.

7. Acceptance and publication of documents tendered during the public hearing

Resolved, on the motion of Mr Veitch: That the Committee accept and publish, according to section 4 of the *Parliamentary Papers (Supplementary Provisions) Act 1975* and standing order 223(1) the following documents tendered during the public hearing by Dr Vivienne Milligan:

- List of selected references relating to Community and Affordable Housing.
- Diagrams “Framework for an affordable housing industry” and “Not for profit housing developers Australia 2008”.

Resolved on the motion of Mr Veitch: That the Committee accept the following document tendered by Dr Vivienne Milligan and keep it confidential at the request of the authors, until it is publicly released by Australian Housing and Urban Research Institute (AHURI):

- Pre-publication copy “Innovation in Affordable Housing in Australia”, AHURI

8. Adjournment

The Committee adjourned at 4.45 pm, until 11 June 2009 at 9:00am in the Jubilee Room.

Glenda Baker
Committee Clerk

Minutes No. 34

Thursday 11 June 2009

Jubilee Room, Parliament House at 9.00 am

1. Members present

Mr Ian West *Chair*

Dr John Kaye (until 12:30 pm)
Mr Mick Veitch
Ms Marie Ficarra

2. Apologies

Mr Trevor Khan
Mr Greg Donnelly

3. Inquiry into homelessness and low-cost rental accommodation – public hearing

The public and media were admitted.

The Chair made an opening statement regarding the broadcasting of proceedings and other matters.

The following representatives from the Property Council of Australia were sworn and examined:

- Mr Angus Nardi, NSW Deputy Executive Director
- Ms Kristin Pryce, NSW Policy Advisor

The evidence concluded and the witnesses withdrew.

The following representatives from the Tenants' Union were sworn and examined:

- Mr Gregor Macfie, Executive Officer
- Mr Chris Martin, Policy Officer

The evidence concluded and the witness withdrew.

The following representatives from the Northern Rivers Social Development Council were sworn and examined:

- Mr Tony Davies, Chief Executive Officer
- Ms Trish Evans, Affordable Housing Project Officer

Mr Davies tendered the following documents:

- Summary Housing Information for Northern Rivers Region, NSW – March 09, produced by the Northern Rivers Social Development Council
- Northern Rivers Social Development Council Overview, June 2009

The evidence concluded and the witnesses withdrew.

The public and media withdrew.

4. Acceptance and publication of documents tendered during the public hearing

Resolved, on the motion of Ms Ficarra: That the Committee accept and publish, according to section 4 of the *Parliamentary Papers (Supplementary Provisions) Act 1975* and Standing Order 223(1) the following documents tendered during the public hearing:

- Summary Housing Information for Northern Rivers Region, NSW – March 09, produced by the Northern Rivers Social Development Council
- Northern Rivers Social Development Council Overview, June 2009

5. Witnesses at hearing to be held on Friday 19 June 2009

Resolved on the motion of Dr Kaye: That representatives from the following groups be invited to attend the public hearing on 19 June 2009 at Parliament House, as well as any other witnesses approved by the chair in consultation with the Committee:

- City of Sydney
- Manly Council

- St George Housing
- Wingecarribee Shire Council
- Landcom

Dr Kaye left the meeting.

6. **Public hearing continued**

The following representative from the Churches Community Housing was sworn and examined:

- Mr Derek Yule, Chief Executive Officer

The evidence concluded and the witness withdrew.

The following representatives from Liverpool City Council were sworn and examined:

- Mr Phil Tolhurst, General Manager
- Mr Simon Fox, Manager, Community Planning
- Ms Marlene Henry, Coordinator, Community Development

The evidence concluded and the witnesses withdrew.

The public hearing concluded.

The public and media withdrew.

7. **Adjournment**

The Committee adjourned at 2.45 pm, until 16 June 2009 at 2:15 pm in the Members' Lounge.

Glenda Baker
Committee Clerk

Minutes No. 35

Tuesday 16 June 2009

Members' Lounge, Parliament House at 2:15 pm

1. **Members present**

Mr Ian West *Chair*
Mr Trevor Khan *Deputy Chair*
Mr Greg Donnelly
Dr John Kaye
Mr Mick Veitch

2. **Consideration of transcript from public hearing 10 June 2009**

The Committee considered statements made by Ms Meatheringham regarding her park owner during evidence to the Committee on 10 June 2009.

Resolved on the motion of Dr Kaye: That evidence from Ms Meatheringham referring to her park owner be suppressed.

3. **Adjournment**

The Committee adjourned at 2.20 pm, until 19 June 2009 at 9:45 in Room 814-815 for a public hearing.

Glenda Baker
Committee Clerk

Minutes No. 36

Friday 19 June 2009

Room 814/815, Parliament House at 10:05 am

1. Members present

Mr Ian West *Chair*
Mr Trevor Khan *Deputy Chair*
Mr Greg Donnelly
Dr John Kaye
Mr Mick Veitch
Ms Marie Ficcarra (from 10:45 am)

2. Publication of submission

Resolved, on the motion of Mr Veitch: That, according to section 4 of the Parliamentary Papers (Supplementary Provisions) Act 1975 and standing order 223(1), the Committee authorise publication of submission No. 65.

3. Inquiry into homelessness and low-cost rental accommodation – public hearing

The public and media were admitted.

The Chair made an opening statement regarding the broadcasting of proceedings and other matters.

The following witness was examined:

Ms Clover Moore MP, Member for Sydney, Legislative Assembly

The following representatives from the Council of the City of Sydney were sworn and examined:

- Mr Roy Bishop, Electorate Officer
- Ms Liz Giles, Manager Homelessness
- Ms Monica Barone, Chief Executive Officer
- Ms Tamara Bruckshaw
- Mr Tye McMahon, Planner Social/Affordable Housing

Ms Ficarra joined the meeting.

The evidence concluded and the witnesses withdrew.

The following representative from Western Sydney Regional Organisation of Councils (WSROC) was sworn and examined:

- Ms Sharon Fingland, Assistant Director

The evidence concluded and the witness withdrew.

The following representatives from St George Community Housing were sworn and examined:

- Ms Nazha Saad, Chief Executive Officer
- Mr John Engeler, Commercial Program Manager
- Ms Sally Mannering, Senior Housing Manager

Mr Engeler tendered the following document:

- St George Community Housing Limited, Presentation to the Legislative Council Standing Committee on Social Issues, Inquiry into homelessness and low-cost rental accommodation by Ms Nazha Saad, Chief Executive Officer, Friday 19 June.

The evidence concluded and the witnesses withdrew.

The following witness from Wingecarribee Shire Council were sworn and examined:

- Councillor Larry Whipper
- Ms Margo McClelland, Social Planner Wingecarribee Shire Council

The evidence concluded and the witnesses withdrew.

Mr Trevor Khan left the meeting.

The following witness from Landcom was sworn and examined:

- Mr Stephen Driscoll, Director, Sustainability and Policy and Development Director Rouse Hill

Mr Driscoll tendered the following documents:

- Landcom Annual Report 2008
- Extract from Landcom Corporation Act 2001
- Landcom – Our projects 2007/08 From planning to action.

The evidence concluded and the witness withdrew.

The following representatives from Community Housing Canberra were sworn and examined:

- Mr Craig Brennan, Chief Executive Officer
- Ms Kim Sinclair, Deputy Chief Executive Officer

The evidence concluded and the witnesses withdrew.

The public and media withdrew.

4. **Confirmation of minutes**

Resolved, on the motion of Dr Kaye: That Draft Minutes Nos 33, 34 and 35 be published.

5. **Correspondence**

The Committee noted the following item of correspondence received:

- 15 June 2009 – answers to questions on notice and recent data on housing and homelessness in the Northern Rivers from Ms Trish Evans, Affordable Housing Project Officer, Northern Rivers Social Development Council.

6. **Publication of answers to questions on notice**

Resolved, on the motion of Ms Ficcaro: That, according to section 4 of the Parliamentary Papers (Supplementary Provisions) Act 1975 and standing order 223(1), the Committee authorise publication of answers to questions on notice from Northern Rivers Social Development Council.

7. **Publication of submission**

Resolved, on the motion of Mr Donnelly: That, according to section 4 of the Parliamentary Papers (*Supplementary Provisions*) Act 1975 and standing order 223(1), the Committee authorise publication of submission No. 64.

8. **Acceptance and publication of documents tendered during the public hearing**

Resolved, on the motion of Mr Veitch: That the Committee accept and publish, according to section 4 of the Parliamentary Papers (Supplementary Provisions) Act 1975 and standing order 223(1) the following documents tendered during the public hearing:

- St George Community Housing Limited, Presentation to the Legislative Council Standing Committee on Social Issues, Inquiry into homelessness and low-cost rental accommodation by Ms Nazha Saad, Chief Executive Officer, Friday 19 June 2009
- Extract from Landcom Corporation Act 2001

9. Witnesses at hearing on 30 June 2009

Resolved, on the motion of Mr Veitch: That representatives from the following groups be invited to attend a public hearing on 30 June 2009, as well as other witnesses approved by the Chair in consultation with the Committee.

- Housing NSW, Director General, Mr Mike Allen
- Housing Choices Australia (Victoria), Chief Executive Officer, Mr Michael Lennon

10. General business

Members noted that the Chair and Deputy Chair are to attend a conference 'The Crisis and Beyond' hosted by Shelter NSW, on 2 July 2009.

11. Adjournment

The Committee adjourned at 5:00 pm, until 30 June 2009, at 1:45 pm in Room 814/815 (deliberative and public hearing).

Glenda Baker
Committee Clerk

Minutes No. 37

Tuesday 30 June 2009

Room 814/815, Parliament House at 1:45 pm

1. Members present

Mr Ian West *Chair*
Mr Trevor Khan *Deputy Chair*
Mr Greg Donnelly
Dr John Kaye
Mr Mick Veitch

2. Apologies

Ms Marie Ficcaro

3. Confirmation of previous minutes

Resolved, on the motion of Mr Veitch: That Draft Minutes No 36 be confirmed.

4. Correspondence

The Committee noted the following items of correspondence:

- 22 June – additional material requested of City of Sydney representatives by members at hearing 19 June 2009
- City of Sydney Affordable Housing Levy – Impact Analysis
- City of Sydney Affordable Housing Levy – Peer Review
- City of Sydney Affordable Housing Research Paper September 2008
- City of Sydney Council Reports – Affordable Housing Levy in city Plan and Capturing Betterment as a result of upzoning
- City of Sydney Submission – National Rental Affordability Scheme
- City of Sydney Submission – Federal Government's green Paper: Which Way Home? A new approach to homelessness

- City of Sydney Submission – NSW Government’s Homelessness Strategic Framework: Stage 1 Draft Consultation Paper
- Sustainable Sydney 2030: Chapter 10 – Project Ideas
- City of Sydney Homelessness Strategy 2007-2012
- 26 June 2009 – Answers to questions taken on notice, Homelessness Information Clearinghouse
- 29 June 2009 – Answers to questions taken on notice, Barnardos
- 30 June 2009 – Answers to questions taken on notice, NSW Federation of Housing Associations Inc.

5. Publication of correspondence

Resolved, on the motion of Mr Donnelly: That, according to section 4 of the Parliamentary Papers (Supplementary Provisions) Act 1975 and standing order 223(1), the Committee authorise publication of correspondence, including answers to questions on notice and additional material supplied by.

- Homelessness Information Clearinghouse, Mr Paul van Reyk
- Barnardos, Ms Louise Voigt
- NSW Federation of Housing Associations, Mr Adam Farrar
- City of Sydney, Lord Mayor, Ms Clover Moore MP

6. Publication of submission

Resolved, on the motion of Dr Kaye: That, according to section 4 of the Parliamentary Papers (Supplementary Provisions) Act 1975 and standing order 223(1), the Committee authorise publication of submission No. 66.

7. Inquiry into homelessness and low-cost rental accommodation – public hearing

The public and media were admitted.

The Chair made an opening statement regarding the broadcasting of proceedings and other matters.

The following representatives from Housing NSW were examined under their previous oath:

Ms Maura Boland, Executive Director, Policy and Strategy Division

Ms Leonie King, Executive Director, community Housing Division

Mr John McMillan, Manager, Homelessness Unit

The following witness from Housing NSW was sworn and examined:

- Ms Helen O’Loughlin, Director, Centre for Affordable Housing

The evidence concluded and the witnesses withdrew.

The following representative from Housing Choices Australia in Victoria was examined via teleconference:

- Mr Michael Lennon, Chief Executive Officer

The evidence concluded and the witness withdrew.

The public and media withdrew.

8. Adjournment

The Committee had a short adjournment

9. xxxx

10. Adjournment

The Committee adjourned at 5:30pm, sine die.

Glenda Baker
Committee Clerk

Minutes No. 38

Wednesday 26 August 2009

Room 814/815, Parliament House at 9:15 pm

1. Members present

Mr Ian West *Chair*
Mr Trevor Khan *Deputy Chair*
Mr Greg Donnelly
Dr John Kaye
Mr Mick Veitch
Ms Marie Ficarra

2. Confirmation of previous minutes

Resolved, on the motion of Mr Veitch: That Draft Minutes No 37 be confirmed.

3. Correspondence

The Committee noted the following items of correspondence received:

- 30 June 2009 – additional answers to questions on notice from Adam Farrar, NSW Federation of Housing Associations
- 30 June 2009 – answer to question on notice from Clover Moore MP, Lord Mayor of Sydney.
- 3 July 2009 – answers to questions on notice from Felicity Reynolds, Mercy Foundation
- 1 July 2009 – answers to questions on notice from Associate Professor Vivienne Milligan, City Futures Research Centre, Faculty of the Built Environment, University of New South Wales
- 7 July 2009 – answers to questions on notice Mr Chris Martin, Tenants' Union of NSW
- 9 July 2009 – email from Ms Tanya Richmond, Housing NSW, advising that the embargo on 'Counting the Homeless 2006 NSW Report' has been lifted so the full answers to questions on notice can now be published
- 9 July 2009 – answers to questions on notice from Ms Clare Wall, Senior Housing Adviser, Department of Families, Housing, Community Services and Indigenous Affairs
- 10 July 2009 – answers to questions on notice from Mr Richard Perkins, Chief Executive Officer, City West Housing Pty Ltd
- 13 July 2009 – answers to questions on notice from Ms Trish Evans, Affordable Housing Project, Northern Rivers Social Development Council
- 17 July 2009 – answers to questions on notice from Mr Derek Yule, Churches Community Housing
- 16 July 2009 – answers to additional questions on notice from Mr Robert Jones, Park Residents Association
- 16 July 2009 – answers to questions on notice from Mr Mike Allen, Acting Chief Executive Officer, NSW Aboriginal Housing Office
- 23 July 2009 – answers to questions on notice from Ms Sharon Fingland, Assistant Director, Western Sydney Regional Organisation of Councils Ltd
- 24 July 2009 – additional answers to questions on notice from Ms Sharon Fingland, Assistant Director, Western Sydney Regional Organisation of Councils Ltd
- 24 July 2009 – answers to questions on notice from Ms Lindi Martin, St George Community Housing Limited
- 20 July 2009 – answers to questions on notice from Mr Stephen Driscoll, Director, Sustainability & Policy, Landcom
- 27 July 2009 – additional information and amendment to evidence given on 19 June 2009 from Mr Craig Brennan, Chief Executive Officer, Community Housing Canberra

- 27 July 2009 – Answers to questions on notice from Mr Angus Nardi, NSW Deputy Executive Director, Property Council of Australia
- 28 July 2009 – Answers to questions on notice from Ms Clover Moore MP, Lord Mayor of Sydney
- 6 August 2009 – additional information and clarification of evidence given on 30 June 2009 and answers to questions on notice from Mr Mike Allen, Director General, Housing NSW
- 14 August 2009 – Answers to questions on notice from Ms Eleri Morgan-Thomas, National Manager Housing Services, Mission Australia.

Resolved, on the motion of Ms Ficarra: That, according to section 4 of the Parliamentary Papers (Supplementary Provisions) Act 1975 and Standing Order 223(1), the Committee authorise the publication of answers to questions on notice received from:

- NSW Federation of Housing Associations
- Clover Moore MP, Lord Mayor of Sydney
- Mercy Foundation
- City Futures Research Centre, Faculty of the Built Environment, UNSW
- Tenants' Union of NSW
- Housing NSW
- Commonwealth Department of Families, Housing, Community Services and Indigenous Affairs
- City West Housing Pty Ltd
- Northern Rivers Social Development Council
- Churches Community Housing
- Parks Residents Association
- NSW Aboriginal Housing Office
- Western Sydney Regional Organisation of Councils Ltd
- St George Community Housing Limited
- Landcom
- Property Council of Australia
- Mission Australia

Resolved, on the motion of Mr Donnelly: That, according to section 4 of the Parliamentary Papers (Supplementary Provisions) Act 1975 and Standing Order 223(1), the Committee authorise the publication of clarification of evidence and additional information received from:

- Community Housing Canberra
- Mr Mike Allen, Housing NSW

4. xxxx

5. xxxx

6. **Consideration of draft report outline – inquiry into homelessness and low cost rental accommodation**

The Committee considered the draft report outline for the inquiry into homelessness and low cost rental accommodation.

7. xxxx

8. xxxx

9. **Adjournment**

The Committee adjourned at 1:00pm *sine die*.

Rachel Simpson
Clerk to the Committee

Draft Minutes No. 39

Monday 21 September 2009

Room 1102, Parliament House at 9:00 am

1. Members present

Mr Ian West *Chair*
Mr Greg Donnelly
Dr John Kaye
Mr Mick Veitch
Ms Marie Ficarra

2. Apologies

Mr Trevor Khan

3. Confirmation of previous minutes

Resolved, on the motion of Ms Ficarra: That Draft Minutes No 38 be confirmed.

4. xxxx

5. xxxx

6. xxxx

7. xxxx

8. Consideration of draft report – inquiry into homelessness and low cost rental accommodation

The Chair tabled his draft report entitled *Homelessness and low cost rental accommodation*, which, having been previously circulated was taken as being read.

Chapter 1 read.

Resolved on the motion of Mr Donnelly that paragraph 1.4 be amended by inserting at the end of the paragraph the words ‘particularly in relation to domestic violence. The Report does not seek to provide all the answers to every issue’, especially those relating to short term, acute housing needs.’

Resolved on the motion of Mr Veitch that an additional paragraph be inserted immediately following paragraph 1.4 to read:

‘This inquiry is not directly about primary homelessness but relates more specifically to secondary homelessness where the lack of affordable housing in appropriate locations has a major impact on tenants and the wider community.’

Resolved, on the motion of Mr Veitch: That Chapter 1, as amended, be adopted.

Chapter 2 read.

Resolved on the motion of Mr Donnelly: That the second dot point in paragraph 2.8 be amended by inserting the words ‘for reasons primarily relating to domestic violence’ after the words ‘women’s refugees’.

Resolved on the motion of Dr Kaye: That paragraph 2.74 be checked for accuracy regarding the words ‘25 per cent of their income’ and amended if necessary to reflect the accurate percentage.

Resolved, on the motion of Mr Donnelly: That Chapter 2, as amended be adopted.

Chapter 3 read.

Resolved on the motion of Mr Veitch: That paragraph 3.16 be amended by inserting the word 'proposed' before the word 'coordinated' and deleting the words 'is to' and inserting the words 'would be to' wherever occurring.

Resolved, on the motion of Dr Kaye: That Chapter 3, as amended be adopted.

Chapter 4 read.

Resolved on the motion of Dr Kaye: That paragraph 4.29 be amended by inserting the words 'because of the designated scope of operation in the Sydney Regional Environmental Plan (SREP No 26), which prevents City West operating in other areas' at the end of the paragraph, and inserting a footnote referencing the SREP 26.

Resolved on the motion of Mr Veitch: That paragraph 4.44 be amended by deleting the words 'are not nearly enough to go anywhere near meeting' and inserting instead the words 'in no way meet'.

Resolved on the motion of Dr Kaye: That Recommendation 5 be amended by deleting the words 'a shared equity scheme' and inserting instead the words 'shared equity scheme arrangements that have the primary objective of increasing home ownership'.

Resolved on the motion of Dr Kaye: That Recommendation 8 be amended by: deleting the words 'cuts red tape'; and deleting the words 'caravan parks' and inserting instead the words 'caravan/residential parks'.

Resolved on the motion of Dr Kaye: That a new paragraph be inserted following paragraph 4.132 to read:

'The Committee is of the opinion that tenant participation on Boards of not for profit housing providers is an important reform that all levels of government should pursue.'

Resolved on the motion of Mr Veitch: That Recommendation 10 be amended by deleting the words 'where need is identified'.

Resolved, on the motion of Mr Donnelly: That Chapter 4, as amended be adopted.

Chapter 5 read.

Resolved on the motion of Mr Donnelly: That paragraph 5.38 be amended by deleting the word 'program' and inserting instead the words '-type model'.

Resolved on the motion of Mr Donnelly: That Recommendation 12 be amended by inserting the words '-type' following the words 'common ground'.

Resolved on the motion of Mr Veitch: That Recommendation 14 be amended by deleting the words 'regional councils' and inserting instead the words 'local government'.

Resolved on the motion of Mr Donnelly: that the heading immediately preceding paragraph 5.117 be amended by inserting the word '/residential' after the word 'caravan'.

Resolved on the motion of Mr Donnelly: That paragraph 5.117 be amended by inserting the word '/Residential' after the word 'caravan' and inserting the words '(hereafter referred to as 'caravan parks') at the end of the first sentence

Resolved on the motion of Mr Veitch: That Recommendation 16 be amended by: deleting the words 'focussing on' and inserting instead the word 'into'; inserting the word '/residential' after the word

‘caravan’ wherever occurring; inserting the words ‘and in particular caravan/residential parks’ before the word ‘as an affordable housing option’ and deleting the words ‘impact of the closure of caravan parks’ and inserting instead ‘impact of their closure’.

Resolved on the motion of Dr Kaye: That paragraph 5.143 be amended by: inserting the word ‘first’ before the words ‘the decline in’ and deleting the words ‘and borders and lodgers generally not being afforded the same legal protection as other tenants’ and inserting instead the words ‘secondly, boarders and lodgers have no tenancy rights in New South Wales and are specifically excluded from the *Residential Tenancies Act 1987*.’

Resolved on the motion of Dr Kaye: That Recommendation 17 be amended by inserting the words ‘to amend the *Residential Tenancies Act 1987*’ after the words ‘legislative possibilities’.

Resolved, on the motion of Ms Ficarra: That Chapter 5, as amended be adopted.

Resolved on the motion of Ms Ficarra: That the draft report, as amended, be the report of the Committee presented to the House, together with transcripts of evidence, submissions, tabled documents, minutes of proceedings, answers to question on notice and correspondence relating to the inquiry, except for documents kept confidential by resolution of the Committee.

9. Adjournment

The Committee adjourned at 11:15 am, until 28 September 2009 at 9:00 am in Rooms 814/815.

Rachel Simpson
Clerk to the Committee