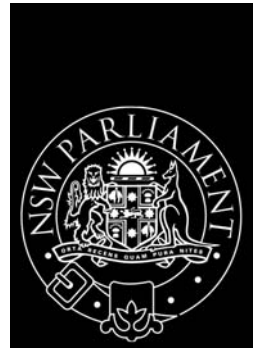


LEGISLATIVE ASSEMBLY



Public Bodies Review Committee
REPORT ON THE INQUIRY INTO THE ALLOCATION OF
SOCIAL HOUSING

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Terms of Reference

The Public Bodies Review Committee is to inquire into and report on the Allocation of Social Housing in New South Wales with particular emphasis on:

- Current levels of funding for the development of new housing stock
- The effectiveness and appropriateness of housing allocations
- Role of community housing in meeting the demand for social housing
- Social housing allocation systems in other jurisdictions
- Any other related matters

Chairman's Foreword

Committee members from both metropolitan and non metropolitan areas of NSW agreed that social housing was an important issue in their electorates, in the electorate of Port Macquarie the issue ranked as the fourth most popular issue among constituents visiting the electorate office.

While the range of issues in housing is wide the view was taken the focus would be on the important issue of allocation. This quote from *The Changing Role of Allocations Systems in Social Housing* from the Australian Housing and Urban Research Institute outlines why allocations are intricate to the social housing system:

“Allocations systems lie at the core of social housing. They determine who is eligible for housing, the order of providing assistance, and the matching of households with specific properties. In so doing, they affect the circumstances and wellbeing of individual households and the composition and capacity of local communities. Allocations systems also affect all aspects of housing providers' operations, including tenancy management, asset planning and management, rent revenue and, ultimately, financial viability.”

The allocations policies employed by public housing authorities are significant, especially when the policy is found to affect nine out of ten dwellings in Australia.¹ The same report outlined how just 5% of Australian applicants in the greatest need account for 38% of the housing allocations made.

Professor Bill Randolph at a public hearing held on the 11 May 2006 as part of the inquiry summarised the situation in New South Wales as:

“The greater targeting is a logical outcome to a situation of no growth but growing need.”

The Committee received submissions stating that the waiting time for public housing in NSW is twelve years. This is a strong indicator of the severity of the need for social housing.

Strong demand is not being matched by strong growth in social housing. The net increase in public housing stock as at June 2006 was 451. The Committee want to see an increase in both public housing and community housing to enable a wider range of people to be serviced by the sector.

¹ Kath Hulse and Terry Burke, March 2005, *The Changing Role of Allocations Systems in Social Housing*, *The Australian Housing and Urban Research Institute*, page iii

In all of the evidence presented to the Committee in the form of submissions and public hearings one message was clear that there is a critical need for growth in social housing. That is why the Committee touched on issues related to local government and public private partnerships.

The Committee are of the view that while social housing has significant resource issues that there is scope for improvement in the way core tasks like allocation are currently carried out. It is feasible and desirable that choice for tenants, transparency of the allocation system, and levels of tenant participation increase, thereby improving outcomes for tenants through choice based letting.

The pilot in South Australia of the Choice Based Letting system was of great interest to the Committee. An applicant involved in the evaluation of the pilot said that they were:

“Very pleased with the extra freedom of the process, very happy with CBL.”

Facilitating choice for social housing applicants by enabling them to bid for vacant properties is a system worth piloting in this state.

The area of social housing is a complex one and providers face a number of challenges in their operating environment. This was highlighted to the Committee during the course of the inquiry.

One of several public housing estates undergoing major reform is the Minto estate, which the Committee were able to tour during the course of the inquiry. Highlighted to the Committee during this time were the importance of consultation with tenants and the clear delivery of relevant information to tenants.

The Committee understand that the NSW Department of Housing are working to break down concentrations of disadvantage in public housing estates and that the incompatibility of existing housing stock to future demand is a significant issue for the department.

The Committee affirm the role of social housing as the provider of secure accommodation for those unable to access alternate forms of housing. The Committee would like to see the NSW Department of Housing progress social housing for the benefit of the state.



Mr Matthew Morris MP
Chairman

List of Recommendations

Recommendation Number	Recommendation	Page Reference in Report
1	That the Government consider expanding Aboriginal Housing	14
2	That the Government continue to support Landcom in the fulfilment of its legislative obligation to conduct itself in a socially responsible way	35
3	That consideration be given to increasing Landcom's annual target proportion of moderate income housing from 7.5% to 10% to be delivered through housing stock or diversion of the value equivalent of 10% of stock to the generation of moderate income housing on an alternative site	35
4	That when selling land to private property developers Landcom consider including a covenant aimed at delivering a social housing outcome on the site	35
5	That significant growth in social housing stock be achieved through: <ul style="list-style-type: none">➤ An increase in funding by the Commonwealth and State Governments under the Commonwealth State Housing Agreement➤ Partnerships with private developers, local government, and non-government organisations	39
6	That any increase in funding under the Commonwealth State Housing Agreement include a significant investment in capital works	45
7	That the effectiveness of and the proportion of funding to the Commonwealth Rent Assistance program be re-evaluated by the Commonwealth	50
8	That incentives be provided by the Commonwealth and State Governments to private landlords who sign five to ten year rental agreements with community housing providers	50
9	That a specific aim of Public Private Partnerships undertaken in social housing be to increase social housing stock or de-concentrate disadvantage on public housing estates in consultation with tenants	57

Recommendation Number	Recommendation	Page Reference in Report
10	That tenants required to relocate because of developments in their area be given the first option (where available) of being relocated in the same local government area	57
11	That consultation, accountability, and transparency continue to be comprehensive in the execution of public private partnerships or major redevelopments in social housing	57
12	That the NSW Department of Housing consider undertaking a trial of choice based letting in a public housing allocation zone in NSW	68
13	That applicants for social housing continue to be provided with up to date estimates of waiting times for allocation and more information on the housing stock available	68
14	That all relevant agencies expand programs which support tenants with their non-housing related needs	72
15	That the NSW Department of Housing, in consultation with community housing providers develop a common housing register for social housing in NSW	78
16	That there be an increase in the transfer of titles to community housing providers who have an opportunity to develop new social housing stock	80
17	That local government develop social and affordable housing policies, and seek where possible to retain affordable housing and to develop social housing	87
18	That the Government consider conducting an investigation into further incentives for landlords of low income rental housing to encourage growth in this type of housing stock	87

Glossary of Terms

Public Housing	Public housing is long term, affordable housing managed by the state government through the NSW Department of Housing. Public housing is one of the main forms of housing assistance.
Community Housing	Affordable rental properties for tenants who are eligible for public housing. Community housing is managed by a large number of not for profit community housing organisations.
Aboriginal Housing	Long term, affordable housing managed by the NSW Department of Housing with eligibility related to Aboriginality.
Social Housing	The Committee intends for social housing to be used as a reference to public, community, and Aboriginal housing.
Commonwealth Rent Assistance	A payment made to eligible people to assist them paying their rent in either community housing or in private rental accommodation. One of the other main forms of housing assistance.
Choice Based Letting	An allocation system where available properties are advertised to those on the waiting list for accommodation. People on the waiting list typically use points to bid for the properties they are interested in.
Commonwealth State Housing Agreement	The 2003 Commonwealth State Housing Agreement is an agreement, authorised under the <i>Housing Assistance Act 1996</i> , between the Australian Government and the states and territories. The purpose of the agreement is to provide funding to assist those whose needs for appropriate housing cannot be met by the private market. ² The CSHA is the main source of funding for social housing.
Housing Stress	When households pay more than 30% of their income on rent or mortgage repayments. ³
Housing Crisis	When households pay more than 50% of their income on rent or mortgage repayments. ⁴

² Department of Families and Communities website
<http://www.facs.gov.au/Internet/facsinternet.nsf/aboutfacs/programs/house-csha.htm> date accessed 14 September 2006

³ Judith Yates, Michelle Gabriel, February 2006, *Housing Affordability in Australia*, Australian Housing and Urban Research Institute

⁴ Ibid

Chapter One - A Profile of Social Housing in NSW

- 1.1 By social housing the Committee refers to public housing, Aboriginal housing and community housing which are all types of housing assistance. In NSW public housing dominates social housing.
- 1.2 The following extract from the Report on Government Services outlines the full range of housing assistance programs on offer:⁵
- **Public housing:** dwellings owned (or leased) and managed by State and Territory housing authorities to provide affordable rental accommodation. The CSHA is the main source of funding for public housing along with internally generated rental revenues and the proceeds of asset sales.
 - **Community housing:** rental housing provided for low to moderate income or special needs households, managed by community-based organisations that are at least partly subsidised by government. Community housing models vary across jurisdictions.
 - **Indigenous housing:** State owned housing targeted at Indigenous households (referred to as 'State owned and managed Indigenous housing' in this report) and houses owned or leased and managed by Indigenous community housing organisations and community councils in major cities, regional and remote areas.
 - **Crisis accommodation:** accommodation services to help people who are homeless or in crisis. Services are generally provided by non-government organisations and many are linked to support services funded through SAAP. Sources of government funding include CAP through the CSHA, which provides funding for accommodation, and SAAP funding for live-in staff, counselling and other support services.
 - **Home purchase assistance:** assistance provided by State and Territory governments to low to moderate-income households to help with first home purchases or mortgage repayments.
 - **Private rental assistance:** assistance funded by State and Territory governments to low income households experiencing difficulty in securing or maintaining private rental accommodation. This assistance may include ongoing or one-off payments to help households meet rent payments, one-off payments for relocation costs, guarantees or loans to cover the cost of bonds, and housing assistance advice and information services. Assistance may be provided by community-based organisations funded by government.
 - **CRA (Commonwealth Rent Assistance):** which is a non-taxable income support supplement paid by the Australian Government to income support

⁵ Productivity Commission, 2006, *Report on Government Services 2006*, Part G Housing, page 16.10

recipients or people who receive more than the base rate of the Family Tax Benefit Part A and who rent in the private rental market.

Source: CSHA (2003); FaCS (2003).

- 1.3 To be eligible for community housing an applicant must be eligible for public housing. When an applicant applies to the NSW Department of Housing they are asked if they are interested in being considered for community housing, they are then given the contact details of community housing providers to apply to if they show an interest in community housing.
- 1.4 Applicants must nominate an allocation zone they wish to be housed in. Applicants are made two reasonable offers of accommodation and if they do not accept the final offer they are removed from the waiting list.
- 1.5 Applicants are not provided with information on the housing stock available. No information on the number of applicants in an allocation zone relative to the housing stock or the likely waiting period is published by the NSW Department of Housing.
- 1.6 The submission from the NSW Department of Housing outlines the allocation process as one in which:

“When there is a vacant public housing property, local client service staff search the register for the next eligible household that matches the property. The offer is made to the first applicant on a shortlist whose needs match the property characteristics. Applicants are listed on the register in date order within their approval category.”
- 1.7 The submission goes on to say that reforms to public housing will improve assessment arrangements and that more information about the applicant household’s needs will be gathered. All clients will be screened for complex housing needs, affordability, and accessibility problems.
- 1.8 The operating environment of the social housing system is said in the submission from the NSW Department of Housing to be constrained by the following:
 - Declining Commonwealth contributions to CSHA funds over the past decade and uncertainty about the nature of funding after 2007/08 when the current agreement expires
 - Demographic changes in the broader society, leading to smaller household sizes in social housing
 - A stock portfolio built to accommodate families, which no longer aligns with current and emerging demand for smaller properties
 - Concentrations of socially disadvantaged households on public housing estates

- A backlog of maintenance and improvement work required on existing, ageing stock”

1.9 In 2004-2005 the total number of new households assisted and of existing tenants relocating in public housing were as follows:⁶

	Total Number Assisted in 2004-2005
New Households	8 829
New Indigenous Households	934
Relocations of Existing Tenants	3 497

Public Housing Stock

1.10 There were 122 570 public housing dwellings tenanted by households through the NSW Department of Housing on the 30 June 2005. These dwellings are distributed through the following geographical regions:⁷

Region	Number	% of all dwellings 124 247
Major Cities	100 019	81%
Inner Regional Areas	19 040	16%
Outer Regional Areas	4748	4%
Remote Areas	364	.3%
Very Remote Areas	76	.1%

1.11 The twenty public housing allocation zones with the most housing stock are listed over the page:⁸

⁶ Productivity Commission, 2006, Report on Government Services 2006, Part G Housing, Attachment 16A, Table 16A.1

⁷ Ibid

⁸ Drawn from data supplied by the NSW Department of Housing in June 2006

Allocation Zone	Total Number of Dwellings
Campbelltown	6989
Inner City	6703
Bankstown	6441
Eastern Suburbs	6244
Mt Druitt	5543
Liverpool	4929
Fairfield	4691
Blacktown	4502
Parramatta/Baulkham Hills	4349
Leichhardt/Marrickville	4081
Newcastle	4068
Wollongong City	3653
Northern Suburbs	3445
South Wollongong	3103
Penrith	2852
Holroyd	2637
Lake Macquarie East	2477
Auburn/Granville	2383
St George	2342
Gosford	2307

1.12 Historically there has been a focus in public housing on providing housing for low-income working families. In the 1970s and 1980s the greatest amount of stock allocated was three bedroom houses.⁹

1.13 This historical provision of housing to families means that current housing stock is not appropriate to the current or future tenant profile. The former Director General of the NSW Department of Housing, Mr Terry Barnes stated at the 2005 budget estimates committee hearing that:

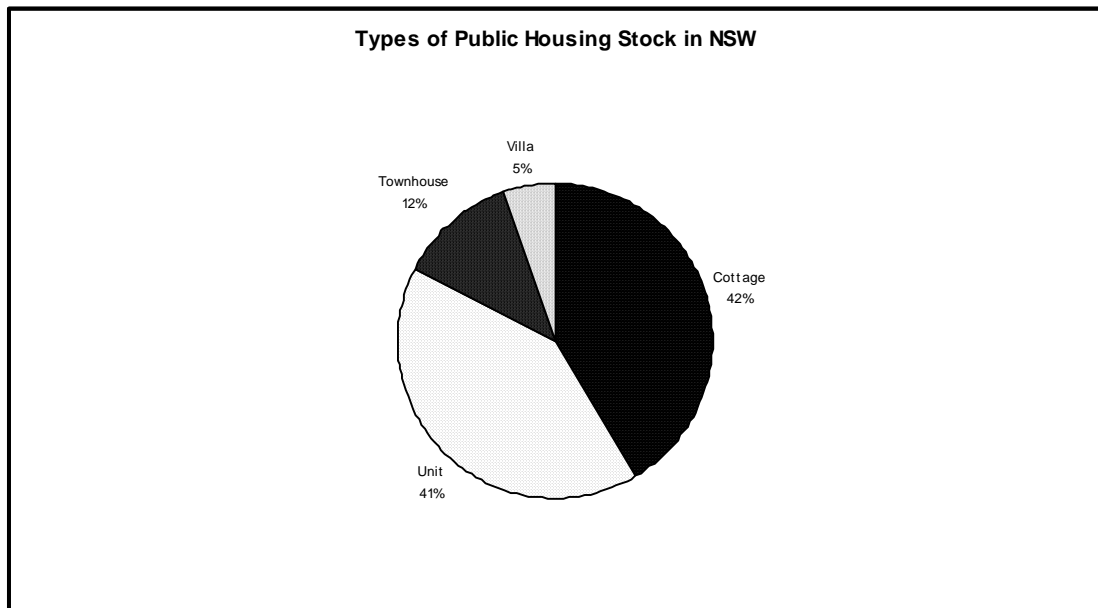
“...we have in the range of 130,000 properties across New South Wales. ...We know that 59 per cent of those properties, for example, are three-bedroom, standalone cottages—the typical Aussie home, as I sometimes call them—on a quarter acre block.”

1.14 The largest group of applicants on the public housing register in 2004-05 were single people at 36% of all applicants.¹⁰

1.15 The composition of housing stock is exemplified in the graph over the page:¹¹

⁹ Kath Hulse and Terry Burke, March 2005, *The Changing Role of Allocations Systems in Social Housing*, The Australian Housing and Urban Research Institute, page 39

¹⁰ Submission from the NSW Department of Housing



1.16 The submission from Lend Lease suggests that the existing housing stock is poorly configured raising further questions over the suitability of the resource to meet the nature of the current and future demand.

1.17 Responses from the Minister for Housing, The Honourable Cherie Burton MP to questions taken on notice in the 2005 budget estimates committee hearings indicated that the housing stock consisted of:

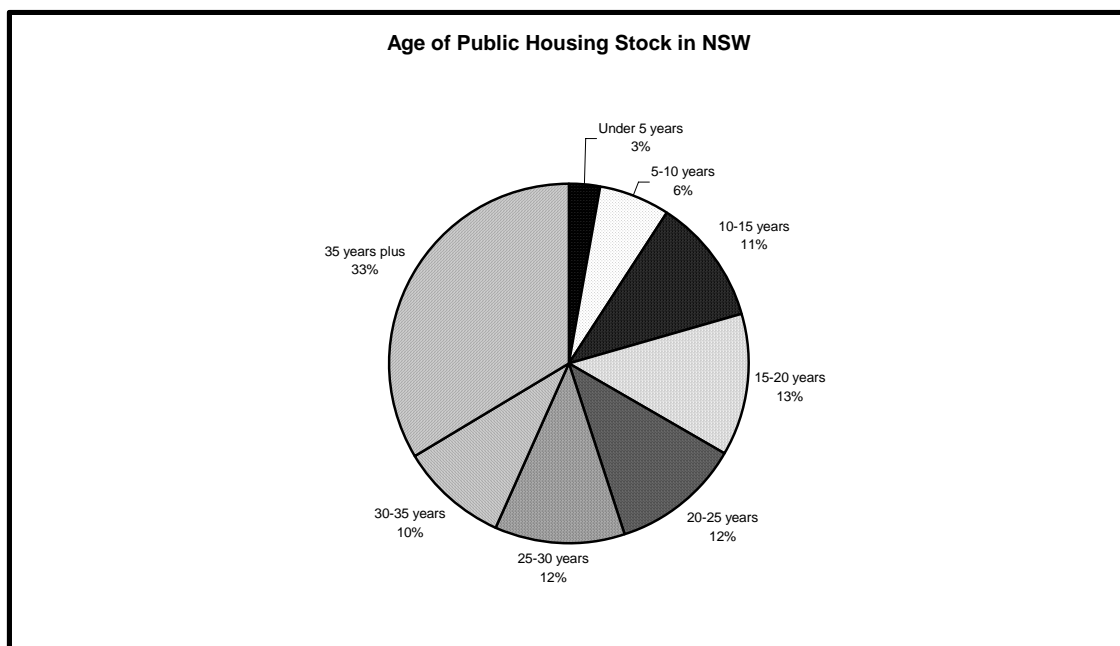
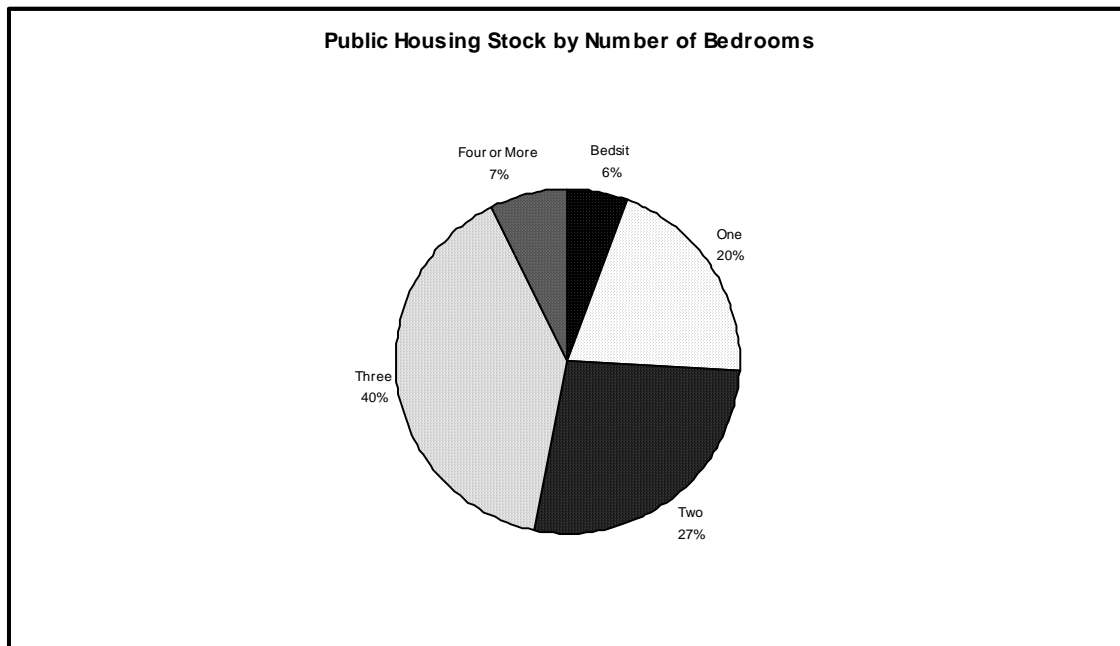
1 Bedroom	-	25 242
2 Bedroom	-	34 711
3 Bedroom	-	50 199

The average age of dwellings was approximately 23 years.

1.18 The following graphs illustrate these points:¹²

¹¹ Drawn from data supplied by the NSW Department of Housing in June 2006

¹² Drawn from data supplied by the NSW Department of Housing in June 2006



1.19 With the exception of the Newcastle allocation zone all of the top ten allocation zones with concentrations of housing stock over 20 years old also had a concentration of housing stock under stock 20 years old. The

problem of maintenance costs associated with ageing housing stock is fairly spread across the housing portfolio.

1.20 Evidence from the NSW Department of Housing to the Committee identified that the goal increase in one and two bedroom housing stock was from 53% to 61% to reflect the needs of people seeking public housing in the future.

1.21 The popularity of allocation zones was said by the NSW Department of Housing in evidence to the Committee to vary significantly. Some allocation zones were said to have a small wait time while others had average wait times in excess of ten years.

1.22 The allocation zones nominated by most applicants were:¹³

Allocation Zone	Total Number of Applicants Nominating
St George	3829
Fairfield	2792
Gosford	2594
Inner West	2535
Wyong	2321
Newcastle	1982
Bankstown	1685
Liverpool	1580
Parramatta/Baulkham Hills	1515
Eastern Suburbs	1472
Blacktown	1440
Port Macquarie	1332
Northern Suburbs	1326
Leichhardt/Marrickville	1201
Penrith	1167

1.23 The allocation zones that received the highest number of approved applicants were Campbelltown, Newcastle, Parramatta/Baulkham Hills, Bankstown, and Liverpool.

1.24 Allocation zones have marked variations in the types of housing stock contained within them: *

¹³ Drawn from data supplied by the NSW Department of Housing in June 2006

*Statistically insignificant types of housing are not reported (for example terrace style housing)

Allocation Zone	Total Number of Public Housing Dwellings	% Cottages	% Units	% Townhouses	% Villas
Campbelltown	6989	44%	5%	46%	5%
Inner City	6703	0%	86%	12%	0%
Bankstown	6441	46%	44%	5%	4%
Eastern Suburbs	6244	5%	84%	8%	3%
Mt Druitt	5543	67%	14%	16%	3%
Liverpool	4929	44%	41%	10%	5%
Fairfield	4691	43%	21%	21%	14%
Blacktown	4502	57%	21%	18%	3%
Parramatta/Baulkham Hills	4349	31%	53%	10%	6%
Leichhardt/Marrickville	4081	4%	65%	31%	0%
Newcastle	4068	15%	63%	15%	7%
Wollongong City	3653	29%	43%	21%	7%
Northern Suburbs	3445	16%	72%	9%	3%
South Wollongong	3103	59%	30%	8%	3%
Penrith	2852	49%	27%	16%	8%
Holroyd	2637	20%	60%	7%	13%
Lake Macquarie East	2477	55%	17%	20%	8%
Auburn/Granville	2383	39%	46%	11%	3%
St George	2342	23%	67%	6%	4%
Gosford	2307	38%	34%	16%	12%
Sutherland	2148	20%	62%	12%	6%
Riverwood	2074	18%	78%	2%	2%
Inner West	1885	14%	76%	8%	2%
Wyong	1873	46%	32%	13%	8%
Shellharbour	1839	71%	11%	6%	6%
Northern Beaches	1782	12%	78%	8%	2%
Maitland	1570	75%	16%	1%	7%
Wagga Wagga	1392	79%	15%	0%	1%
Lake Macquarie	1386	71%	13%	9%	7%
Canterbury	1229	23%	64%	11%	2%

Drawn from data supplied by the NSW Department of Housing in June 2006

1.25 The Committee learnt that public housing stock was being developed in the following areas between March and June 2006:¹⁴

Allocation Zone	Location	Units
Albury	Albury	13
Auburn/Granville	Auburn	6
Ballina	Ballina	8
Bankstown	Chester Hill	11
Bathurst	Bathurst	18
Camden	Elderslie	14
Campbelltown	Campbelltown	4
Canterbury	Belfield/Punchbowl	10
Dubbo	Dubbo	8
Fairfield	Fairfield	12
Gosford	Gosford	5
Holroyd	Girraween	2
Lake Macquarie East	Tingira Heights	1
Liverpool	Liverpool	6
Northern Beaches	Brookvale/Frenchs Forest/Narraweena/West Ryde	28
Parramatta/Baulkham Hills	North Parramatta	25
Penrith	Penrith	2
Port Macquarie	Port Macquarie	1
Shellharbour	Albion Park Rail	4
St George	Beverley Hills	5
Wollongong North	Bulli	6
Wyong	Long Jetty/The Entrance/Wyong	15

Total 204

¹⁴ Drawn from data supplied by the NSW Department of Housing in June 2006

1.26 The net increase in housing stock as at June 2006 was 451.¹⁵

1.27 The 2006-07 New South Wales Budget Commentary on the Housing Policy and Assistance Program prepared by the NSW Department of Housing outlined the expected growth in housing stock:

	Public Housing	Community Housing	Crisis Accom.	Aboriginal Housing	Total
Capital stock at 1 July 2006	125,260	7,384	1,211	5,938	139,793
Leased stock at 1 July 2006	2,666	5,563	242	0	8,471
Total stock at 1 July 2006	127,926	12,947	1,453	5,938	148,264
Capital increase (completions)	877	239	27	58	1,201
Net increase in leases	98	90	15	0	203
Sales	-532	-2	-2	-8	-544
Demolitions	-560	-3	0	-8	-571
Transfers	-1,007	997	0	10	0
Net Movement in stock	-1,124	1,321	40	52	289
Capital stock at 30 June 2007	124,038	8,615	1,236	5,990	139,879
Leased stock at 30 June 2007	2,764	5,653	257	0	8,674
Total stock at 30 June 2007	126,802	14,268	1,493	5,990	148,553

1.28 The demographic shift in NSW impacts on the compatibility of housing stock to future need. The fastest growing household type: single persons are predicted to grow from 24% in 2001 to 32% in 2026. In the same year single parent families are predicted to have grown by 54% (since 2001). Elderly people in need of public housing are predicted to increase over the next decade by 35%.¹⁶

1.29 Single households on the housing register constitute 36% of all applicants. One bedroom and bed-sit accommodation constitutes 26% of public housing in NSW. The NSW Department of Housing provided evidence to the Committee stating that bed sit dwellings were often difficult to allocate. The total number of bed sit dwellings in September 2006 was 7225 or 6% of total stock.

1.30 The Social Housing for Older People program will increase the number of dwellings for older people by 30 000.

1.31 For a detailed break down of the composition of housing stock by allocation zone please see Attachment One.

¹⁵ Drawn from data supplied by the NSW Department of Housing in June 2006

¹⁶ The NSW Government's Plan for Reshaping Public Housing, page 1

Indigenous Housing

- 1.32 The total number of indigenous households in 2004-2005 in public housing equalled 8700.¹⁷
- 1.33 The NSW Department of Housing outline in their submission that more indigenous people are housed in general social housing than in indigenous specific social housing.
- 1.34 In 2004-05 there were 390 new households assisted by state owned and managed Indigenous housing. There were 2 086 applicants on the waiting list and a total pool of 4 184 dwellings. The dwellings were spread across the following geographical regions:¹⁸

Region	Number	% of All Dwellings (4184)
Major Cities	1 683	40%
Inner Regional Areas	1 316	31%
Outer Regional Areas	847	20%
Remote Areas	231	6%
Very Remote Areas	66	2%

- 1.35 In their submission to the Committee, the NSW Department of Housing outlined the funding sources for Indigenous housing:

- Aboriginal Rental Housing Program
- CSHA Mainstream Funding
- Community Housing and Infrastructure Program
- Aboriginal Community Development Program
- National Aboriginal Health Strategy
- Healthy Indigenous Housing Initiative
- NSW Treasury Funds
- Asset Sales, Net Rental Income and Interest

- 1.36 In 2004-05 funding to the Indigenous housing sector in NSW was in excess of \$100 million.

¹⁷ Productivity Commission, 2006, *Report on Government Services 2006*, Part G Housing, Attachment 16A, Table 16A.1

¹⁸ Productivity Commission, 2006, *Report on Government Services 2006*, Part G Housing, Attachment 16A, Table 16A.28

1.37 The Aboriginal Housing Office in NSW is a key organisation in indigenous housing:¹⁹

“In NSW, a separate statutory organisation — the Aboriginal Housing Office — is responsible for planning, administering and expanding policies, programs and the asset base for Aboriginal housing in that State. Funding for the office comes from the CSHA and the State Government (in addition to its CSHA commitments).”

1.38 Other organisations involved in the provision of Indigenous housing include: Aboriginal Land Councils and Aboriginal housing providers. Both groups are registered with the Aboriginal Housing Office and receive funding from them.

1.39 The Committee received submissions outlining the following as key issues for indigenous people in relation to housing:

- Domestic Violence
- Overcrowding
- Health Issues
- Eviction and Homelessness
- Family Stress

1.40 Indigenous households were on average larger than non-indigenous households: in 2001 the average size of non-indigenous households was 2.6 people per dwelling while households with at least one indigenous member averaged 3.5 people per dwelling.²⁰

1.41 The Human Rights and Equal Opportunity Commission report that overcrowding is more common among Indigenous households than non-indigenous households and that the level of overcrowding increases with the remoteness of the household:²¹

“In major cities, 11% of all households with Indigenous person(s) require at least one extra bedroom, compared with 42% of households with Indigenous person(s) in very remote Australia.”

¹⁹ Productivity Commission, 2006, *Report on Government Services 2006*, Part G Housing, page 16.15

²⁰ Productivity Commission, 2006, *Report on Government Services 2006*, Part G Housing, page 16.4

²¹ Human Rights and Equal Opportunity Commission website http://www.hreoc.gov.au/social_justice/statistics/index.html#toc8 date accessed 3 August 2006

1.42 The type of allocation system used and the transparency of the said system govern the degree of discretion exercised by housing workers. The current allocation system employed in NSW does permit housing workers to exercise some discretion. It has been found that where this is the case the opportunities for either sensitive allocations or for accusations of discrimination are greater:²²

“Housing workers are thus key gatekeepers for social housing tenants, as in a system of bureaucratic allocation they can affect access at a number of levels, such as determining eligibility, ranking and changes in status on waiting lists, as well as allocation and reallocation to individual properties. Greater or lesser discretion can operate in all these areas; the less transparent the system, the greater the potential gatekeeper power.

Informal rationing has two sides. Well used, it can result in more sensitive allocations; badly used, it can create accusations of discrimination and bias.”

1.43 The Committee received evidence stating that indigenous people are discriminated against when accessing housing.

1.44 Accessing social housing in NSW can be problematic for indigenous households due to the bureaucratic processes employed. It was found that 35% of indigenous people on the waiting list for public housing in NSW indicated that the assessment form used was a problem to fill in. This compares to 24% of all other households.²³

1.45 Difficulties associated with housing stress are likely to be more severe for indigenous households given the low proportion accessing some types of housing assistance. Awareness of rent assistance among indigenous people was found to be lower than for the rest of the population. In keeping with this finding indigenous people appeared not to access rent assistance at the rate that their income and housing situation would suggest was necessary.²⁴

1.46 Evidence taken from Dtarawarra - Aboriginal Resource Unit Tenants Advice and Advocacy Service, Northern and North West Aboriginal Tenancy Service Aboriginal Tenants Advice Service (Grafton), and Murra Mia Aboriginal Tenants Advice Service (Batemans Bay) at a public hearing on the 4 May 2006 suggested that the situation for Aboriginal housing is dire:

“The Aboriginal Housing Office, land councils and Aboriginal housing organisations are doing their best to house Aboriginal families. However,

²² Kath Hulse and Terry Burke, March 2005, *The Changing Role of Allocations Systems in Social Housing*, The Australian Housing and Urban Research Institute, page 9

²³ Ibid page 48

²⁴ Terry Burke, Caroline Neske, Liss Ralston, May 2004, *Entering Rental Housing*, Australian Housing and Urban Research Institute, page iv

when properties held by the land trust were transferred to the AHO they were in a bad state of repair. Although some attempts are being made to bring these properties up to scratch the problem in relation to maintenance are in some cases extreme, and the problems being experienced by these organisations to combat this issue, along with many others, is putting enormous pressure on housing organisations to function. Couple this with the lack of resource and funding, the Aboriginal housing sector is close to collapsing.”

- 1.47 Based on the evidence collected the Committee concluded that some issues in social housing are particular to and more severe for indigenous households.

RECOMMENDATION 1: That the Government consider expanding Aboriginal Housing

Chapter Two - Previous Inquiries

Auditor General of Tasmania

- 2.1 The allocation of social housing was the focus of an inquiry by the Auditor-General of Tasmania. The report entitled "*Public Housing: Meeting the Need?*" was released in August 2005.
- 2.2 The audit opinion of Housing Tasmania was that:²⁵
- There was clear evidence of strategic planning
 - There was concern over the separate planning documents and ill-defined roles of each document.
 - The objectives of Housing Tasmania were said to need greater clarification.
 - Performance reporting was classified as unsatisfactory.
 - The possibility was raised that there was a lack of emphasis on the goal of providing housing assistance to as many households as possible in favour of a focus on the quality of housing.
 - The waiting list information was found to be accurate.
 - The waiting times were said to be reasonable but to have deteriorated in recent years.
 - Housing stock levels had declined since 2000, and the sale of dwellings had been in accordance with policy and at or above the valuation of the Valuer-General.
- 2.3 The recommendations of the report are contained below:

Rec No	Recommendation
1	That future Strategic Plans should be accessible and Division performance should be regularly reported against objectives outlined in the plan.
2	The Strategic plan should specify achievable and measurable targets related to service delivery in respect of all substantial programs.

²⁵ Auditor-General Special Report No. 57, *Public Housing: Meeting the Need?*, August 2005 page 3-4

3	Housing Tasmania should develop a comprehensive set of relevant and appropriate key performance indicators, for inclusion in the Department's Annual Report, to inform readers of the performance of programs in meeting specific objectives.
4	Housing Tasmania should review current performance measures to determine if they are providing sufficient information, and are the best available measures.
5	For future initiatives, Housing Tasmania should ensure that a set of appropriate performance indicators is established prior to implementation; and Housing Tasmania should institute relevant performance indicators for the Affordable Housing Strategy as soon as possible.
6	Housing Tasmania should consider only including category 1 and 2 applicants on the waiting list.
7	Housing Tasmania should liaise with other jurisdictions to attempt to achieve greater comparability.
8	Housing Tasmania should consider regular monitoring and analysis of need on a regional basis.
9	Housing Tasmania should regularly reassess market rents.
10	Housing Tasmania should explore possible incentive/disincentive programs to encourage tenants to move out of public housing when their circumstances improve. One option may be that new tenants agree to pay rent based on their income regardless of market rent. Thus, tenants have a financial incentive to use private housing when their income increases to the point they would be paying more than market rent for public housing.
11	Housing Tasmania should redo the realignment analysis to ensure decisions reflect the full customer base, including existing tenants and households on the waiting list.
12	Housing Tasmania should consider replacing the security of tenure principle with terms that allow greater operational flexibility.
13	The eligibility requirements for the Homestart program should be reviewed to ensure that it benefits households that would otherwise have been in housing stress.
14	Clear documentation detailing reasons and authority for decisions to sell at older valuations should be clearly noted on property files.

Australian Capital Territory Auditor General's Office

- 2.4 Key findings of the 2006 report on the review of the Department of Disability, Housing and Community Services relevant to this inquiry include:²⁶
- The Department of Disability, Housing and Community Services did not provide clients with current waiting times nor publish them on the internet
 - The Department of Disability, Housing and Community Services does not ascribe a higher priority to tenants wishing to downsize. The current approach limits flexibility and could adversely affect the Department's ability to improve the matching of clients to properties
 - There were a large number of applications from people on the waiting list applying to have their priorities upgraded (6 733 in 2004-05). This suggests that the priority system is not well defined and can be administratively costly
- 2.5 A recommendation of the report was that waiting times by category be published to inform and assist prospective tenants with the application process.

NSW Legislative Council Standing Committee on Social Issues

- 2.6 The 2003 Report on Community Housing is often sighted as a key document outlining the potential of community housing in the provision of social housing in NSW.
- 2.7 The report contains the following relevant recommendations:²⁷
- That a five year strategic policy framework include a commitment to the creation of new investment opportunities and considers the most appropriate public and private funding options
 - That a central social housing register be developed, and
 - That title and equity arrangements for housing partnerships be reviewed by the Department of Housing.

²⁶ ACT Auditor-General's Office, *Public Housing Report No. 2/2006*, page 39

²⁷ Legislative Council, Report 31, November 2003, *Report on Community Housing*, Standing Committee on Social Issues, pages xiii-xvi

2.8 The efficacy of the commonwealth rent assistance program is also called into question in this report.

Chapter Three - Comparison with Other Jurisdictions

Australia

- 3.1 Public housing dominates the social housing sector nationally with nine out of ten dwellings managed by one of the public housing providers in each state and territory. Annual allocations in public housing have in the last 15 years dropped by 37% to total 33 000 today.²⁸
- 3.2 The types of allocations systems employed in Australian states and territories varies. A recent study by the Australian Housing and Urban Research Institute classifies them as:²⁹

Segmented Waiting Lists	Administrative Priority System in Conjunction with a Date Order Waiting List	Priority Points Systems
NSW, VIC, ACT and SA	QLD, WA and NT	TAS

- 3.3 The most targeted public housing allocation systems in Australia exist in Tasmania, the ACT and Victoria. Queensland is said to have the least targeted system.³⁰

Western Australia

- 3.4 Western Australia is said to be the only Australian jurisdiction that set targets for the proportion of public housing:³¹

“It had a target of 1 in 15 of the state’s dwellings (7%) to be public housing. In suburbs where there was a high concentration of public housing, it sought to ‘normalize’ the situation by bringing the ratio of public housing dwellings to other tenures down to 1 in 9 (11%) This ‘1 in 9’ policy, adopted in 1982, appears to be the only such target set by an Australian housing authority (Parry and Strommen 2001, p.136).”

²⁸ Australian Housing and Urban Research Institute, *Social Housing Allocation Systems – How Can They be Improved?*, AHURI Research and Policy Bulletin, Issue 64, September 2005, page 2

²⁹ Kath Hulse and Terry Burke, March 2005, *The Changing Role of Allocations Systems in Social Housing*, The Australian Housing and Urban Research Institute, page iii

³⁰ Ibid, page 29

³¹ Shelter NSW, June 2003, *Tenancies, communities and the (re)development of public housing estates – a background paper*, page 19

- 3.5 Evidence presented at a public hearing on the 11 May 2006 by Dr Vivienne Milligan of the Australian Housing and Urban Research Institute suggests that Western Australia:

“...moved quite some time ago to start to de-concentrate its estates and has got much further than other States in that process and the outcome of that is that when they are allocating to the one kind of very high need complex client they are not allocating all in the same area to the same extent as some of the other States are.”

- 3.6 The Department of Housing and Works publish information about the waiting times based on the total number of applicants, the total number of properties and the number of allocations in a set period. Information is provided for different household types and for each dwelling type.

South Australia

- 3.7 HomeStart was established in 1989 in South Australia to provide affordable home ownership loans. A feature of HomeStart loans is the repayment safeguard, which sets repayments at an affordable level based on income irrespective of interest rates. Specific programs exist for graduates, seniors, migrants, indigenous Australians, Centrelink recipients, and public housing tenants. Subsidised loans are available.³²
- 3.8 In 2004-2005 HomeStart provided \$2.14 million in interest subsidised loans. Of all newly settled loans 73% were to people earning less than average weekly ordinary time earnings, and 44% of customers had a centrelink benefit as their main income source.
- 3.9 The South Australian Housing Trust piloted a project involving choice based letting in Whyalla from July 2004. The pilot operated under the following guidelines:³³

“Properties available for allocation are advertised on a public display at the Whyalla Regional Office each Friday Morning.

Customers may attend open inspections of the properties, held Monday and Tuesday of the following week – open inspection schedules were prepared and advertised.

Applicants are able to choose up to three properties and must nominate in order of preference by lodging a Vacant Property Nomination Form before 5pm Tuesday.

³² Government of South Australia, HomeStart Finance, *Information Booklet for Application and Loan Product Options*

³³ South Australian Housing Trust, November 2005, *Evaluation of Choice Based Letting Whyalla Area 36, July 2004-July 2005*

Customers are notified of the outcome by midday Wednesday, and if successful are required to occupy within two weeks.”

3.10 An evaluation report was produced which found that:³⁴

“All 113 properties listed under CBL were allocated.

Staff observed that some tenants housed by CBL appeared to show more interest in taking care of their properties. Staff felt tenant’s involvement in their allocation process may contribute to a greater sense of ownership, leading to a reduced turnover rate.

Results from the customer evaluation were very positive, with 92% of respondents willing to participate in CBL again.

Open inspections were very successful, with 80% of nominators attending.

If CBL does not continue in Whyalla area 36, there is a risk that housing stock of low demand will remain difficult to let.”

3.11 Concerns revealed in the evaluation process include:³⁵

“Customers experiencing repeated unsuccessful bidding should be identified and receive individualised feedback to prevent emotional stress.

A suitable number of properties must be advertised in each round to maintain the ‘Choice’ aspect of the program (five or more).”

3.12 The impacts of the trial on the South Australian Housing Trust were such that:³⁶

“It (CBL) generally provides good outcomes for customers, and delivers the service without requiring significant additional staff workload.

The CBL process has not increased staff workload, but has changed the nature of work.

Overall, staff participating in the evaluation felt that the CBL pilot project has proven to be a successful service delivery model.”

The Australian Capital Territory

3.13 Details on the waiting periods for public housing are provided by Housing and Community Services ACT:³⁷

³⁴ South Australian Housing Trust, November 2005, *Evaluation of Choice Based Letting Whyalla Area 36*, July 2004-July 2005

³⁵ Ibid

³⁶ Ibid

³⁷ Department of Disability, Housing and Community Services ACT website <http://www.dhcs.act.gov.au/hcs/Services/PublicHousing/WaitList.htm> Date accessed 23 August 2006

Waiting List details as at 26 June 2006 are:

HOUSING REGISTER	
Waiting List	
Application Category **	Number of Applications
Early Allocation Category 1	534
Early Allocation Category 2	344
Standard Allocation Category 3	1555
TOTAL	2433
Waiting Times	
Application Category **	Average Waiting Time (days)
Early Allocation Category 1	212
Early Allocation Category 2	767
Standard Allocation Category 3	1047

Waiting List numbers are for those approved applications currently on the List. The average waiting time is calculated on those approved applications still currently on the List from the date of initial registration or from the date of re-assessment for either early allocation/transfer category 1 or early allocation/transfer category 2.

Please note that the waiting times are indicative only.

3.14 Income limits to qualify for public housing in the ACT are determined by a percentage of average weekly earnings calculated every three months from estimates published by the Australian Bureau of Statistics. The most recent figures are:³⁸

Single person:

Income is set at 60% of the Australian Average Weekly Earnings (AAWE) figure as published by the Australian Bureau of Statistics.

Household of only two persons:

Income is set at 75% of AAWE.

Household of more than two persons:

Income is set at 75% of AAWE plus a further 10% of the AAWE for each additional person.

Assessable income is the total gross weekly income of the applicant or joint applicants, plus 10% of the gross weekly income of other household members whose income is \$100 per week or more.

³⁸ Department of Disability, Housing and Community Services ACT website <http://www.dhcs.act.gov.au/hcs/Policy/Eligibility.html#Income> date accessed 23 August 2006

Victoria

3.15 Victoria was sighted by Dr Vivienne Milligan at a public hearing on the 11 May 2006 as an Australian jurisdiction which is moving away from a tightly targeted allocation system:

“A good example is probably Victoria, which went down the path of saying that with such limited resources we have to maximise targeting, and then recognised that that was actually producing other distortions in the system in terms of failing estates, in terms of people who were missing out, circumstances becoming worse and coming back through the homelessness sector, in terms of just a whole gap in the capacity of the private rental market, and so they abandoned that approach and went back to what was more of a mixed allocation approach.”

3.16 The Office of Housing in Victoria provides applicants with information on the total number of applicants by region on a quarterly basis to assist them in gauging the likely waiting period.

The Northern Territory

3.17 Territory housing operates a priority system and provides applicants with an estimate of the expected wait time by region and type of dwelling. The longest published wait time was 3.5 years for a non-pensioner one bedroom dwelling in Alice Springs as of March 2006.³⁹

The United Kingdom

3.18 A paradigm shift took place in the United Kingdom and parts of Europe from bureaucratic allocations systems to letting services.

3.19 In the multi provider system in England there are 1925 social landlords. In 2003 the community housing sector in England held 40% of the social housing stock.⁴⁰

3.20 In any one locality in England there could be up to 20 providers. In response to the issues that such a diverse provider system entailed common housing registers were implemented in the early 1990s. A single application form is used and providers draw from a single pool of applicants.⁴¹

³⁹ Territory Housing website

[http://www.territoryhousing.nt.gov.au/dcdsca/web.nsf/Files/waiting_times/\\$file/march_06.pdf](http://www.territoryhousing.nt.gov.au/dcdsca/web.nsf/Files/waiting_times/$file/march_06.pdf) date accessed 23 August 2006

⁴⁰ Kath Hulse and Terry Burke, March 2005, *The Changing Role of Allocations Systems in Social Housing*, The Australian Housing and Urban Research Institute, page 62

⁴¹ Kath Hulse and Terry Burke, March 2005, *The Changing Role of Allocations Systems in Social Housing*, The Australian Housing and Urban Research Institute, page 63

3.21 Choice based letting involves:⁴²

“...in Choice-based Lettings, the customer is aware of all the available properties for which they are eligible, and is able to make their own choice from among the available vacant properties (Jones 2004: 2).”

3.22 The goal was set by the Office of the Deputy Prime Minister to have a quarter of local housing authorities operating a choice based letting scheme by 2005 and to have 100 per cent operating such a scheme by 2010.⁴³

3.23 Evaluations of choice based letting schemes have generally been positive with reservations mainly related to the ability of some groups to bid effectively and of the ability of the scheme to facilitate alterations to the social mix. Households reported that they felt they had greater choice, that the process is more transparent and that they had more information and greater control than with other allocation processes.⁴⁴

3.24 A sample of the scope of information provided to applicants under the choice based letting system is contained over the page:⁴⁵

⁴² Kath Hulse, Caroline Neske and Terry Burke, May 2006, *Improving Access to Social Housing: Ideas for Reform*, The Australian Housing and Urban Research Institute, page 34

⁴³ Kath Hulse and Terry Burke, March 2005, *The Changing Role of Allocations Systems in Social Housing*, The Australian Housing and Urban Research Institute, page 81

⁴⁴ Ibid, page 82

⁴⁵ East London Lettings Company website
<http://www.elcchoicehomes.org.uk/Data/ASPPages/1/52.asp?CurrentPage=3> date accessed 18 September 2006

Property 26928 - GARENNE COURT



Flat
Ground floor
Bedroom sizes: 1 double
Heating: Central Heating
Garden: Communal garden
Lift: No
Warden/Concierge: No
Personal assistance alarm: No
Double glazing: Yes

GARENNE COURT
WARREN ROAD
CHINGFORD
E4 6TS

Occupancy: 1 bedroom

Landlord: W.F.H.A

Further Information

Suitable for a couple or single applicant

Costs

Rent:	£ 70.46
Service charge:	£ 7.71
Other charges:	£ 0.00
Rent:	£ 78.17

Eligibility requirements

Waltham Forest registrants only

For registration categories

Homeless
Priority Homeseeker
Tenant seeking Transfer

3.25 A map and details of local services are also provided to applicants for each property listed.

- 3.26 In the area of affordable housing the model of shared equity housing is said to be popular:⁴⁶

“In relation to the provision of moderate income, and affordable housing the British Urban Regeneration Association reports that shared equity models of home-buying are increasingly popular in the United Kingdom. In a common version of the model, homebuyers take 50 percent equity in their new homes and pay rent on the other 50 percent. Houses are purchased on a leasehold basis so that they can be sold to someone nominated by the landlord if less than 100 percent equity has been achieved, or buyers can progressively take increased equity until they have achieved outright ownership.”

The United States of America

- 3.27 Efforts made to address affordability in the United States of America include the Low Income Housing Tax credit model:⁴⁷

“The Low Income Housing Tax Credit (LIHTC or Tax Credit) program was created by the Tax Reform Act of 1986 as an alternate method of funding housing for low and moderate income households, and has been in operation since 1987. Until 2000, each state received a tax credit of \$1.25 per person that it can allocate towards funding housing that meets program guidelines (currently, legislation is pending to increase this per capita allocation). This per capita allocation was raised to \$1.50 in 2001, and will be raised to \$1.75 in 2002, and adjusted for inflation beginning in 2003. These tax credits are then used to leverage private capital into new construction or acquisition and rehabilitation of affordable housing.”

- 3.28 Other features of the Low Income Housing Tax credit model include:

“20 percent or more of the residential units in the project are both rent restricted and occupied by individuals whose income is 50 percent or less of area median gross income *or* 40 percent or more of the residential units in the project are both rent restricted and occupied by individuals whose income is 60 percent or less of area median gross income.

When the LIHTC program began in 1987, properties receiving tax credits were required to stay eligible for 15 years. This eligibility time period has since been increased to 30 years.”

- 3.29 At a public hearing on the 4 May 2006 the Committee heard evidence from the Council of Social Service of New South Wales that the United States are joined by several other jurisdictions in offering tax concessions to

⁴⁶ The Urban Development Institute of Australia, *The 2006 UDIA State of the Land – UDIA National Land Supply Study and Consultation Paper for a National “Cities of the Future” Strategy*, page 19

⁴⁷ Danter Company website <http://www.danter.com/taxcredit/about.htm> date accessed 5 July 2006

encourage the development of affordable housing. Australia is in fact an exception to this trend:

“...we are one of the few OECD countries at the national level that does not provide tax incentives for investment in major mixed affordable housing, commercial urban renewal projects. The United States, the United Kingdom, Canada and a swag of Europeans do ...”

- 3.30 Allocations are being used in the United States as a tool to introduce greater income and social mix to run down public housing estates.⁴⁸
- 3.31 The New York City Housing Authority operates a dual preference priority system. The system ranks each applicant in terms of their level of need based on the criteria of nine levels of priority. The addresses of properties are provided to applicants to assist their decision making in social housing.⁴⁹
- 3.32 The New York City Department of Housing Preservation and Development manage allocations through a housing lottery system:⁵⁰
- “HPD does not rent apartments. We work with real estate professionals and community sponsors who market apartments. We require that subsidised apartments be rented through an open lottery system to ensure fair and equitable distribution of housing to eligible applicants.”
- 3.33 As a means of addressing the social mix in public housing and preventing concentrations of disadvantage in social housing there is a legislative requirement in the United States of America which states that:⁵¹
- “In the USA, the Quality Housing and Work Responsibility Act of 1998 prohibits the concentration of very low-income people in public housing: it requires new public housing developments to allocate at least 40% of dwellings to poorer applicants (i.e. those with income at or below 30% of the median income in the area) and the other proportion to applicants with incomes at or below 80% of the median income in the area (Hunt, Schulhof and Holmquist 1998).”
- 3.34 The federal Department of Housing and Urban Development is responsible for the housing choice vouchers which public housing authorities administer. The program is aimed at households on very low incomes who meet set eligibility criteria. Private rental accommodation is subsidised

⁴⁸ Kath Hulse, 2004, *Choice, Diversity and Coordination: Improving Access to Social Housing, The Future of Public Housing*, Housing Works Parity, page 17-18

⁴⁹ New York City Housing Authority, Guide to Housing Developments, Revised August 2004

⁵⁰ New York City website www.nyc.gov date accessed 28 September 2005

⁵¹ Shelter NSW, June 2003, *Tenancies, communities and the (re)development of public housing estates – a background paper*, page 16

through an agreement between the public housing authority and the landlord. Cash assistance for housing is included as part of the Transitional Assistance to Needy Families program.⁵²

Canada

- 3.35 Almost one third of the social housing sector in Canada is made up of public housing while the remaining two thirds is not for profit housing.⁵³
- 3.36 The submission from the Association to Resource Co-Operative Housing outlines how co-ops dominate social housing in Canada, unlike in NSW where they form less than 5% of community housing.
- 3.37 Widely used in Canada, the priority points system of allocating public housing is based on the premise that it is possible to quantify and to rank need on an individual basis.⁵⁴
- 3.38 Generally in Canada a shelter allowance is a component of social assistance programs. The province of British Columbia and Quebec operate separate housing allowance schemes, which are paid to the household.⁵⁵
- 3.39 The Canadian Centre for Public-Private Partnerships in Housing was established by the Canada Mortgage and Housing Corporation to facilitate the development of affordable housing. The centre offers an affordable housing project viability assessment tool.⁵⁶

The Netherlands

- 3.40 Social housing in the Netherlands constitutes 36% of all dwellings. Most social housing is managed by housing associations. Tenants of social housing are on a range of income levels and rental subsidies for tenants are available across a range of property types.⁵⁷
- 3.41 In the 1990s in Delft an alternative system of allocating social housing was introduced:⁵⁸

⁵² Kath Hulse, September 2002, *Demand Subsidies for Private Renters: A Comparative Review*, Australian Housing and Urban Research Institute, page 27-28

⁵³ Kath Hulse and Terry Burke, March 2005, *The Changing Role of Allocations Systems in Social Housing*, The Australian Housing and Urban Research Institute, page 65

⁵⁴ Ibid, page 46

⁵⁵ Kath Hulse, September 2002, *Demand Subsidies for Private Renters: A Comparative Review*, Australian Housing and Urban Research Institute, page 54-55

⁵⁶ Canada Mortgage and Housing Corporation website <http://www.cmhc-schl.gc.ca/en/corp/about/index.cfm> date accessed 4 July 2006

⁵⁷ Kath Hulse and Terry Burke, March 2005, *The Changing Role of Allocations Systems in Social Housing*, The Australian Housing and Urban Research Institute, page 76-77

⁵⁸ Ibid, page 76

“...in which vacant properties within a local government area were advertised in a free magazine and households applied directly for properties in which they were interested, by sending a coupon to the social housing provider (typically a housing association).

In these respects, the scheme mirrored access to properties in the private rental market. Where there were multiple bids, some criteria were needed to choose between them. In Delft, selection was made by age, with the oldest applicant receiving preference and, in the case of transfer applicants, preference given to the longest-term tenant. Following a positive evaluation, the system was extended to all social housing in the city (Kullberg 1997: 393-4).”

3.42 Currently the delft model is employed widely in the Netherlands. Specific groups can be targeted under the model and properties have qualifying conditions attached to them. The Internet and cable TV are used to advertise available properties. Urgent housing needs are sometimes addressed through a separate priority system.

3.43 The Delft model pioneered choice based letting in several other jurisdictions.

New Zealand

3.44 An accommodation supplement is available to eligible households. Household size, type and area determine the degree of subsidisation.⁵⁹

3.45 There are four categories of need for social housing determined by a matrix:⁶⁰

Criteria	Description
Affordability	The relationship between income and current housing costs.
Adequacy	The house's physical condition and structure.
Suitability	House size in terms of occupants and overcrowding.
Accessibility	The applicant's ability to access housing in the private sector market, taking discrimination into account.
Sustainability	The ability to sustain housing in the private sector market ³ .

⁵⁹ Kath Hulse, September 2002, *Demand Subsidies for Private Renters: A Comparative Review*, Australian Housing and Urban Research Institute, page 54-55

⁶⁰ Social Allocation of Housing New Zealand Corporation Housing, Housing New Zealand Corporation Website <http://www.hnzc.co.nz/rental/SAS%20updated%2004.pdf> date accessed 4 August 2006

3.46 The Housing Corporation New Zealand provide information to applicants which assists them in gauging the demand for social housing in particular areas:⁶¹

Manawatu/ Taranaki/ Wairarapa

Housing priority is worked out through an assessment process that considers a range of factors including: the condition of and facilities available in their current dwelling; the ability of their current dwelling to meet their social, medical and personal needs; and their ability to gain access to a suitable home because of a lack of skills, discrimination of financial means.

Levin - includes Levin, Paekakariki, Paraparaumu, Waikanae, Otaki, Foxton and Shannon. The total number of HNZN managed properties (owned and leased) in this Neighbourhood Unit as at 30 April 2006 was 490. This does not include Community Group Housing.

As at 30 April 2006 there were:

- no applicant with a severe and persistent housing need (A priority);
- 13 applicants with a significant and persistent housing need (B priority)
- 27 applicants with a moderate housing need (C priority)
- 14 applicants with a low level housing need (D priority)

⁶¹ Housing New Zealand Corporation Website
<http://www.hnzc.co.nz/rental/waitinglistnumap/index.htm#> date accessed 4 August 2006

Chapter Four - Pressures on Demand for Social Housing

- 4.1 The assessment of the demand for housing assistance can be gauged by coupling waiting list numbers with the estimated numbers of households in housing stress.
- 4.2 In 2004 - 2005 there were 73 734 people on the wait list for public housing, of this 1 397 were in the “greatest need”.⁶²
- 4.3 The allocations made in NSW as a percentage of the waiting list was just 12% in 2002-2003.⁶³
- 4.4 Demand for social housing is now so significant and funding so restrictive that social housing is targeted to those in the greatest need. In Australia 5% of applicants in the greatest need receive 38% of allocations.⁶⁴

Tenants with Support Needs

- 4.5 Demand for housing assistance from tenants with special needs has increased sharply following de-institutionalisation. The submission from the NSW Federation of Housing Associations supports this.
- 4.6 In 2000-01 the proportion of new tenancies allocated to tenants with special needs was 51.1% that proportion has increased to 55.7% in 2004-05.⁶⁵
- 4.7 The cost of providing services to tenants with support needs is reported in evidence to the Committee from the NSW Department of Housing to total \$43 million.

Affordability

- 4.8 A pronounced decrease in the affordability of property to purchase contributes to the cycle of increasing pressure on the rental market and in turn on social housing.
- 4.9 The impact of affordability problems in the housing market is especially significant for key workers. Key workers are often paid wages, which are not

⁶² Productivity Commission, 2006, Report on Government Services 2006, Part G Housing, Attachment 16A, Table 16A.1

⁶³ Kath Hulse and Terry Burke, March 2005, *The Changing Role of Allocations Systems in Social Housing*, The Australian Housing and Urban Research Institute, page 26

⁶⁴ Ibid, page iii

⁶⁵ Productivity Commission, 2006, *Report on Government Services 2006*, Part G Housing, Attachment 16A, Table 16A.4

high enough to enable them to live in the inner Sydney area. A study on key workers in Northern Sydney found that:⁶⁶

“For example, purchase affordability declined by an average of 37% in inner statistical subdivisions of Sydney and 57% for the outer subdivisions in the period 2001 to 2004.”

4.10 Increases in both purchase prices and rental prices in Sydney was found to have occurred:⁶⁷

“Median weekly rents in the five inner sub-divisions of Inner Sydney, Eastern Suburbs, Lower Northern Sydney, Inner Western Sydney and Central Northern Sydney rose by 38% between 1996 and 2001, while median housing prices rose by 72% over that period.

The rises were 17% and 53% respectively for the outer five subdivisions of Fairfield-Liverpool, Outer Western Sydney, Blacktown, Outer South-Western Sydney and Gosford Wyong.”

4.11 A commonly agreed understanding of the term housing stress is when a household is spending more than 30% of its income on accommodation costs. Housing crisis is when 50% of income is spent on accommodation costs. Housing stress is a nation wide experience. The issue of housing stress is acute in Sydney. The study *Housing Affordability in Australia* revealed the numbers of people in housing stress to be:⁶⁸

	Lower Income Households in Housing Stress	Moderate Income Households in Housing Stress	Lower Income Households in Housing Crisis	Moderate Income Households in Housing Crisis
Sydney	183 000	42 000	115 000	5 000
Rest of NSW	118 000	17 000	55 000	2 000

Total Number of Households in Housing Stress in NSW 537 000

4.12 Households in housing stress are more likely to come from the following households types: (in descending order) lone person household 24%, sole

⁶⁶ Epic Dot Gov and Glazebrook and Associates, October 2004, *Northern Beaches Key Workers Study*, page iv

⁶⁷ Ibid, page 37

⁶⁸ Judith Yates, Michelle Gabriel, February 2006, *Housing Affordability in Australia*, Australian Housing and Urban Research Institute pages 5-6

parent 21%, group household 20%, couple and children 12% and couples only 9%.⁶⁹

- 4.13 The rates of housing stress and crisis have been persistent for more than ten years.⁷⁰
- 4.14 The socio-economic impacts of housing stress are said to include: increased household debt levels, overcrowding and homelessness, family instability and breakdown, a less effective labour market, health costs, increased crime levels, and lower levels of educational attainment.⁷¹
- 4.15 In 2001 the shortage of affordable rental properties for low-income earners totalled 134 000 dwellings. In the three-year period prior to 2001 the supply of affordable dwellings declined, and while there was growth in the high end of the market more higher income earners were occupying low-income rentals. The same study revealed that in Sydney only 11% of low income earners were accessing low rent housing.⁷²
- 4.16 The location of housing stress in NSW and Sydney is demonstrated in the graphs over the page:⁷³

⁶⁹ Judith Yates, Michelle Gabriel, February 2006, *Housing Affordability in Australia*, Australian Housing and Urban Research Institute, page 24

⁷⁰ Ibid, page 42

⁷¹ Dr Kim Hawtrey, Affordable Housing National Research Consortium, *Intermediate Housing in Australia: Pressing Need, Effective Solution*, www.consortium.asn.au date accessed 13/12/05

⁷² Australian Housing and Urban Research Institute, Issue 50, February 2005, AHURI Research and Policy Bulletin, *Supply and Demand in the Low Rent Private Market*, page 1

⁷³ Shih-Foong Chin and Ann Harding, National Centre for Economic and Social Modelling, 22 May 2006, *Housing Stress in 2001: Estimates for Statistical Local Areas*, page 25

Figure 5 Households in housing stress (%) – NSW SLAs, 2001

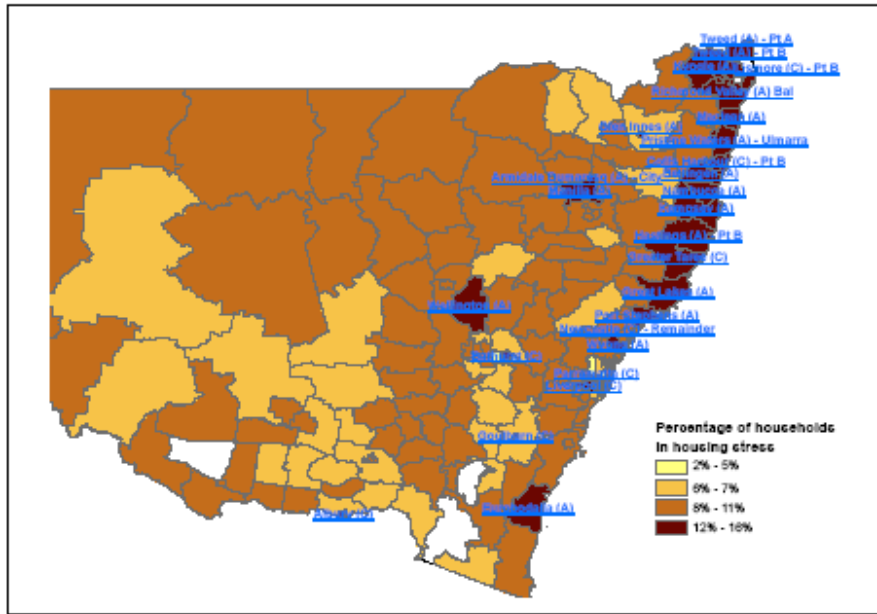
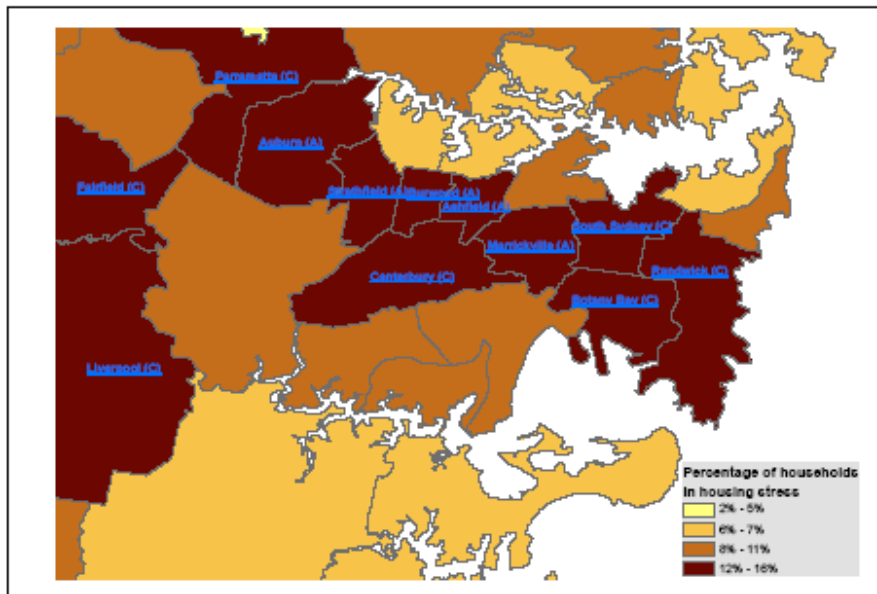


Figure 6 Households in housing stress (%) – Sydney selected SLAs, 2001



4.17 Sydney ranked the 7th most unaffordable city globally in the 2006 International Housing Affordability Survey. Sydney is classified as severely unaffordable.⁷⁴

⁷⁴ Pavletich Properties Limited, 2006, 2nd Annual Demographia International Housing Affordability Survey 2006, Ratings for all Major Urban Markets, page 1

4.18 Government measures aimed at addressing affordability include:⁷⁵

- “- The establishment of the Centre for Affordable Housing
- Introduced the State Environmental Planning Policy No. 70 Affordable Housing (Revised Schemes) to provide a legal framework for affordable housing provisions in the South Sydney, Willoughby and Pyrmont/Ultimo local government areas.
- Introduced the Seniors Living State Environmental Planning Policy
- Introduced the Environmental Planning and Assessment Amendment (Development Contributions) Act 2004”

4.19 Landcom are the state owned corporation with a legislatively prescribed duty to exhibit a sense of social responsibility as they conduct their core business of property development.

4.20 Landcom commit to dedicating 7.5% of their annual yield to products which are affordable to moderate income households. The calculation of the goal proportion of moderate-income housing provided is not done on a per project basis. Instead the following method is used: Annual moderate-income housing produced expressed as a proportion of total yield. Yield is represented by the sum of lots, house/land packages and dwelling units.

4.21 In 2004/2005, 12% of Landcom's product was considered affordable to Moderate Income Households. This result is based on a total of 89 land parcels being delivered at the Melaleuca Estate at Metford with lot prices ranging from \$108,000 to \$139,000.⁷⁶

RECOMMENDATION 2: That the Government continue to support Landcom in the fulfilment of its legislative obligation to conduct itself in a socially responsible way

RECOMMENDATION 3: That consideration be given to increasing Landcom's annual target proportion of moderate income housing from 7.5% to 10%

RECOMMENDATION 4: That when selling land to private property developers Landcom consider including a covenant aimed at delivering a social housing outcome on the site

Boarding Houses and Caravan Park Closures

4.22 The Committee took evidence from several peak bodies and research institutes in housing and from local governments on the declining number

⁷⁵ Submission from the NSW Department of Housing

⁷⁶ Landcom Sustainability Report 2005

of affordable housing options for people in NSW. The number of boarding houses and caravan parks is said to be declining at such a rate that without intervention it constitutes a considerable amount of pressure on the demand for social housing.

- 4.23 Waverley Council provided the Committee with details of the declining number of boarding houses in their area at a public hearing on the 11 May 2006:

“...a sharp decline in the level of boarding house accommodation across the area. We know that boarding house numbers have halved over the last less than 10 years, probably more like five years. We only have 13 boarding houses now seeking a rental rebate and many of those boarding houses have been turned into either more up-market accommodation or tourist accommodation.”

- 4.24 Waverley Council added in tabled documents that from 1978 to 1988, 150 of the 230 boarding houses closed. The current number of boarding houses in Waverley stands at 50.

- 4.25 In an address to the Community Legal Centre Conference the Park and Village service in NSW highlighted the trend towards a loss of caravan park accommodation:⁷⁷

“We discovered that closure and loss and change of accommodation on residential caravan parks was a growing phenomenon especially on the eastern seaboard and the number of people affected significant.”

- 4.26 The submission from the Park and Village Services outlines concerns over the increased use of caravan parks for crisis accommodation.
- 4.27 To encourage the retention of affordable housing boarding house proprietors offering low cost accommodation are exempt from paying land tax in NSW as outlined in the submission from the NSW Department of Housing.

Homelessness

- 4.28 Given the priority that goes to homeless people in the allocation of social housing any growth in the levels of homelessness is significant to the demand levels for social housing.
- 4.29 Evidence from the Council of Social Services in New South Wales given at the public hearing and tabled with the Committee on the 4 May 2006 on the growth of homelessness suggests that the issue is growing:

⁷⁷ Joy Connor, 2002, Closure of Residential Parks-Workshop for the Community Legal Centre Conference Melbourne, National Association of Community Legal Centres website http://www.naclc.org.au/docs/Closure_of_Residential_Parks.pdf date accessed 5 July 2006

“Probably the best way we can measure homelessness is actually through our homeless service system and that is SAAP, the supported accommodation assistance program. We have about 300 services in New South Wales. They provide a range of services in crisis to medium term and the demand for those services has increased exponentially over the last three to four years. The turn-away rates out of SAAP services are growing. We have significant numbers of children in our homeless service sector and at the same time we have not seen growth in SAAP funding. The other report from the SAAP services, and I work with them all the time, is that they are seeing increased complexity of client needs...

25% of Australia’s homeless youth live in NSW...

In 2004/05 NSW SAAP services provided 40,600 support periods...

Nationally one in every two people seeking immediate assistance have to be turned away”

4.30 The submission from the St Vincent de Paul Society outlined their experiences in the provision of homelessness services:

“As the state’s housing affordability worsens, people living in the St Vincent de Paul Society’s homeless refuges are finding it increasingly harder to find the rental accommodation they need to live independently again. This is putting even greater pressure on the very limited number of places available in our refuges.”

4.31 Further to this the Council of Social Services in New South Wales add that there is an increasing complexity in the needs of homeless people and that homeless is often hidden.

4.32 In testimony to the demand for SAAP services the Institute of Advanced Studies offers the following:⁷⁸

“The SAAP accommodates about 20 per cent more clients today than it did about 10 years ago. It would be wrong however to assume that this growth has kept pace with demand from the homeless, including the two groups considered here. The 2001 census data found less than 15 per cent of all homeless people are accommodated by the SAAP. An equal number were sleeping rough and the balance were in tenuous housing, provided largely by relatives and friends. On this analysis, SAAP accommodation would have to double just to accommodate the most neglected category of Australia’s homeless population.”

⁷⁸ M. Beckerling, 2006, *Issue 1 Homelessness*, The University of Western Australia website http://www.ias.uwa.edu.au/the_new_critic/archives/issue_1/m.beckerling_homelessness date accessed 21 August 2006

4.33 The Australian Federation of Homelessness Organisations provided evidence to the Committee on the rationale for the expansion of funding under the SAAP. A 25% increase was said to be necessary to maintain services at their current level, and a further 15% to address unmet need. This 40% was sharply contrasted with the average annual increase of 2.1% currently being delivered by the Commonwealth.

Advantages of a Social Housing Approach

4.34 Demand for social housing exists in part because social housing is uniquely placed to deliver certain benefits to tenants. A survey of recently allocated tenants identifies these benefits as:⁷⁹

	Living in Public Housing Has Helped	Living in Public Housing Hasn't Helped	Living in Public Housing Hasn't Helped Yet but it Might in the Future	Total
To feel more settled	76.8%	8.9%	14.3%	100%
To manage my money better	58.2%	18.2%	23.6%	100%
To have more money for necessities	45.3%	26.4%	28.3%	100%
To be able to stay in the area of my choice	58.0%	24.0%	18.0%	100%
To be part of a local community	43.5%	19.6%	37.0%	100%
To feel more confident	56.8%	25.0%	18.2%	100%
To make my children feel more settled	62.1%	24.1%	13.8%	100%
To enjoy better health	50.0%	20.5%	29.5%	100%
To access support services	55.0%	15.0%	30.0%	100%
To improve my job prospects	19.2%	30.8%	50.0%	100%
To start/continue education and/or training	40.0%	24.0%	36.0%	100%
To access better childcare services	30.4%	34.8%	34.8%	100%

4.35 A submission from the Tenants Union of NSW outlines the significance of social housing to recipients:

“...social housing often represents a break from temporary residential parks, and is an opportunity to stabilise and plan for the future.”

⁷⁹ Terry Burke, Caroline Neske, Liss Ralston, May 2004, *Entering Rental Housing*, Australian Housing and Urban Research Institute, Table 21, page 33

- 4.36 The submission goes on to highlight research findings, which state that an allocation of social housing resulted in a decrease in stress, more healthy eating, and a reduction in medical costs.
- 4.37 Given the importance of social housing to the well being of tenants the Committee affirm the place of social housing in the provision of assistance to households in need and acknowledge the importance of creating new housing stock to meet demand.

RECOMMENDATION 5: That significant growth in social housing stock be achieved through:

- An increase in funding by the Commonwealth and State Governments under the Commonwealth State Housing Agreement
- Partnerships with private developers, local government, and non-government organisations

Chapter Five - Funding/Financing

NSW Housing Income and Expenditure

- 5.1 The submission from the NSW Department of Housing states that: In the 2006-07 Budget, the NSW Government will invest \$269 million over and above funding provided through the Commonwealth State Housing Agreement (hereafter CSHA).
- 5.2 The Auditor General calculates costs associated with dwellings as recurrent costs (excluding payroll tax) plus depreciation and cost of capital minus interest paid and rent collected. In the year 2002-2003 NSW was carrying a cost of \$19 218 per dwelling.⁸⁰
- 5.3 In NSW 99.7% of rent charged was collected, behind the national average by .2%. The total amount of rental debtors at the end of June 2005 was \$33.3 million. Of this amount 89.5% was classified as doubtful as it is uncollected rent from former tenants.⁸¹
- 5.4 With the exception of the ACT, NSW had the second lowest level of rent charged as a proportion of market rent for its dwellings. At 58.2% of market rent in 2003-2004 the figure indicates a high level of subsidisation.⁸² In 2004-2005 there were 108 341 households in public housing paying less than market rent. This represents 37% of the national figure of households in public housing paying less than market rent.⁸³
- 5.5 The financial viability of housing providers is impacted by the allocations policy it employs.⁸⁴ The targeting of housing to those in the highest need threatens the financial viability of the NSW Department of Housing. Testifying to the increasing rates of subsidisation in NSW is the following:⁸⁵
- “Over the study period rebated tenants increased from 85% to 90% but (more importantly) priority crisis and emergency allocations increased from 20% of all new allocations to 40%.”
- 5.6 The NSW Department of Housing identify in their submission that 95% of people on the housing register are dependent on a Centrelink payment for their income.

⁸⁰ Auditor General's Report to Parliament 2005 Volume 4, page 99

⁸¹ Ibid, page 98

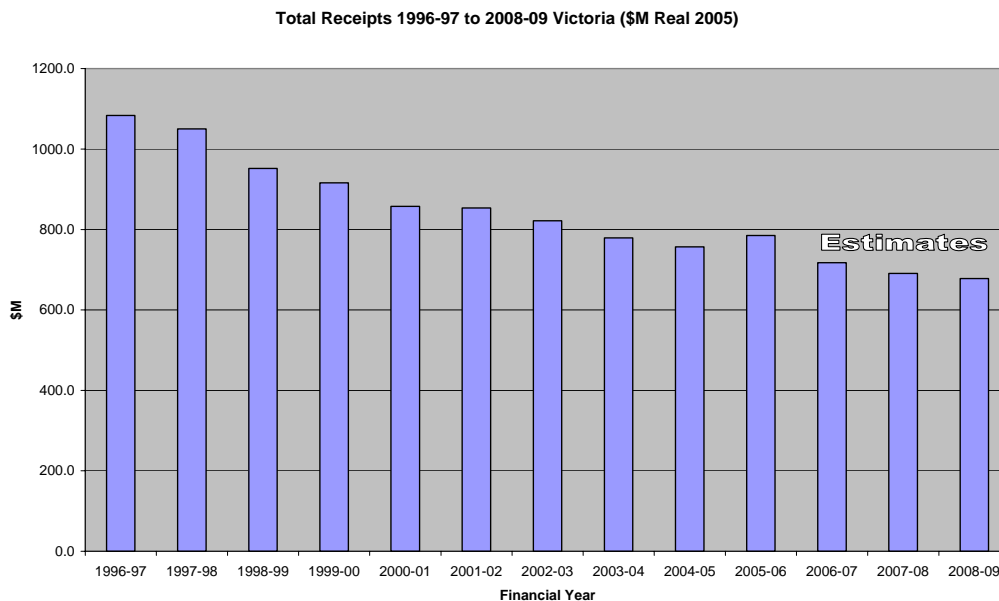
⁸² Ibid, page 98

⁸³ Productivity Commission, 2006, *Report on Government Services 2006*, Part G Housing, Attachment 16A, Table 16A.1

⁸⁴ Kath Hulse and Terry Burke, March 2005, *The Changing Role of Allocations Systems in Social Housing*, The Australian Housing and Urban Research Institute, page 32

⁸⁵ Jon Hall and Mike Berry, The Australian Housing and Urban Research Institute, March 2004, *Operating Deficits and Public Housing: Policy Options for Reversing the Trend*, page 29

- 5.7 At the 2005 National Housing Conference, the Victorian Minister for Housing, The Honourable Candy Broad, MLC discussed the declining levels of income in housing in the coming years as an outcome of tighter targeting:⁸⁶



- 5.8 Ineligibility for the Commonwealth Rent Assistance program for public housing tenants is part of the reason for this. If the same subsidy which is available to community housing tenants were available public housing tenants this would enable the rent charged to public housing tenants to move closer to the market rent and boost the revenue base which maintenance and other costs are drawn.

- 5.9 An alternative funding proposal involves community service obligation funding:⁸⁷

“In the case of NSW, recognising the real cost of the Community Service Obligation and providing a cash payment for rebates, would ensure the continued viability of the sector.”

- 5.10 Both suggestions have strong support from the submissions received by the Committee, particularly from peak housing bodies like Shelter NSW and the Council on Social Services in New South Wales.

⁸⁶ Candy Broad MLC, Address to the National Housing Conference, Perth 2005, *Dilemmas in the Targeting of Social Housing*

⁸⁷ Jon Hall and Mike Berry, The Australian Housing and Urban Research Institute, March 2004, *Operating Deficits and Public Housing: Policy Options for Reversing the Trend*, page 35

5.11 In the decade from 1990/91 – 2000/01 the real percentage change in net expenditures per dwelling in NSW was 45.4 while the change in income was –12.2 well above the average for all Australian states and territories and New Zealand.⁸⁸

5.12 The drivers of a decline in income are said to include:⁸⁹

“On the income side, the weakening position appears to be due mainly to the effects of policy changes resulting in tighter targeting of public stock on low-income households and those with multiple support needs.”

5.13 This decline in income was worsened by a growth in operating costs. On average real expenditure on maintenance rose by 39%.⁹⁰

5.14 A submission from the Churches Community Housing Ltd outlines how funding constraints are significant and offers the 8% of the public housing budget being spent on new stock as evidence of this.

5.15 The submission from the Tenants Union of NSW assessed growth in the social housing sector relative to population growth:

“In the last five years, the social housing stock has grown by merely 2 197 dwellings – by contrast, over roughly the same period, the State population grew by about 270 000 persons. Since 2002-03, the stock has grown by just 85 dwellings. Relative to a growing State population, the social housing stock is shrinking.”

5.16 The Minister for Housing, The Honourable Cherie Burton MP, at a hearing of the budget estimates committee in 2005 acknowledged the lack of growth:

“Given there has been reduced funding through Commonwealth-State housing agreements there is certainly not sufficient capacity to be expanding and growing stock, and the department's obligation to maintain stock is being affected.”

The Commonwealth State Housing Agreement

5.17 The CSHA started in 1945. The CSHA is the primary source of funding for social housing. The legal framework for the agreement rests with the Housing Assistance Act 1996.⁹¹

⁸⁸ Jon Hall and Mike Berry, The Australian Housing and Urban Research Institute, March 2004, *Operating Deficits and Public Housing: Policy Options for Reversing the Trend*, page v

⁸⁹ Ibid, page vi

⁹⁰ Ibid, page vii

5.18 The Productivity Commission Report on Government Services outlines in Part G Housing the nature of the CSHA:⁹²

“ The CSHA is an agreement made between the Australian, State and Territory governments under the *Housing Assistance Act 1996* (Cwlth) to provide strategic direction and funding certainty for the provision of housing assistance. The aim of this agreement is to provide appropriate, affordable and secure housing assistance for those who most need it, for the duration of their need.

The 2003 CSHA came into effect on 1 July 2003 and will run until 30 June 2008, and includes bilateral agreements between the Australian Government and each State and Territory government and an overarching multilateral agreement...

The majority of CSHA funding is distributed to State and Territory governments on a modified per person basis, with the State and Territory governments contributing additional funding from their own resources to partly ‘match’ Australian Government funding allocations.”

5.19 In 2005 housing assistance funding totalled:⁹³

- Total Commonwealth (72.4%), State and Territory (27.6%) funding = **\$1.3 Billion**
- Total Commonwealth funding for the Commonwealth Rent Assistance Program = **\$2.1 Billion**

5.20 The real value of spending under the CSHA on capital housing subsidies has, according to the Australian Housing and Urban Research Institute:⁹⁴

“... fallen considerably over the past ten years, while real spending on rent assistance paid to eligible private tenants has levelled out since 1993-1994.”

5.21 An examination of the funding trend over the ten year period from 1992 to 2002 is revealed in the following table:⁹⁵

⁹¹ Greg McIntosh, 1997, *Reforming Public Housing*, Current Issues Brief 31, Parliament of Australia, page 3

⁹² Productivity Commission, *Report on Government Services 2006*, Part G Housing, page 16.2

⁹³ Productivity Commission, *Report on Government Services 2006*, Part G Housing, page 16.7

⁹⁴ Australian Housing and Urban Research Institute, Issue 13, September 2002, AHURI Research and Policy Bulletin, *Expanding the Supply of Affordable Housing in Australia*, page 2

⁹⁵ Department of Family and Community Services unpublished data and Annual Reports of the Housing Assistance Act

Financial Year	Actual CSHA Funding \$M	GST Compensation \$M	CSHA Funding (less GST Comp) in real terms \$M
1992-93	1 485.4	1 716.9	
1993-94	1 419.6	1 623.8	
1994-95	1 509.6	1 600.6	
1995-96	1 489.8	1 643.5	
1996-97	1 353.4	1 468.3	
1997-98	1 207.4	1 293.2	
1998-99	1 276.6	1 363.1	
1999-2000	1 331.0	1 394.2	
2000-01	1 406.5	89.7	1 316.8
2001-02	1 392.4	89.7	1 264.8
2002-03	1 387.4	89.7	1 229.6

5.22 A financially significant turning point in the CSHA took place in 1996:⁹⁶

“The 1996 CSHA marked a significant shift in a number of areas that directly and indirectly impacted on the financial situation of the State Housing Authorities (SHAs). Although the 1996 CSHA was an interim agreement, it represented a major shift from previous arrangements, introducing, tighter targeting, greater flexibility, increased accountability, new planning requirements and a greater focus on client outcomes.”

5.23 In their submission to the Committee the NSW Department of Housing outline that:

“In real terms, Commonwealth contributions have been cut by \$850 million over the past decade. These funds would have enabled the Department to provide housing assistance to an additional 10 000 people.”

5.24 The Australian Council of Social Service outlines the decline in funding under the CSHA:⁹⁷

⁹⁶ Jon Hall and Mike Berry, The Australian Housing and Urban Research Institute, March 2004, *Operating Deficits and Public Housing: Policy Options for Reversing the Trend*, page ii

⁹⁷ Michael Raper, ACOSS Info 203, 7 March 2000, *Tackling the causes of homelessness*, page 1-2

“In the decade 1984 to 1994, taking inflation and changes in the population into account, per capita levels of spending on public and community housing through the Commonwealth State Housing Agreement (CSHA) decreased by 25%. Expenditure further decreased in 1997-98 with a reduction of \$50 million in CSHA spending and the imposition of a 1% annual ‘efficiency dividend’.

- 5.25 Several submissions from peak bodies, research groups, church groups, local government and others acknowledge the decreasing amount of funding available to the NSW Department of Housing and call for an increase in funding either through the CSHA or by making public housing tenants eligible for Commonwealth Rent Assistance enabling the NSW Department of Housing to increase the rents it charges to tenants. If public housing tenants were eligible for Commonwealth Rent Assistance growth is still called for under a capital growth component of the CSHA.
- 5.26 Under the NSW CSHA Bilateral Agreement 2003-04 to 2007/08 funds to be made available over the term of the agreement total \$2.2 billion. The targets for 2004/2005 include:⁹⁸
- an increase in housing stock by 222
 - 14 991 households newly allocated ongoing rental accommodation from the waiting list
 - 1545 rent subsidies to private renters
 - 36,500 one-off assistance to private renters
 - 200 mortgage assistance to homeowners
 - 41,430 assistances provided with emergency and crisis accommodation to households through CAP
- 5.27 Concern was expressed by the NSW Department of Housing in their submission that the Aboriginal Rental Housing Program and the Community Housing and Infrastructure Program were being increasingly directed to rural and remote areas:

“Any further targeting of housing investment to rural and remote areas would further disadvantage NSW, given its urbanised Aboriginal population.”

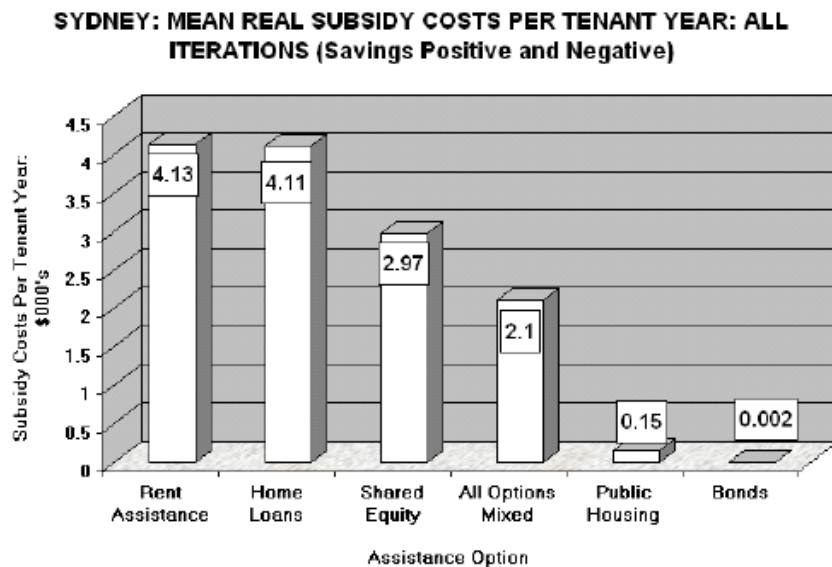
RECOMMENDATION 6: That any increase in funding under the Commonwealth State Housing Agreement include a significant investment in capital works

⁹⁸ NSW CSHA Bilateral Agreement 2003/04 to 2007/08 page 2 and page 37

Problematic Nature of Subsidised Private Rental Accommodation

5.28 A large and growing amount of money is being spent on Commonwealth Rent Assistance at a time when funding under the CSHA has decreased. The efficiencies of the Commonwealth Rent Assistance program go directly to the appropriateness of the current funding arrangements. The graph below highlights how cost intensive the program is compared to other forms of housing assistance:⁹⁹

GRAPH 2: Sydney: Mean Real Subsidy Costs Per Tenant Year: All Iterations (Savings Positive and Negative)



Source: Hall and Berry: Oct 2002: Risk Management And Efficient Housing Assistance Provision, AHURI, (Pg 42)

5.29 An Industry Commission report on Public Housing found that:¹⁰⁰

“Public housing and headleasing are assessed to be more cost-effective than cash payments and housing allowances.”

5.30 The effectiveness of the Commonwealth Rent Assistance program is heavily impacted by the availability of affordable rental accommodation. The discussion in Chapter Four outlines the lack of affordable rental accommodation available, especially in Sydney.

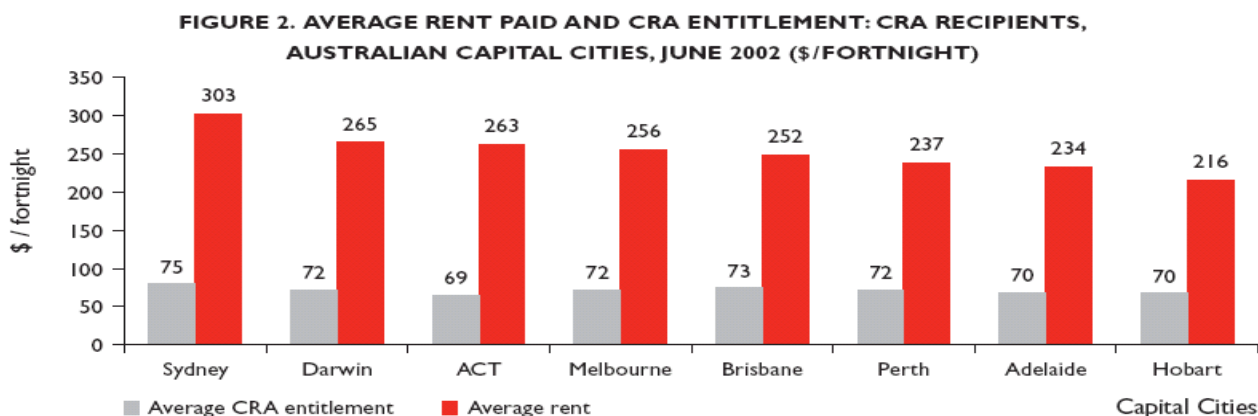
⁹⁹ Jon Hall and Mike Berry, The Australian Housing and Urban Research Institute, March 2004, *Operating Deficits and Public Housing: Policy Options for Reversing the Trend*, page 7

¹⁰⁰ Industry Commission, 1993, Report No. 34, *Public Housing Volume One: Report*, Australian Government Publishing Service, Canberra, page xviii

- 5.31 Some groups experience particular barriers to accessing private rental accommodation. Private rental accommodation does not meet some of the key needs of those requiring of housing assistance due mainly to the fact that it does not offer security of tenure.
- 5.32 Evidence from the Dtarawarra - Aboriginal Resource Unit Tenants Advice and Advocacy Service, Northern and North West Aboriginal Tenancy Service Aboriginal Tenants Advice Service (Grafton), and Murra Mia Aboriginal Tenants Advice Service (Batemans Bay) taken at a public hearing held on the 4 May 2006 outlined how Aboriginal people are often discriminated against when seeking to rent privately:
- “A good example is that in 1987 Tom Slockie was the chairperson of the Aboriginal Housing Office in Sydney when Mr Refshauge put that together. He was the Chairperson on \$100,000 a year, came from Batemans Bay, had privately owned a home down there, had no references, a real dark fellow, and could not get a rental anywhere. Mr Refshauge had to write a letter out for him to say he the chairperson of the Aboriginal Housing Office, his income is such-and-such and I stand witness. That is fair dinkum. He tried for weeks to do that.”
- 5.33 The Committee heard from the same witnesses that in some indigenous communities up to 80% of the community are less than 25 years old. These tenants are said to typically come from a family home in social housing and have inherent difficulties accessing private rental accommodation. Self esteem problems and difficulties negotiating with real estate agents were also reported.
- 5.34 The unemployed, young people with no rental history, families with children, people with disabilities, people living with HIV/AIDS, people who are recently released from prison, larger families, and others will find it difficult to compete for private rental properties. The submissions from the Cumberland Housing Co-op Limited and the AIDS Council of NSW Inc. and other evidence supports this.
- 5.35 With market forces determining the availability of affordable rental accommodation and in the absence of rent-controlled accommodation it is difficult to ensure the success of the Commonwealth Rent Assistance program.
- 5.36 The report from the Affordable Housing National Research Consortium found that the number of people renting has increased, low rent dwellings

are diminishing, and that high-income households are frequently occupying low rent dwellings.¹⁰¹

- 5.37 Of those receiving Commonwealth Rent Assistance it was revealed by a study conducted by the Australian Housing and Urban Research Institute that in Sydney in 2003 the average fortnightly rent paid was \$303 while the Commonwealth Rent Assistance payment was \$75, only a quarter of the average rent costs were covered by the Commonwealth rent assistance payment in Sydney. Sydney came in with highest average fortnightly rent ahead of the other capital cities by an average of \$57 a fortnight.¹⁰²
- 5.38 The maximum amount of money paid under the Commonwealth Rent Assistance program is set nation wide. There is no variation in the maximum amount payable irrespective of the amount of rent paid or the geographic location of the applicant. The capacity of the Commonwealth Rent Assistance program to alleviate housing stress is diminished in Sydney where rents are the highest in the country. The example of a sole parent on a statutory income in Sydney is offered as an example: An additional \$77 per week is needed to afford a two bedroom unit on the outer ring of Sydney to stay out of housing stress.¹⁰³
- 5.39 The average Commonwealth Rent Assistance payment against the average rent paid in select locations is a good measure of the effectiveness of the payment in alleviating housing stress in select geographic settings:¹⁰⁴



Data source: Productivity Commission 2003, Table I6A.56

¹⁰¹ Affordable Housing National Research Consortium, September 2001, *Affordable Housing in Australia: Pressing Need, Effective Solution, Policy Options for Stimulating Private Sector Investment in Affordable Housing Across Australia*, page 10-11

¹⁰² Australian Housing and Urban Research Institute, Issue 59, August 2005, *Housing Affordability and Commonwealth Rent Assistance*, page 2

¹⁰³ NSW CSHA Bilateral Agreement 2003-04 to 2007-08, page 4-5

¹⁰⁴ Australian Housing and Urban Research Institute, *Housing Affordability and Commonwealth Rent Assistance*, AHURI Research and Policy Bulletin, Issue 59, August 2005, page 2

5.40 To respond to geographic differences it is suggested that:¹⁰⁵

“By changing the nation-wide settings of CRA, policy makers can alter the geography of housing affordability. For example, a decrease in the minimum rent threshold of CRA would tend to improve affordability for those in regional Australia. An increase in the maximum rate of CRA would tend to improve affordability for those in metropolitan areas.

This project helps to quantify the costs and benefits of such changes. For example, a 10% increase in the maximum rate of CRA would increase in net terms the number of income units in affordable housing in New South Wales by over 1600, predominantly in Sydney.”

5.41 In 2002 there were 25 076 households on Commonwealth Rent Assistance who were paying more than 50% of their income on rent.¹⁰⁶

5.42 In a study of the Commonwealth Rent Assistance program both the Australian Council of Social Service and National Shelter found that while the program assisted some recipients in alleviating housing costs that:

“...for many recipients it is failing to deliver its goal of delivering affordability.”¹⁰⁷

5.43 In a survey of Commonwealth Rent Assistance recipients it was found that:¹⁰⁸

“The fact that there is a sizeable minority who do not appear to have affordability problems and yet apply for public housing (largely for security reasons) and that there is another group who, despite affordability problems, will not consider public housing suggests a need for new policy directions. There is little doubt that if there was greater security of tenure in private rental there would be less demand for public housing.”

5.44 A possible reform to the program could include: An increase in the security of tenure through the provision of incentives to private landlords who sign five to ten year rental agreements with community housing providers.

5.45 The submission from the Council of Social Service of New South Wales states that an incentive for investors who agree to lease housing stock on a

¹⁰⁵ Ibid, page 1

¹⁰⁶ Australian Council of Social Service, October 2002, *Public and Community Housing: A Rescue Package Needed*, page 5

¹⁰⁷ National Shelter and the Australian Council of Social Services, September 2003, *Rent Assistance: Does it Deliver Affordability?*, page 4

¹⁰⁸ Terry Burke, Caroline Neske, Liss Ralston, May 2004, *Entering Rental Housing*, Australian Housing and Urban Research Institute, page iii

long term basis to not for profit housing associations for use as community housing or affordable housing could be exemption from land tax.

- 5.46 While Commonwealth Rent Assistance does create choice for tenants the effectiveness of the program needs assessment. The proportion of funding given to the program needs to be modified depending on the outcome of that assessment.

RECOMMENDATION 7: That the effectiveness of and the proportion of funding to the Commonwealth Rent Assistance program be re-evaluated by the Commonwealth

RECOMMENDATION 8: That incentives be provided by the Commonwealth and State Governments to private landlords who sign five to ten year rental agreements with community housing providers

International Funding Comparison

- 5.47 In 2001 the OECD reported that the percentage of GDP spent on housing in Australia totalled 0.1% (a drop from 0.4% for part of the 1980s) while New Zealand spent 0.8% and the United Kingdom spent 1.5% in 2001.¹⁰⁹

- 5.48 In an international comparison the Institute for Research on Poverty outlines the percentage of GDP spent on housing health, education, and other areas of expenditure:¹¹⁰

¹⁰⁹ OECD Social Expenditure Database 1981-2001, OECD website

<http://www.oecd.org/dataoecd/56/37/31613113.xls> date accessed 29 May 2006

¹¹⁰ Irwin Garfinkel, Lee Rainwater and Timothy M Smeeding, Focus Volume 23, Number 3, Spring 2005, *Equal Opportunities for Children: Social Expenditures in the English Speaking Countries and Western Europe*, Institute for Research on Poverty, University of Wisconsin Madison, Page 18

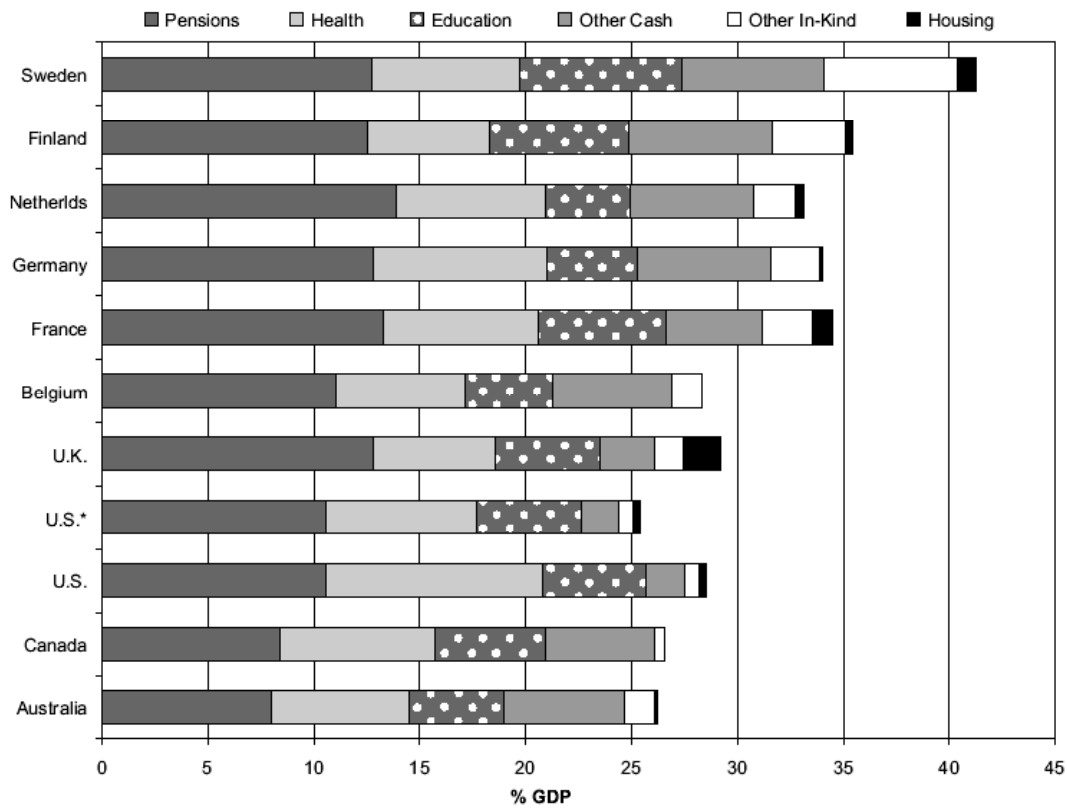


Figure 1. Size and composition of welfare state expenditures in 10 OECD nations.

Note: The asterisked U.S. bar subtracts employer-provided health insurance and pension benefits. All other bars include employer-provided health and pension benefits. Data from the OECD and the Employee Benefit Research Institute.

Community Service Obligation Funding

5.49 The arrangement in New Zealand where the difference between the market rent and the rent charged to the tenant is funded as a community service obligation is offered as a solution to the financial difficulties faced by the NSW Department of Housing:¹¹¹

“An obvious alternative to the slow cannibalisation of the public housing stock, as dwellings are sold off to shore up a weak financial position, is for the community service obligation to be recognised and separately funded by government (as is now the case in New Zealand).

In all other corporatised government services the difference between the commercial price and the amount paid by the recipient of a concession is recognised as a Community Service Obligation (CSO) and, is fully funded. For example, for electricity and water supply, the difference between the price per unit of consumption and the amount charged to concessional

¹¹¹ Jon Hall and Mike Berry, The Australian Housing and Urban Research Institute, March 2004, *Operating Deficits and Public Housing: Policy Options for Reversing the Trend*, page viii

consumers is treated as a CSO and is normally provided as a Treasury payment to the authority concerned.

For public housing, the commercial or market price is market rent and the concessional price is the income related rent paid by the tenant. The Community Service Obligation per tenancy is the cost of the difference, i.e. the rental rebate.”

5.50 The same report outlines that:¹¹²

“Either additional funding will need to be provided or NSW Housing will have to progressively ‘cannibalise’ or sell off its assets in order to fund its operating shortfalls.

It is also clear, however, that if the full cost of the NSW’s community service obligation was fully recognised (i.e. the difference between market rents and income related rents was fully paid for), NSW Housing would be a very profitable business and the rate of return would exceed that obtained by many purely for profit businesses.”

5.51 Submissions from the Council of Social Service of New South Wales and the Tenants Union of NSW support the Community Service Obligation funding option.

Public Private Partnerships

5.52 The popularity of public private partnerships in infrastructure development has grown significantly on both the domestic and international fronts. The appeal of public private partnerships is enhanced when public funding for an area of infrastructure is in the situation that social housing in NSW is in at present.

5.53 Discussed as an option along with bonds and tax credits in *Better Housing Futures, Stimulating Private Investment in Affordable Housing*, partnerships are estimated (on a ten year investment horizon) to have an annual gross subsidy cost of nearly \$8000 per household. Both bonds and tax credits were comparable in cost to partnerships with bonds being the least expensive option at \$6560 per household per annum.¹¹³

5.54 It is estimated that in a partnership arrangement 15 200 households could be directly assisted in the first years assuming an average house price of

¹¹² Jon Hall and Mike Berry, The Australian Housing and Urban Research Institute, March 2004, *Operating Deficits and Public Housing: Policy Options for Reversing the Trend*, page 38

¹¹³ The Allen Consulting Group, 2004, *Better Housing Futures, Stimulating Private Investment in Affordable Housing*, A report to the Affordable Housing Forum, page 6

\$175 000 and \$2.67 billion dollars in investment in the first year. This figure would be repeated each year for the first decade.¹¹⁴

- 5.55 South Australia since the 1990s have been the exception to the otherwise nation wide under utilisation of public private partnerships in housing:¹¹⁵

“There has not been a strong history of private sector financing of social housing in Australia, possibly because the commercial returns are too low. Nevertheless it has been the preferred method for financing estate regeneration in South Australia from 1990. The South Australian Housing Trust took a path of asset disposal and redevelopment in partnership with the private development industry; income from sales and redevelopment was intended to offset the cost of replacing or upgrading existing public housing and improving the public and community domain, on a revenue neutral basis (Judd, Samuels and O’Brien 2002).”

- 5.56 Evidence was gained by the Committee in relation to the recent Westwood project in South Australia which involved:

“The South Australian Housing Trust and Urban Pacific (a member of Macquarie Bank Group of Companies) went into partnership to develop the Westwood public housing estate.

City of Port Adelaide Enfield is also involved in contributing funds to the project, including \$6.5million in infrastructure upgrades.

The project is worth \$600 million and is the largest in Australia.

The project will last for ten to twelve years.

5000 houses belonged to the South Australian Housing Trust. The land on which the houses are located is subdivided and the majority of public housing houses are demolished. The trust loses some land and the developer gains land to sell privately.

Prior to the project being undertaken the area was an unpopular public housing area with a high turnover and a lot of open space.

All public housing tenants were guaranteed re-location within a 5 KM radius in either a renovated public housing dwelling or a new public housing dwelling.

At the end of the project public housing will make up around 25% of the total housing in the area.

House and land packages range from \$230K to \$450K on 400-900m².

The density of the population has increased by 16%. Council regulations require a fairly large amount of open space in order to increase the density.

¹¹⁴ The Allen Consulting Group, 2004, *Better Housing Futures, Stimulating Private Investment in Affordable Housing*, A report to the Affordable Housing Forum, page 7

¹¹⁵ Shelter NSW, June 2003, *Tenancies, communities and the (re)development of public housing estates – a background paper*, page 24

Public housing tenants have largely been satisfied with the process. Improvements in pricing have been strong.”

5.57 Dr Emma Baker from Flinders University outlined in an address given on the employment of the Spatial Decision Support System in the relocation of public housing tenants how the technology benefited tenants. Key points include:¹¹⁶

- The relocation of public housing tenants who partook in the trial was part of the Westwood housing development project, which is the largest of its kind in Australia.
- Up to 1750 households of low income earners, the unemployed, migrant and aged people were part of the trial
- Outcomes for households are improved when households feel in control
- The decision support system involved the use of a laptop, which was taken into people’s homes and plugged into a TV. The system is visually based. Tenants are asked a series of questions on the their housing needs, for example, the number of bedrooms they require. Tenants are shown the locations of all available public housing dwellings on a map. Tenants are shown pictures of the housing stock they short list and information is available on the local amenities, for example the location of general practitioners and community services in the area
- A key finding of the trial was that the system facilitates realistic decision making and does not unfairly raise expectations
- Information provision, transparency and accountability all increase under the system

5.58 Discussed in the facilitating growth section of the chapter on community housing the transfer of title of properties to community housing providers was sighted in the submission from Lend Lease as a recommendation to encourage more partnerships between the private sector and community housing providers. Lend Lease describe such partnerships as “natural” as evidenced by the fact that all consortiums bidding for the Bonnyrigg Living Communities project had community housing association partners.

5.59 In their submission to the Public Accounts Committee inquiry into Public Private Partnerships the Council on Social Services in New South Wales outline principles for the assessment of projects involving social housing:

- i Increase in Social Housing Stock

¹¹⁶ Address given at the 2006 Australasian Housing Researchers Conference - Adelaide

- ii Impact Assessments and Probity
- iii Tenant Rights
- iv Sector Consultation
- v Financial Benefit

5.60 The Committee undertook a tour of the Minto public housing estate in July 2006. The Committee understands that the project is a partnership between Landcom, Campbelltown City Council, and the NSW Department of Housing. The total number of public housing dwellings at the start of the project was roughly 1000. At the completion of the project the total number of properties will increase to 1111 with an estimated split of 70% private housing and 30% public housing. A seniors housing component is included in the plans. Only 130 cottages of the original housing stock will be retained. The loss of public housing in Minto will be replaced with public housing in the Greater Western Sydney allocation zone which is made up of the following suburbs:

- Baulkham Hills
- Carlingford
- Castle Hill
- Dundas
- Eastwood
- Epping
- Ermington
- Harris Park
- Kellyville
- North Parramatta
- Northmead
- Oatlands
- Old Toongabbie
- Parramatta
- Pendle Hill
- Rosehill
- Rouse Hill
- Rydalmere
- Telopea
- Toongabbie
- Wentworthville

- Westmead
- Winston Hills

- 5.61 A small affordable housing component will be included in the private housing stock for sale.
- 5.62 Tenants are given a minimum of 12 months to relocate. Tenants are re-located to available public housing depending on their needs. Most tenants have relocated in nearby suburbs with few exceptions. Relocation costs are met by the NSW Department of Housing. The last tenants will move out by 2012. A register of tenants interested in returning to the area has been established and tenants with the longest tenancies will be given preference for housing in the renewed Minto.
- 5.63 The project is a large-scale redevelopment of the layout and amenities of the suburb.
- 5.64 The rationale for the redevelopment project rests with the wide range of problems faced in the Minto public housing estate and the potential value of private housing sales in an area with good access to public transport, and community facilities in place.
- 5.65 A presentation by the NSW Department of Housing outlined that prior to the redevelopment project Minto public housing estate faced a range of issues including:
- High vacancy, turnover and refusal rates
 - Increasing maintenance costs
 - Vandalism
 - Termite damage
 - Urban design problems associated with Radburn super lots
 - Poorly planned open space
- 5.66 The *Leaving Minto: A Study of the Social and Economic Impacts of Public Housing Estate Redevelopment* report outlines how some 3000 tenants are affected by the Minto redevelopment project.¹¹⁷ Of the tenants surveyed

¹¹⁷ *Leaving Minto: A Study of the Social and Economic Impacts of Public Housing Estate Redevelopment*, Minto Resident Action Group in Partnership with Social Justice and Social Change Research Centre, UWS, Animation Project, St Vincent de Paul Society, UnitingCare Burnside and other Services, March 2005, page 8

over 40% had lived in Minto for more than 10 years. 23% had lived in Minto for more than 20 years.¹¹⁸

5.67 The report also states that no master plan was in place when demolitions commenced. The impact of this on residents described below:¹¹⁹

“The lack of a comprehensive framework has been one of the most confusing and distressing aspects of the process to residents, many of whom consistently describe ‘living in limbo’ and severe personal distress after some two years”

5.68 Of the tenants surveyed it was found that 90% felt they had no involvement in the redevelopment process at Minto.¹²⁰

5.69 While much research has been undertaken on the financial aspects of public private partnerships and the potential for growth is significant it is also clear that public and community housing is an area where the social considerations involved must be carefully managed.

RECOMMENDATION 9: That a specific aim of Public Private Partnerships undertaken in social housing be to increase social housing stock and or de-concentrate disadvantage on public housing estates in consultation with tenants

RECOMMENDATION 10: That tenants required to relocate because of developments in their area be given the first option (where available) of being re-located in the same local government area

RECOMMENDATION 11: That consultation, accountability, and transparency continue to be comprehensive in the execution of public private partnerships or major redevelopments in social housing

¹¹⁸ *Leaving Minto: A Study of the Social and Economic Impacts of Public Housing Estate Redevelopment*, Minto Resident Action Group in Partnership with Social Justice and Social Change Research Centre, UWS, Animation Project, St Vincent de Paul Society, UnitingCare Burnside and other Services, March 2005, page 23

¹¹⁹ *Ibid*, page 19

¹²⁰ *Ibid*, page 25

Chapter Six - Efficiency and Effectiveness of Social Housing Allocations

Eligibility

6.1 The current income eligibility criteria for public housing are:¹²¹

Household Type	Weekly Income Limit Including Family Tax Benefits
Adult (Single)	\$410
1 st Child	\$210
Adult + 1 child	\$620
Each additional Adult (18 years or over)	Add \$140
Each additional child (under 18)	Add \$70
Disability Allowance	Add \$70
Exceptional Disability Allowance	Add \$140

6.2 The eligibility criteria and waiting list arrangements of Australian states and territories are listed in the table below.¹²²

Table 16.4 Public housing policy context, 2005^a

	NSW ^b	Vic ^c	Qld ^d	WA ^e	SA ^f	Tas ^g	ACT	N7 ^h
Eligibility								
Income limit per week (\$) ⁱ	395	347	582	390	608	336	483	529
'Other' asset limits (\$) ⁱ	None	30 000	None	36 400 cash	263 500	34 473	40 000 liquid assets	38 100
Minimum age	18	15	18	18	None	16	16	None
Waiting list								
Segmented by:	Wait turn and priority (five segments)	Priority (four segments)	Priority (two segments)	Priority (three segments)	Need (four segments)	Need (four segments)	Priority (five segments)	Priority (two segments)

¹²¹ Public Housing Income Eligibility Limits for Applicants Applying After 27 April 2005

¹²² Productivity Commission, 2006, *Report on Government Services 2006*, Part G Housing, page 16.19

- 6.3 More than twelve submissions state that they view the current eligibility criteria as too narrow. These submissions came from peak bodies, church groups, individuals, and others. The submission from the Tenants Union of NSW states that:

“The TU understands that the current thresholds have remained unchanged since 1992. In that time, of course, incomes and housing costs have risen. The result is a form of ‘bracket creep’, as many persons and households on low incomes have drifted out of eligibility on the rising tide of wage and inflation.”

- 6.4 The submission goes on to say that consumer price index adjustments to the eligibility thresholds would make the thresholds almost 40% higher. The Tenants Union of NSW highlighted to the Committee the fact that households with payments from centrelink as their main source of income can be ineligible for social housing.

- 6.5 Growing demand and no growth in social housing stock makes the current eligibility criteria an appropriate response to such a problem. The critical needs of some are appropriately prioritised over the needs of others. The submission from the NSW Federation of Housing Associations acknowledges this:

“Reluctantly, the Federation accepts that while there is a serious lack of options for people with very high housing and support needs, the government must deploy its currently available resources to meet their needs; but only while it implements strategies over the next five to ten years to build a larger; more sustainable system.”

- 6.6 The Committee received evidence on the effectiveness of broader eligibility criteria and that when low and moderate income earners are eligible for social housing cross subsidisation and other benefits are achieved. The NSW Department of Housing, in relation to cross subsidisation stated that:

“IN NSW, the cross-subsidy model is considered to be economically inefficient.”

- 6.7 It was added that fewer needy people could be housed in order to achieve cross subsidisation. The view of the Department was that this would not be either fair or reasonable.
- 6.8 The Committee appreciate the dilemma of broadening eligibility criteria in a time of increasing demand and limited resources.
- 6.9 To achieve a viable social mix and long term financial viability the Committee view growth in housing stock as a precursor to the broadening of eligibility criteria for social housing.

Work Disincentives

6.10 The issue of eligibility criteria is further complicated by work disincentives. In a social housing context work disincentives are when social housing tenants experience a loss of housing support when they enter employment, and/or gain little financially when they enter employment.

6.11 The complex interaction between social security, taxation and housing eligibility criteria was studied by the Tenants Union of NSW. The following conclusions were reached:¹²³

- The interactions between the social security system (per the Welfare to Work changes), the tax system and the housing system (per RPH) are numerous and complex, especially for single parents. This may be something of a disincentive itself.
- There are significant work disincentives at almost all wages up to the point where the top 'moderate income' rebate rate applies and where public housing eligibility is lost. It is a wide trap.
- Work disincentives persist in the range of wages above the eligibility threshold, because the incomes at which tenants become ineligible is too low for them to rent in the suburbs of the inner and middle rings of Sydney LGAs without cutting their disposable income. This makes the trap even wider.
- Though the work disincentives faced by a single person are discouraging, those experienced by a single parent are generally more discouraging.

6.12 The Committee tabled documents from witnesses at a public hearing which outlined how indigenous people in employment are often concentrated in seasonal and non professional work and are caught in a system which jeopardizes housing security for little if any financial gain.

¹²³ Tenants Union of NSW, April 2006, *'Reshaping Public Housing' and Work Disincentives*, Research Paper, page 31

Efficiency

- 6.13 Affecting the allocation of property is the rate at which vacant properties are reallocated. The Auditor General states that NSW had the second best reallocation time of 30 days after Queensland.¹²⁴
- 6.14 There is minimal demand for reallocation services in social housing with low turn over and little new housing stock being developed. The Australian Council of Social Services reveal the low turn over in both NSW and South Australia to be 11.4% and 11.7% respectively.¹²⁵

Social Mix

- 6.15 Classified as a non-shelter outcome of allocations policy the achievement of a viable, working social mix of tenants in social housing is considered by the Committee to be both a challenging and essential aim of allocations policy.
- 6.16 Several submissions were received from tenants about the placement of some tenants with mental illness who sometimes presented a danger to themselves and to others and the impact that this was having on them and their neighbourhood. Reports of fear limiting tenants social interaction and access to amenities were of concern to the Committee.
- 6.17 Evidence from a tenants group outlined the need for support services for people with mental illness. It was suggested to the Committee that when such services were in place the situation was much improved and that like other tenants people with mental illness were often good neighbours to have.
- 6.18 The Committee support the role of housing remaining one of addressing the housing needs of people who can live independently in a coordinated manner with providers of support services to people in need.
- 6.19 Local allocation strategies enable the consideration of the characteristics of an area, the needs and circumstances of an applicant and existing tenants and community dynamics when allocating properties. The NSW Department of Housing generally employ local allocation strategies to respond to one of the following:¹²⁶
- “- Ongoing issues of nuisance and annoyance or antisocial behaviour, by making allocations that address stability by increasing the mix of households within the community;

¹²⁴ Auditor General's *Report to Parliament, 2005*, Volume 4, page 100

¹²⁵ Australian Council of Social Services, October 2002, *Public & Community Housing: A Rescue Package Needed*, page 1

¹²⁶ Submission from the NSW Department of Housing

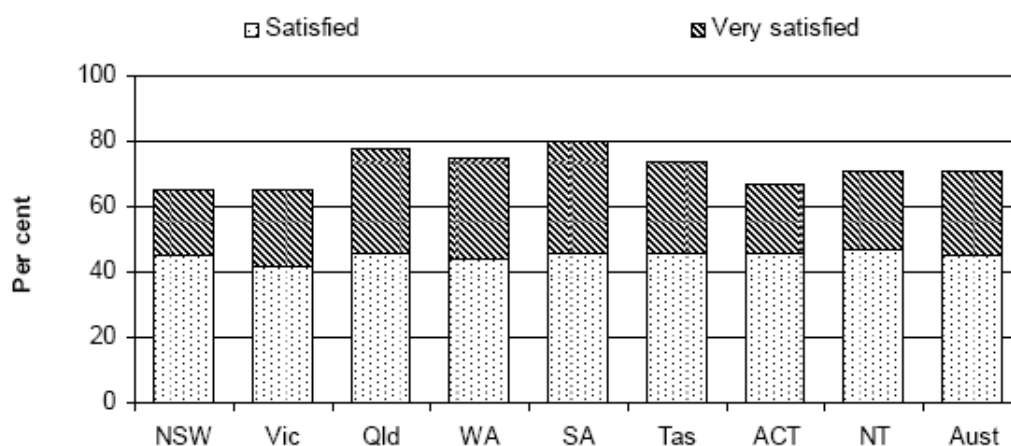
- Where an allocation has been made to a vulnerable client or a client with support needs, in order to ensure necessary supports are in place;
- In a local precinct or complex where allocations are only made to a specific target client group such as older people or younger people;
- Where a complex or precinct has been nominated for redevelopment and tenants need to be relocated”

6.20 The Committee received evidence from the NSW Department of Housing stating that local allocation strategies are in place in 59% of estates. The Committee see the strategies as vital in engineering social mix and as especially purposeful in densely populated housing estates.

Customer Satisfaction

6.21 The National Social Housing Survey conducted in 2005 revealed that nationally 71% of tenants were either satisfied or very satisfied with the service provided to them. NSW ranked below the national average:¹²⁷

Figure 16.14 Public housing — customer satisfaction, 2005^{a, b, c}



^a At July-August. ^b Caution should be used when interpreting small differences in the results, which are affected by sample and estimate size. Data do not add to 100 per cent as a result of non-responses. ^c Calculated as simple numerical averages due to a lack of raw data.

Source: AIHW 2005 (unpublished); table 16A.14.

6.22 In the 2004-2005 annual report of the NSW Department of Housing the total number of client feedback related contact totalled 8535. Complaints accounted for 38.4% of the contact; inquiries constituted 59% and the remaining 2.6% were made up of suggestions and compliments.

¹²⁷ Productivity Commission, 2006, *Report on Government Services 2006*, Part G Housing, page 16.47

6.23 Client complaints by subject area for 2004-2005 in descending order are as follows:

General	3017
Request for Maintenance	1010
Reshaping Public Housing	999
Nuisance and Annoyance	706
Other	552
Local Office	367
Staff Member	341
Re-housing	320
Wait Time for Maintenance	270
Rent	184
Contractor	141
Fraud	129
Upgrade Work	93
Service Provided	90
Priority Housing	81
Wait Time	76
Recalls	15

Choice

- 6.24 Limiting choice for individual households is a by-product of the close targeting of scarce resources.¹²⁸ The requirement placed on public housing applicants to nominate one allocation zone they will accept offers of accommodation in and the limiting of the amount of refusals of offers of accommodation in NSW is an example of this.
- 6.25 The lack of information provided to applicants about the housing stock and estimated waiting times does not enable applicants to make choices based on the most comprehensive set of information.
- 6.26 Nearly two thirds of housing workers responding to a survey stated that applicants were not informed of their position on the waiting list. A lack of information on waiting times was the greatest source of complaint for surveyed applicants on the waiting list and was raised by roughly half of all applicants surveyed.¹²⁹
- 6.27 The size of allocation zones in both metropolitan Sydney and regional NSW is considerable. For example the Blue Mountains allocation zone covers a distance of roughly 55 kilometres.¹³⁰ In the early 1990s tenants could

¹²⁸ Kath Hulse and Terry Burke, March 2005, *The Changing Role of Allocations Systems in Social Housing*, The Australian Housing and Urban Research Institute, page 1

¹²⁹ Ibid, page 45

¹³⁰ Distance calculated from Lapstone to Blackheath both listed in the Blue Mountains allocation zone in the NSW Department of Housing Fact Sheet Allocation Zones December 2005

nominate a specific suburb and even a specific street they wished to live in.¹³¹

- 6.28 The degree to which the allocation system facilitates choice for the tenant contributes to stability, commitment, empowerment and cohesion on both an individual and community level. A European commission funded study found this to be case:¹³²

“This study found that, although each of the twenty-eight neighbourhoods had its own distinctive characteristics, three broad types of dynamics were important: the type of tenure and extent to which residents chose to live in the area, which affected commitment to the area and degree of empowerment; the cultural identity of the area, building on ethnic, age and length of residency divisions which affected feelings of solidarity, social identity and consensus; and the size and nature of residential turnover which affected levels of social engagement, sense of belonging and overall stability.”

- 6.29 The system of choice based letting facilitates applicants exercising a greater degree of choice over their housing than other allocation systems. A definition of choice based letting is:¹³³

“Unlike ‘traditional’ allocation schemes, in Choice-based Lettings, the customer is aware of all the available properties for which they are eligible, and is able to make their own choice from among the available vacant properties (Jones 2004: 2).”

- 6.30 The broad principles of choice based letting are said to include:¹³⁴

- “All available vacant properties are advertised to all members of the scheme;
- All members bid for the properties they are interested in, using their own allocated ‘currency’;
- Bids for each property are short-listed;
- The property is offered to the member at the top of this list;
- Offers, acceptances, refusals and lettings are dealt with in the normal way;

¹³¹ Kath Hulse and Terry Burke, March 2005, *The Changing Role of Allocations Systems in Social Housing*, The Australian Housing and Urban Research Institute, page 51

¹³² Morrison, N., 2003, *Neighbourhoods and social cohesion: Experiences from Europe*, International Planning Studies, 8 (2), pp. 115-38

¹³³ Kath Hulse, Caroline Neske and Terry Burke, May 2006, *Improving Access to Social Housing: Ideas for Reform*, The Australian Housing and Urban Research Institute, page 34

¹³⁴ Ibid, page 34

- Information on the number of bids received for each property, and the 'currency' of the successful bidder, is provided to all members (Jones 2004: 2)."

6.31 The evaluation of choice based letting pilots in the United Kingdom was reported by the Office of the Deputy Prime Minister to be a largely positive assessment of both the pilots and their applicability to the housing sector in the United Kingdom. Twenty-seven pilots ran for three years and were aimed at testing the principles of the Delft model. The main findings related to the operation of choice based lettings were:¹³⁵

- “• The number of households registered for social housing increased in almost all the pilot areas following the launch of CBL. In some cases the increase was dramatic. More working households and members of minority communities were registering by several pilots.
- Customers tended to welcome the transparency of CBL. Consumer feedback indicates that the pilots achieved their aim of establishing more open, transparent and simple systems that are perceived to offer choice.
- CBL requires the active participation of customers. Most customers recognise that CBL requires more work on their part, but consider the benefits are worth the extra effort.
- The award of priority cards or high banding to prioritise vulnerable households, including homeless households, is ensuring that these households access a significant proportion of vacant properties, and often bid successfully for the most popular.
- The weakest part of the CBL pilot activity overall was the provision of support to vulnerable households. Some pilots took a comprehensive approach from early on, but many left it late to develop appropriate provision and some households would have fallen through the net in the early weeks of operation. However, the proportion of households unable to participate in CBL without intensive assistance is relatively small.
- Most local authorities involved in the pilots rated their experience of CBL very positively. All intended to continue with CBL for the immediate post-pilot period. Indeed, many are enthusiastic advocates of CBL.
- The most notable area in which the pilots did not make significant progress was in engaging private landlords. This was typically due to factors outside the pilots' control.
- The discipline imposed on housing management departments by the strict CBL advertising cycle resulted in performance improvements in many of the pilots. The key indicator is re-let time; for many pilot landlords this reduced

¹³⁵ Office of the Deputy Prime Minister, May 2004, *Piloting Choice Based Letting – An Evaluation*, page 5-6

substantially following the launch of CBL, with much of this reduction being attributed to CBL.

- At the start of the pilot period housing associations were particularly concerned about the impact of CBL on their re-let times. In many cases these concerns proved to be unfounded because their housing management performance was, at worst, stable.
- In a few cases housing associations have not been happy with their housing management performance under CBL and, because they also face having to pay for the service in the post-pilot period, it is likely that some will withdraw.
- Although the pilots continued in the months following the end of the pilot period, in November 2003 one pilot decided to close. The context in which it was operating meant that its model of offering choice could not be run economically. However, the unique approach taken by this pilot means that its closure carries no significant implications for the more prevalent advertising models within the CBL pilots.”

6.32 The successful trial by the South Australian Housing Trust previously mentioned in Chapter Three suggests that the principles of the Delft model have applicability in Australia and that the benefits of choice based letting are not limited to large international social housing systems.

6.33 In reference to an evaluation of reforms in the Netherlands and the United Kingdom involving the advertising of vacant properties one report stated that:¹³⁶

“Recent evaluations of these reforms have been positive. Households appreciate the greater choice, information and control, and the ability to make trade-offs between type and quality of housing, location and waiting time. They also see them as generally more open and transparent than previous bureaucratic allocations systems. Housing providers regard the schemes as being successful in focusing administrative effort only on those who want a property and often reducing vacancy times and vacancy rentals.”

Information Provision

6.34 At present applicants are not given written estimated wait times for social housing nor is information provided on the housing stock available in each allocation zone.

6.35 The current allocation system was said in a survey of people on the waiting list for public housing to incur the following difficulties:¹³⁷

¹³⁶ Kath Hulse and Terry Burke, March 2005, *The Changing Role of Allocations Systems in Social Housing*, The Australian Housing and Urban Research Institute, page v

Problem	No problem		Minor problem		Major problem		N/A		Total	
	n	%	n	%	n	%	n	%	n	%
Wasn't told how long the waiting time would be	912	42%	481	22%	663	31%	100	5%	2,156	100%
Felt I had to misrepresent my situation to the housing authority	1,306	62%	312	15%	128	6%	354	17%	2,100	100%
Felt the information required was too personal	1,565	73%	377	18%	113	5%	76	4%	2,131	100%
Felt the forms were too difficult to fill in	1,610	74%	440	20%	91	4%	49	2%	2,190	100%

6.36 That 53% of those surveyed on the waiting list found it problematic that they were not told how long the waiting time would be is significant.

6.37 The length of the waiting time for social housing is a deterrent for potential applicants. A study by the Australian Housing and Urban Research Institute on why potentially eligible households do not apply for housing found this to be the case:¹³⁸

“Perceived difficulties in applying and long wait times were key reasons for not applying for public housing: over 60 per cent indicated that they had not applied for these reasons.”

6.38 While community perception of a lengthy waiting time is accurate households who are informed of how much waiting times vary between allocation zones would be better placed to make a decision about whether to apply for public housing or to seek alternatives. The NSW Department of Housing informed the Committee that there is considerable variation between the waiting times for different allocation zones.

6.39 The provision of information on the location, type, age, facilities of and access to community resources would assist applicants in the decision making process.

6.40 The South Australian trial of the Australian Tenant’s Spatial Decisions Support System involved the use of technology to improve the provision of

¹³⁷ Kath Hulse and Terry Burke, March 2005, *The Changing Role of Allocations Systems in Social Housing*, The Australian Housing and Urban Research Institute, page 49

¹³⁸ Australian Housing and Urban Research Institute, Issue 62, August 2005, AHURI Research and Policy Bulletin, *Which Households Eligible for Public Housing Do Not Apply and Why?*, page 1

information to public housing tenants to facilitate their decision making in the relocation process.

6.41 The trial was used to assist tenants who were forced to relocate to alternate public housing properties because of a redevelopment project. The decision support system involved the use of a laptop, which was taken into people's homes and plugged into a TV. Tenants were asked a series of questions on their housing needs, for example, the number of bedrooms they require. Tenants were shown the locations of all available public housing dwellings on a map. Tenants were then shown pictures of the housing stock they short-listed and information was provided on the local amenities of that area, for example the location of general practitioners and community services in the area.

6.42 A key finding of the trial was that the system facilitates realistic decision-making and does not unfairly raise expectations. Information provision, transparency and accountability all increase under the system.

RECOMMENDATION 12: That the NSW Department of Housing consider undertaking a trial of choice based letting in a public housing allocation zone in NSW

RECOMMENDATION 13: That applicants for social housing be provided with expanded and up to date estimates of waiting times for allocation and more information on the housing stock available

Appropriateness of Allocations

6.43 The Australian Institute of Health and Welfare produces guidelines on the appropriate number of bedrooms in a dwelling to be allocated to different household types. These guidelines stipulate the following:¹³⁹

Proxy occupancy standard for appropriate sized dwelling, by household structure	
<i>Household structure</i>	<i>Bedrooms required</i>
Single adult only	1
Single adult (group)	1 (per adult)
Couple with no children	2
Sole parent or couple with one child	2
Sole parent or couple with two or three children	3
Sole parent or couple with four+ children	4
<i>Source: AIHW (2003g).</i>	

¹³⁹ Productivity Commission, 2006, *Report on Government Services 2006*, 16.45

- 6.44 When two or more additional bedrooms are required to meet the standard, overcrowding is said to have occurred. NSW was below the national average of overcrowded households in both public and community housing.
- 6.45 The limitations on the NSW Department of Housing created by an incompatibility of current housing stock with future need are significant. Appropriate allocations are more difficult to make in a situation of unsuitable stock relative to demand.
- 6.46 Previously mentioned in Chapter One the following statistic highlights the degree of incompatibility between the existing housing stock and future demand for social housing:
- “Single households on the housing register constitute 36% of all applicants. One bedroom and bed-sit accommodation constitutes 26% of public housing in NSW.”¹⁴⁰
- 6.47 The location and amenity of a dwelling are other factors considered in the appropriateness of allocations. The 2005 National Social Housing Survey found that in NSW around 80% of respondents were satisfied with the location and amenity of their dwelling, this was on par with other jurisdictions.¹⁴¹
- 6.48 Previously identified in Chapter One are the larger family sizes in indigenous households and evidence from the Human Rights and Equal Opportunity Commission on the issue of overcrowding in indigenous communities. The Committee received evidence that overcrowding is accentuated in indigenous households. Culturally based family practices were also raised as contributing to the issue.
- 6.49 A survey of housing workers revealed that inappropriate allocations were more common in public housing than in community housing:¹⁴²
- “.. 66 per cent of public housing workers reported that they had seen a small dwelling allocated to a large family (compared to 41 per cent of community sector workers reporting the same thing).”

¹⁴⁰ Information provided by the NSW Department of Housing

¹⁴¹ Productivity Commission, 2006, *Report on Government Services 2006*, 16.42

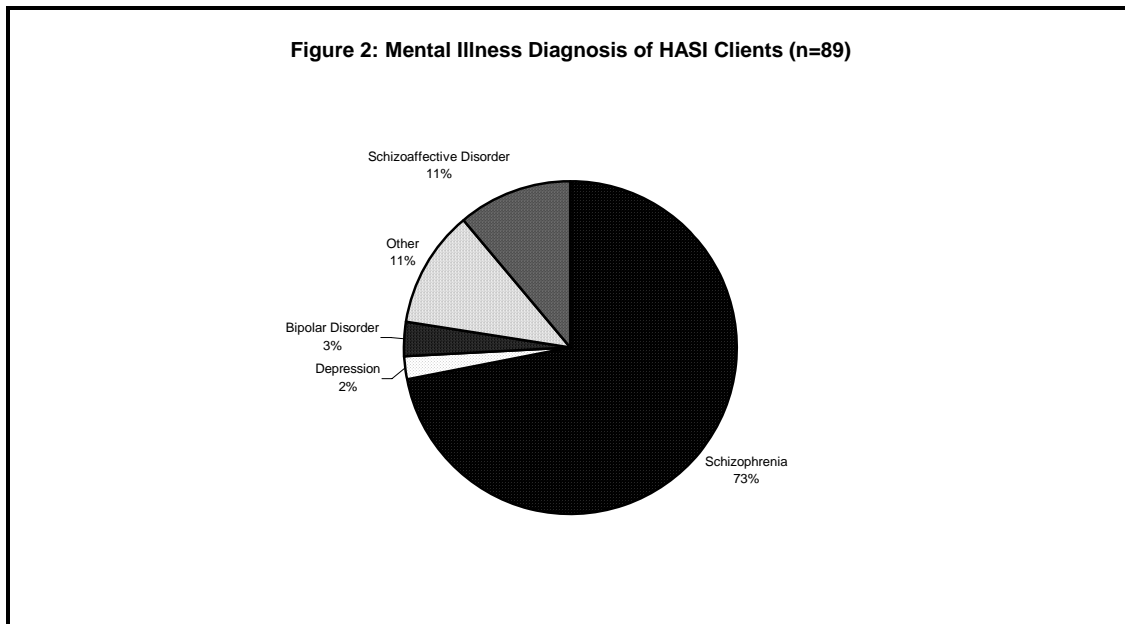
¹⁴² Australian Housing and Urban Research Institute, *Social Housing Allocation Systems – How Can They be Improved?*, AHURI Research and Policy Bulletin, Issue 64, September 2005, page 3

Chapter Seven - Support Services

- 7.1 The proportion of housing provided to people with support needs is significant, the submission from the NSW Department of Housing states that over 55% of newly housed public housing tenants have support needs.
- 7.2 The current range of additional support services beyond the scope of traditional tenancy services provided to public housing tenants are estimated by the NSW Department of Housing to cost the department at least \$43 million per annum.¹⁴³
- 7.3 The Committee were briefed on the status of the Housing and Human Services Accord. The Committee understands the purpose of the accord to be improving the planning, coordination and delivery of services to tenants to address needs and to increase the likelihood of sustaining tenancies. The accord is important recognition of the interagency approach necessary to support tenants.
- 7.4 An example of an interagency approach to the provision of support to public housing tenants with mental illness is the Housing Accommodation and Support Initiative (hereafter HASI). The NSW Department of Housing and NSW Health jointly funded the HASI program and worked with non-Government organisations to deliver the program which:
- “ ...aims to improve housing stability and community participation for people with mental illness through community based accommodation and coordinated support services. HASI Stage One provides accommodation support places to over 100 people with complex mental health problems and high levels of psychiatric disability. “
- 7.5 A recent assessment of the HASI program by the Social Policy Research Centre was positive. Key findings include:
- 93.1 per cent of clients were satisfied with their homes
 - Community participation levels had improved for most clients
 - 85 per cent of clients had successfully maintained their tenancy under the program
 - 69 per cent of case managers reported an improvement in their clients mental health
 - Rates of hospitalisation/residential rehabilitation projected over twelve months dropped by 90 per cent

¹⁴³ Submission from the NSW Department of Housing

7.6 The client grouped serviced included:¹⁴⁴



7.7 The Committee was especially pleased with the positive outcomes achieved for clients in the program. Of significance to the expansion of other like programs is the coordination between relevant agencies and the savings achieved by preventing later more intense services being needed through the delivery of preventative and ongoing support services.

7.8 In an address given by Merrilyn Rowler, President of the Queensland Public Tenants Association the provision of coordinated support services in Queensland was outlined as one in which:

“Seven community based organisations came together with the Department of Housing area office. The Protocol process begins with the area office of the Department of Housing, identifying an ‘at risk’ tenancy i.e. a tenant who is issued with a notice to remedy breach which threatens the sustainability of their tenancy. This tenant is then asked if they would agree to being referred to the network of supporting organisations for help. Of course tenants retain their right to privacy, and have the right to refuse help. The network of organisations then provides the tenant and their family with the support necessary to resolve whatever issue is threatening their tenancy.

This protocol has been an amazing success, with an 80% reduction in evictions from public housing over a two-year period. The tenants who have been involved in this positive support process become more stable and more permanent members of the community, and in turn are able to give back to the community.

¹⁴⁴ Social Policy Research Centre, June 2006, *Housing and Accommodation Support Initiative Report I: Summary*, SPRC Report 9/06, page iii

There are other formal supports happening for tenants with challenging behaviours, and in many places these work really well.”¹⁴⁵

7.9 At a departmental level in Queensland the following efforts have been made to address the support needs of tenants:¹⁴⁶

“In 2004-2005 a joint-work plan was signed between Disability Services Queensland to allow staff in both Departments to work together to assist mutual clients. At the same time, there was an evaluation of local partnership agreements between Area Offices and Queensland Health community mental health services, and work towards a state-wide agreement to allow both Departments to work together to assist mutual clients.”

7.10 In a submission from Catholic Healthcare there is support for clustered accommodation solutions for older client groups with complex needs. The benefits of this strategy are said to include: efficient service provision and positive client outcomes. There is also support in the submission for social housing places in retirement living communities.

7.11 The results to be gained from successful support programs and partnership arrangements between agencies are significant. The indirect benefits to other tenants in social housing and the primary benefit to the service recipient warrant their expansion.

7.12 The Committee received submissions outlining the significant demand placed on service providers who provide support services. The Committee appreciates the resource demands of such service providers and advocate for the expansion of a range of programs to address the demand.

RECOMMENDATION 14: That all relevant agencies expand programs that support tenants with their non-housing related needs

¹⁴⁵ Marilyn Rowler, 2005, Address to the National Housing Conference *Do we want ghettos? Implications of targeting from the perspective of public housing tenants*

¹⁴⁶ Ibid

Chapter Eight - Community Housing

- 8.1 From humble beginnings as a transitional program while people waited for public housing, Government, the housing sector, and others have affirmed that community housing is now a viable provider in a multi provider social housing system.¹⁴⁷
- 8.2 In 2004-05 community housing assisted 1 829 new households and 135 new Indigenous households. There were 16 547 applicants on the waiting list with 41% of those applicants with special needs. Community housing had 10 185 dwellings in 2005. These dwellings were located in the following geographical regions:¹⁴⁸

Region	Number	% of All Dwellings 10 185
Major Cities	8 075	79%
Inner Regional Areas	2 764	27%
Outer Regional Areas	940	9%
Remote Areas	24	.2%
Very Remote Areas	8	.07%

- 8.3 Tenants with support needs represented 74% of new tenancies in 2004-05 in community housing. Roughly the same amount of new allocations was to applicants in 'greatest need'.¹⁴⁹
- 8.4 The direct cost per unit in community housing in 2003-04 totalled \$9224.
- 8.5 The average proportion of income left after paying rent in community housing was 77.5%.¹⁵⁰
- 8.6 Wait times for community housing were said in a submission from a community housing provider to average 5-6 years.

¹⁴⁷ NSW Parliament, 2003, Standing Committee on Social Issues, *Report on Community Housing*, page 7

¹⁴⁸ Productivity Commission, 2006, *Report on Government Services 2006*, Part G Housing, Attachment 16A, Table 16A.15

¹⁴⁹ Productivity Commission, 2006, *Report on Government Services 2006*, Part G Housing, Attachment 16A, Table 16A.17

¹⁵⁰ Productivity Commission, 2006, *Report on Government Services 2006*, Part G Housing, Attachment 16A, Table 16A.19

8.7 There is great diversity of community housing providers in Australia:¹⁵¹

“The community housing sector currently provides one in ten social housing dwellings and comprises a large number of very small providers. There were more than 1200 community housing providers responsible for almost 30,000 dwellings in June 2003 an average of 24 units per provider (SCRGSP 2004 Table 16A.15).”

8.8 The submission from the NSW Department of Housing outlined the diversity of size and configuration of community housing providers:

“5% of providers manage between 200 and 1000 properties, together equalling almost 80% of the total community housing stock. The other 95% of providers manage the remaining 20% of the State's community housing. Many of these providers manage fewer than 20 properties.”

8.9 Greater tenant participation is one of the benefits of community housing put forward to the Committee in a submission from the NSW Federation of Housing Associations.

8.10 Community housing providers are said to offer better tenancy management services than public housing providers, as the Committee learnt at the public hearing held on the 4 May 2006.

8.11 The Committee were greatly encouraged by the work of Argyle Community Housing in the management of the Claymore estate in Sydney. The Committee heard how in the beginning:

“There were lots of negative media reports. Taxis would not go into the area. The Pizza Hut delivery people would not go in and there was a large number of problems. It all came to a head in October 1995 when there was a fire in the street and five people died in that house fire. Fires were not uncommon in the estate prior to that, but when five people died that was brought to the attention of the Coroner and there was an inquest, so the department had an opportunity to move some people out and other people took the opportunity to move out of the street after that event. A few weeks later there was about 25 properties that were vacant in the street and our organisation was contacted by the department to see if we would manage those 25 properties.”

8.12 The Committee heard about the intensive community development work that Argyle Community Housing undertook to achieve the results that they did:

¹⁵¹ Kath Hulse, 2004, *Choice, Diversity and Coordination: Improving Access to Social Housing, The Future of Public Housing*, Housing Works Parity, page 17-18

“...residents have gone out and established some of their own community enterprises, like CCC, which is a catering company which provides employment for 11 women on the estate, because the Department of Housing and a number of other agencies were working on the estate and when we had functions we would go to outside caterers, so a group of women saw a need and they set up CCC catering, which provides employment for 11 women. There is the Caylor House of Welcome, which provides a venue for ongoing development and discussion because they have a Tuesday luncheon group that is open to any of the residents of Claymore where residents come along, have lunch and are able to talk about what has been achieved and what they would like to see happen in the suburb. There is a resident-run community laundromat. There was no laundromat in the area, so a group of residents under the auspices of the St Vincent de Paul Society set up a laundromat. There is now a technology centre; there is a handyman service, which is auspiced by Argyle Community Housing but funded by the Department of Housing; there is an employment service, Spectrum Employment. There is now a whole range of services.”

8.13 Community housing is demonstrated in this case study to be uniquely placed to undertake intensive community development work to address serious issues in social housing estates and to achieve significant results through their work.

8.14 In research conducted by the Australia Housing and Urban Research Institute it was revealed that community housing workers have greater confidence in their allocation system than public housing workers do. A survey of how well the allocations systems of their agency works, housing workers indicated that:¹⁵²

	Public housing		Community housing	
	n	%	n	%
Very well	16	23%	87	47%
Quite well	34	49%	78	42%
Has a few/major problems	20	29%	19	10%
Total	70	100%	184	100%

8.15 Particular frustrations for workers with aspects of the allocation system they used included:

¹⁵² Kath Hulse and Terry Burke, March 2005, *The Changing Role of Allocations Systems in Social Housing*, The Australian Housing and Urban Research Institute, page 49

Aspect of allocations system	Public housing		Community housing	
	n	%	n	%
Priority system puts too much pressure on housing agency	47 (n=70)	67%	18 (n=165)	11%
Frustration at incapacity to house priority applicants	53 (n=70)	76%	73 (n=165)	44%
Fellow staff too inexperienced or inappropriate for allocations role	21 (n=70)	30%	25 (n=165)	15%
Discrimination in allocations	14 (n=70)	20%	12 (n=165)	7%
Lack of a local allocations policy causes problems	25 (n=61)	41%	Not applicable	

- 8.16 This survey also indicates that many of the problems, which are quite pronounced in the public housing allocation system, are said to be less severe in the community housing allocation system.
- 8.17 Community housing allocation systems on the whole enable greater choice for tenants by not severely restricting the number of offers of accommodation, which an applicant can turn down.¹⁵³
- 8.18 The submission from Shelter NSW outlined how more than half of community housing workers surveyed as part of a national research project on social housing allocation systems said that their agency placed no limit to the number of offers an applicant could turn down.

Streamlining Allocations

- 8.19 The provision of limited contact details for community housing providers to applicants of public housing is an insufficient means of making people aware of this alternative social housing option. This is evidenced by research, which found that only 18 % of applicants on the waiting list were aware of community housing.¹⁵⁴
- 8.20 While the current system of having all eligible applicants apply individually to community housing providers serves a range of purposes there are also a number of problems created by this system.
- 8.21 The Committee are of the view that the current provision of information to public housing applicants by the NSW Department of Housing on

¹⁵³ Australian Housing and Urban Research Institute, *Social Housing Allocation Systems – How Can They be Improved?*, AHURI Research and Policy Bulletin, Issue 64, September 2005, page 3

¹⁵⁴ Kath Hulse and Terry Burke, March 2005, *The Changing Role of Allocations Systems in Social Housing*, The Australian Housing and Urban Research Institute, page 41

community housing needs to be more comprehensive and to facilitate decision making.

8.22 Other limitations of the current system of accessing community housing include:

- Lack of awareness of options
- Potential difficulties of negotiating different assessment processes, and potentially having to complete multiple applications
- Ensuring that ongoing responsibilities to multiple providers are fulfilled

8.23 The autonomy of individual community housing providers is important to maintain. The ability of community housing providers to prioritise specific target groups is acknowledged as an important component of the system.

8.24 The submission from the Community Housing Federation of Australia outlined concerns of its members about a loss of autonomy under a single allocation system, the Committee appreciates these concerns and supports different allocation systems operating within a multi provider system under a central register. The Committee understands from this submission that a range of other Australian jurisdictions is examining the issue of central registers at present.

8.25 The Committee notes with interest the proposal by the South Australian Community Housing Authority to use technology to streamline the application process:¹⁵⁵

“Current suggestions are for a system in which households make one application to the community housing sector, detailing their housing need and preferences. Information would be entered onto a secure computer system, enabling sorting of applications into lists based on type of housing and area preference. Community housing providers would be able to access only the information of applicants who have stated a preference for their accommodation. Individual providers would continue to assess potential applicants and continue to use their own allocations policies and processes.”

¹⁵⁵ Kath Hulse and Terry Burke, March 2005, *The Changing Role of Allocations Systems in Social Housing*, The Australian Housing and Urban Research Institute, page 73-74

8.26 A description of modules of a common housing register below was adapted in an Australian Housing and Urban Research Institute report from the Scottish Executive:¹⁵⁶

Modules	Common housing register with core components only	Common housing register with core components plus all options
Information on social housing options	Individual providers provide information on their own housing	Consolidated information on availability of social housing in the locality
Application (new and transfer)	<i>One application form</i>	
Registration	<i>Receipt and registration of applications on shared database</i>	
Contact with households	Individual provider	Common housing register manager
Eligibility assessment	Individual provider	Common housing register manager
Ranking applications	Individual provider	Common housing register manager
Matching applicants to vacancies	Individual provider	Common housing register manager draws up short list for individual providers to consider

8.27 Another benefit of a common housing register is the facilitation of greater choice for tenants, which is a key component of a well functioning allocation system.

8.28 The Committee are aware of moves by the NSW Department of Housing (directions paper released in September 2001) and the NSW Federation of Housing Associations (discussion paper proposing a community housing register) towards a more streamlined process for applying for social housing.

RECOMMENDATION 15: That the NSW Department of Housing, in consultation with community housing providers develop a common housing register for social housing in NSW

Facilitating Growth

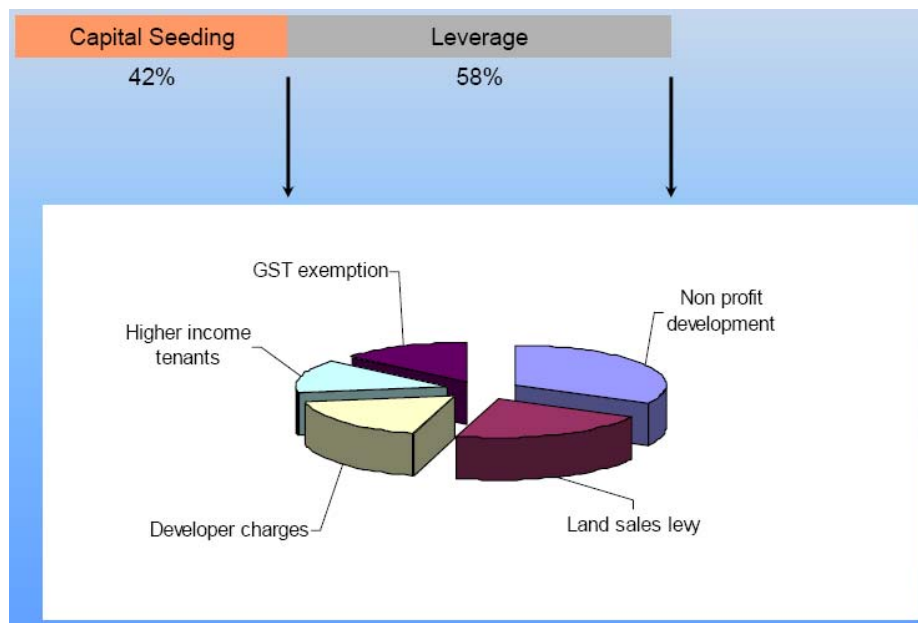
8.29 Several submissions and witnesses at public hearings outlined the largely unrecognised borrowing potential of the community sector, which could

¹⁵⁶ Kath Hulse and Terry Burke, March 2005, *The Changing Role of Allocations Systems in Social Housing*, The Australian Housing and Urban Research Institute, page 69

greatly assist in the expansion of social housing stock. Shelter NSW outline in their submission how:

“The question of who holds title to community housing properties is the single most important issue whose resolution will determine how community housing can contribute to the overall expansion of the social housing sector.”

8.30 The ability of not for profit providers to maximise leveraging opportunities is significant. The example of City West Housing offered by Milligan involves leveraging accounting for 58% of the finances for the Pymont/Ultimo project:¹⁵⁷



8.31 In comparing City West Housing to other community housing providers (Argyle Community Housing) Milligan offered the following at a public hearing on the 11 May 2006:

“The difference with City West Housing is that it invested in an asset when a community was taking off, before gentrification and escalation of house prices. It paid \$110 million for the stock it had at 2002. This is in some very early research that I did. That stock at that time was valued at \$220 million on the books. That asset growth is protected forever in the City West company for the purposes of the company, which is a social purpose. They can borrow against that growth and generate their own growth. They do not

¹⁵⁷ Vivienne Milligan, December 2005, Affordable Housing Policy: Outcomes of a Stakeholder Forum, Presentation to National Community Housing Forum Roundtables “Developing a National Affordable Housing System in Australia”, slide 8 of 12

receive a recurrent subsidy from the Government, unlike Brian who has to pay the difference to the private landlord.”

8.32 Evidence from City West Housing indicates that the growth in its housing stock is significant. As at August 2006 there were 365 properties in the Pyrmont/Ultimo area with 81 under construction. In the Green Square area there were 16 properties, 30 under construction and plans for 55 more.

8.33 The submission from Lend Lease outlines a belief in the potential of the community housing sector:

“Lend Lease believes the community housing sector has significant potential to assist in expanding the supply of affordable housing...”

8.34 The NSW CSHA Bilateral Agreement 2003/04 to 2007/08 identified the maximum amount of properties to be transferred to the community housing sector from the public housing sector as 2,500, which represented 2.5% of current public housing stock.¹⁵⁸

RECOMMENDATION 16: That there be an increase in the transfer of titles to community housing providers who have an opportunity to develop new social housing stock

8.35 The submission from the Churches Community Housing Ltd. outlined how church based community housing providers are in the unique position of being able to offer land for the development of community housing stock:

“The inherent mission of the churches to minister to the needs of the poor, coincides with the unique positioning of the church sector to leverage under utilized church land in the creation of additional community housing.”

¹⁵⁸ NSW CSHA Bilateral Housing Agreement, page 15

Chapter Nine - Role of Local Government

9.1 The Committee are interested in the role that local governments can play in the retention and creation of affordable housing to minimise demand for social housing and in the role that local government can play in the provision of social housing.

9.2 Internationally local governments are found to be a major provider of affordable housing. Local governments in the United States of America and in much of Europe are said to:¹⁵⁹

“... implement and administer rent controls, provide rental assistance and intervene in the residential planning process in a much more vigorous way. Some Councils require contributions to local housing trusts or the provision of affordable housing as a condition of development.”

9.3 This same resource describes a nation wide trend in Australia of greater interest by local governments in housing.

9.4 The current role of local government in housing is summarised in the table below:¹⁶⁰

Table One: Housing Activities of Local Governments

PRODUCTION	CONSUMPTION
<ul style="list-style-type: none"> • Identifying land • Development controls • Environmental / social assessment • Facilitating land parcels and residential subdivision • “Streamlined” approvals • Active collaboration with other housing providers (private, public, community sector) • Planning mechanisms for affordable housing • Joint ventures • Donation of land • Production of housing units 	<ul style="list-style-type: none"> • Identifying and monitoring housing needs • Active collaboration with other housing providers (private, public, community sector) • Co-ordinating or delivering appropriate support services (eg. Services for the aged, homeless or crisis resource centres) • Information / advocacy • Financial assistance (eg. rate relief) • Managing local housing stock

Sources: Purdon Associates 1991, BBC 1995, MAV 1999

¹⁵⁹ The Queensland Department of Housing and the Local Government Association of Queensland Inc., October 2003, Local Government Housing Resource Kit, page 3.5

¹⁶⁰ Nicole Gurran, June 2003, *Housing Policy and Sustainable Urban Development: Evaluating the Use of Local Housing Strategies in Queensland, New South Wales and Victoria*, The Australian Housing and Urban Research Institute, page 9

- 9.5 The role of local governments in housing is said by the Australian Local Government Association to be impacted by the following:¹⁶¹

“... the statutory responsibilities given to them by state/territory governments, their own initiative to meet particular needs in their local communities, in response to requests or suggestions from their communities or the private sector, as well as the policies and programs of other spheres of government. The availability of funding from other sources is often a key ingredient to encouraging councils to be providers of housing in their local area or to be innovative facilitators of housing provision in their area by other stakeholders.”

- 9.6 A study on key workers in Northern Sydney outlined the significant role of local government in addressing housing affordability:¹⁶²

“Policies such as inclusionary zoning, developer agreements, affordable housing contributions, non-profit provision of housing and housing bonds emerge as possible policy responses. Some of these responses are local government issues. Local Government has considerable potential for increasing the level of affordable housing within their boundaries.”

- 9.7 Planning mechanisms aimed at the retention and creation of affordable housing stock include:¹⁶³

“... inclusionary zoning (requiring a certain proportion of all development within a zone to be “affordable”); betterment levies (which capture a proportion of profit obtained by zoning a land for a “higher” use); bonus systems (which allow development bonuses like increased floor space, in exchange for affordable housing); infrastructure charges and impact mitigation schemes (which aim to recoup the financial impacts of developments, associated with the loss of affordable housing supply).”

- 9.8 In an article on affordable housing in high value locations the Planning Institute of Australia note the value of Section 106 contributions to the construction of affordable housing. A scheme described involves the provision of a minimum amount of affordable housing or the value

¹⁶¹ Australian Local Government Association website

<http://www.alga.asn.au/policy/planhouse/housing.php> date accessed 13 Sep. 06

¹⁶² Epic Dot Gov and Glazebrook and Associates, October 2004, *Northern Beaches Key Workers Study*, page 47

¹⁶³ Nicole Gurran, June 2003, *Housing Policy and Sustainable Urban Development: Evaluating the Use of Local Housing Strategies in Queensland, New South Wales and Victoria*, The Australian Housing and Urban Research Institute, page 10

equivalent as necessary for the approval of major projects.¹⁶⁴ A similar approach is scheduled for implementation in South Australia.

9.9 An audit of local councils efforts in affordable housing by Shelter NSW which was updated in February of this year revealed the following:¹⁶⁵

Planning Instruments in Place or Proposed	Housing Study/Strategy Either Partially Complete or Complete
Albury	Ashfield
Baulkham Hills	Byron
Camden	Canterbury
Eurobodalla	Coffs Harbour
Fairfield	Canada Bay
Grafton	Gosford
Hawkesbury	Holroyd
Leichhardt	Lake Macquarie
Manly	Lismore
North Sydney	Liverpool
Parramatta	Marrickville
Randwick	Newcastle
Sydney	Penrith
Waverley	Port Macquarie – Hastings
Willoughby	Pittwater
Wyong	Randwick
	Shoalhaven
	Snowy River
	Waverley

¹⁶⁴ Marcus Spiller, Volume 3, Number 2, November 2005, *Affordable Housing in High Value Locations – The Potential Contribution of the Planning System*, Housingworks, Australasian Housing Institute, page 16

¹⁶⁵ *Local Planning Instruments for Affordable Housing: Audit of NSW Councils that have taken 'some action' at some time*, 1st prepared September 2004, updated 9 February 2006, Craig Johnston, Shelter NSW

Case Studies

9.10 Local government working in conjunction with community housing associations enables each party to contribute what they are in the best position to contribute and to minimise involvement in areas of risk or areas that they lack skills or experience. In an address to the national housing conference, Ann Bennisson refers to a partnership between local government and community housing in Victoria:¹⁶⁶

“The City of Port Phillip's long-running community housing program was prompted by the rapid closure of rooming houses and subdivision of blocks of rental flats in St Kilda. St Kilda had a relatively low level of public housing, but a high level of housing need. The direct provision of community housing by the council was considered an important way of augmenting the state's public housing responsibilities. And so, a unique partnership was forged between the City of Port Phillip and the Port Phillip Housing Association.

Under the partnership, the council develops housing policy, provides capital funding and undertakes project management. For its part, the Port Phillip Housing Association undertakes property and tenancy management. It's a partnership that clearly works. The council has undertaken 17 projects since 1985 with the construction of nearly 400. Of these, around one third are older persons units, a further third are 'rooming house' singles, one fifth are family units and the remainder are for people with disabilities, students and young people or are self-contained units for singles.

Port Phillip has contributed around \$17 million in cash and a further \$5.2 million in land. That's nearly 40% of the total project costs. For their part, the Commonwealth and state government's contribution has been around \$27 million. Through this initiative, the council has been able to gain significant funding leverage. At the same time, it has also incorporated value-added features, such as tenant involvement in housing design, integrated art, ESD compliance and historic building preservation. In other words, plenty of bang for the ratepayer's buck. Needless to say, Port Phillip has won a number of national and international awards for its innovative housing program.”

9.11 The Committee took evidence from Waverley council at a public hearing which outlined their efforts in the retention and creation of affordable and social housing:

- 1978 - first Group Home for 5 older people
- 1980 - Housing Officer appointed, Housing Policy adopted

¹⁶⁶ Local government and housing: challenges for the future, address to the national housing conference, October 2005, Cr Ann Bennisson, Australian Local Government Association, ALGA website <http://www.alga.asn.au/newsroom/speeches/2005/20051028.php> date accessed 20 April 2006

- 1981 - 4 aged housing homes, Boarding Houses LEP
- 1984 - Waverley Community Living Project for people with intellectual disability, 3 homes leased by 1990
- 1989 - Boarding House Rate Rebate Scheme
- 1989 - s.94 Housing Contributions Policy levies developments where net loss of housing or low cost rental
- 1990 - reach total 39 aged housing units, WCLP, new Housing Policy adopted
- 1990 on - Partnerships with Department of Housing
- 1996 - Affordable Housing Study
- 1999 - Affordable Housing Policy adopted
- 2002 - Consent for s.94 Plan under EPAA expires, shift to negotiated agreements with developers
- 2003 - joined Inner Eastern Local Government Housing Initiatives Program (LGHIP)

9.12 The current housing portfolio in Waverley Council consisted of:

- 37 affordable housing units approved - 17 held in perpetuity
- 26 currently occupied, others in various stages of development
- 46 aged housing units, fully occupied - additional 11 to be achieved by end 2006
- 2 units for WCLP - adults with intellectual disability
- \$850,000 contribution to Uniting Church development - 4 units for homeless at Norman Andrews House
- 10 properties joint venture projects with NSW DoH

9.13 The system works by:

- Council owns unit outright or leases from developer at a fixed rent for fixed term
- Affordable housing management agreement with community housing provider
- Housing provider head-leases properties from Council, then sub-leases to tenants
- Prospective tenants nominate for waiting list, managed by community housing provider
- Must have minimum 3 years residence or 2 years and 1 year working
- Tenants pay 75% of median market rent
- Tenants housed for maximum of 3 years

9.14 Social housing specifically for older people has been developed in the Waverley area. The housing consists of:

- 46 units - more in 2006
- Mix of bed-sit, one and two bedroom

9.15 The features and conditions of accessing the housing include:

- Rent is no more than 30% of income
- Must be over 60, on DoH waitlist
- Must have minimum of 5 years continuous residence
- Average wait is 5 years
- 36 people currently waiting

9.16 The Committee took evidence from Waverley Council about the difficulties they experience in retaining affordable housing like boarding house accommodation.

9.17 Having heard from a local council actually engaged in the provision of social housing the Committee identified that it was important to gather evidence from a council who were embarking on ventures in the affordable and social housing area. The Committee heard from Port Macquarie Hastings Council at a public hearing.

9.18 Port Macquarie Hastings Council is in the process of developing an affordable housing strategy for their area. The development of the strategy is complemented by the work of an affordable housing advisory committee.

9.19 The need identified by Port Macquarie Hastings Council which preceded the development of the strategy was outlined at the public hearing:

“... some 750 households are in mortgage stress, those who actually buying their homes and some 2,800 households are in rental stress, and that represents 73 percent of the low income households in our area that are actually facing rental stress. The Department of Housing, who work closely with council, and we actually have a good relationship with the department, have a stock of about 860 homes up there. In the last four years there have only been three new dwellings added to that stock. Over 50 percent of it is between 15 and 40 years of age, so it is quite old stock as well, and does not really reflect the nature of the stock that is really required in today's market, and particularly into the future market. Community housing is a small player with only 140 units to their portfolio. Both the Department of Housing and community housing have approximately 12 year waiting lists...”

- 9.20 The Committee appreciate the time, resources and support necessary for local councils to play an active role in affordable and social housing. Recent significant legislative and policy related developments will impact on the way that local government execute their role in social housing.
- 9.21 The Committee are of the view that the housing issues facing us today warrant all three tiers of government playing an active role in addressing them. Local councils are uniquely placed to play a vital role in the area and the Committee support them developing housing strategies and potentially being involved in the provision of social housing.

RECOMMENDATION 17: That local governments develop affordable and social housing policies, and seek where possible to retain affordable housing and to develop social housing

RECOMMENDATION 18: That the Government consider conducting an investigation into further incentives for landlords of low income rental housing to encourage growth in this type of housing stock

Appendix One – Information on Housing Stock by Allocation Zone

Greater Western Sydney Division

Location	Total Stock	% Cottage	% Unit	% Townhouse	% Villa
GW 1 Parramatta/Baulkham Hills	4349	30%	53%	10%	7%
GW2 Auburn/Granville	2383	39%	46%	11%	3%
GW3 Blacktown	4502	57%	21%	18%	3%
GW4 Mt Druitt	5543	66%	14%	16%	4%
GW5 Penrith	2852	49%	27%	16%	8%
GW6 Blue Mountains	447	32%	51%	14%	3%
GW7 Richmond/Windsor	873	64%	20%	3%	13%
GW8 Holroyd	2637	20%	60%	7%	13%
GW9 Bankstown	6441	46%	44%	5%	4%
GW10 Fairfield	4691	43%	21%	21%	14%
GW11 Liverpool	4929	44%	41%	10%	5%
GW12 Campbelltown	6989	44%	5%	46%	5%
GW13 Camden	351	67%	6%	0%	26%
GW14 Wollondilly	146	74%	14%	0%	8%
GW15 Wingecarribee	384	76%	15%	0%	9%

Central Sydney Division

Location	Total Stock	% Cottage	% Unit	% Townhouse	% Villa
CS1 Inner City	6703	0%	86%	12%	0%
CS2 Eastern Suburbs	6244	5%	84%	8%	3%
CS3 Leichhardt/Marrickville	4081	4%	65%	31%	0%
CS4 Northern Suburbs	3445	16%	72%	9%	3%
CS5 Northern Beaches	1782	12%	78%	8%	2%
CS6 Canterbury	1229	23%	64%	11%	2%
CS7 Inner West	1885	14%	76%	8%	2%
CS8 Sutherland	2148	20%	62%	12%	6%
CS9 St George	2342	23%	67%	6%	4%
CS10 Riverwood	2074	18%	78%	2%	2%

Northern NSW Division

Location	Total Stock	% Cottage	% Unit	% Townhouse	% Villa
NN1 Lake Macquarie	1386	70%	13%	9%	8%
NN2 Lake Macquarie East	2477	55%	17%	20%	8%
NN3 Maitland	1570	75%	16%	1%	7%
NN4 Merriwa	7	57%	43%	0%	0%
NN5 Murrurundi	4	100%	0%	0%	0%
NN6 Muswellbrook	430	88%	9%	0%	3%
NN7 Newcastle	4068	15%	63%	15%	7%
NN8 Port Stephens	156	3%	57%	7%	33%
NN9 Raymond Terrace	754	85%	10%	1%	4%
NN10 Tea Gardens	2	100%	0%	0%	0%
NN11 Scone	110	82%	18%	0%	0%
NN12 Singleton	408	90%	10%	0%	0%
NN13 Aberdeen	21	100%	0%	0%	0%
NN14 Denman	9	100%	0%	0%	0%
NN15 Karuah	2	100%	0%	0%	0%
NN16 Dungog	31	81%	13%	0%	6%
NN17 Cessnock	379	72%	24%	4%	0%
NN18 Kurri Kurri	251	75%	21%	4%	0%
NN19 Gosford	2307	38%	34%	16%	12%
NN20 Wyong	1873	46%	32%	13%	8%
NN21 Taree	559	74%	21%	0%	5%
NN22 Port Macquarie	659	33%	43%	6%	19%
NN23 Kempsey	320	85%	13%	0%	2%
NN24 Macksville	77	83%	17%	0%	0%
NN25 Bellingen	30	77%	10%	0%	13%
NN26 Dorrigo	17	47%	53%	0%	0%
NN27 Coffs Harbour	1140	45%	39%	6%	10%
NN28 Grafton	396	71%	26%	0%	3%
NN29 Lower Clarence	54	57%	6%	2%	35%
NN30 Evans Head	52	35%	46%	15%	4%
NN31 Ballina	547	32%	43%	12%	13%
NN32 Lismore	551	55%	35%	4%	5%
NN33 Casino	259	84%	12%	0%	3%
NN34 Kyogle	34	91%	9%	0%	0%

Location	Total Stock	% Cottage	% Unit	% Townhouse	% Villa
NN35 Bonalbo	0				
NN36 Byron Bay	144	39%	38%	13%	10%
NN37 Tweed Heads	749	18%	60%	10%	11%
NN38 Laurieton	53	0%	100%	0%	0%
NN39 Wauchope	121	87%	12%	0%	1%
NN40 Woolgoolga	74	39%	34%	0%	27%
NN41 Crescent Head	10	0%	100%	0%	0%
NN42 Murwillumbah	139	60%	33%	0%	6%
NN43 Armidale	416	72%	27%	0%	1%
NN44 Barraba	12	50%	50%	0%	0%
NN45 Bingara	0				
NN46 Glen Innes	83	98%	2%	0%	0%
NN47 Gunnedah	183	83%	17%	0%	0%
NN48 Guyra	15	100%	0%	0%	0%
NN49 Inverell	187	82%	17%	0%	1%
NN50 Manilla	0				
NN51 Moree	248	85%	15%	0%	0%
NN52 Mungindi	11	100%	0%	0%	0%
NN53 Narrabri	154	80%	16%	0%	4%
NN54 Werris Creek	25	100%	0%	0%	0%
NN55 Quirindi	33	79%	21%	0%	0%
NN56 Emmaville	0				
NN57 Tamworth	858	72%	23%	0%	4%
NN58 Tenterfield	55	82%	18%	0%	0%
NN59 Uralla	21	62%	38%	0%	0%
NN60 Walcha	24	46%	54%	0%	0%
NN61 Ashford	0				
NN62 Boggabri	0				
NN63 Boggibilla	0				
NN64 Curlewis	0				
NN65 Gwabegar	2	100%	0%	0%	0%
NN66 Pallamallawa	0				
NN67 Tingha	1	100%	0%	0%	0%
NN68 Warialda	0				
NN69 Delungra	0				
NN70 Wee Waa	48	100%	0%	0%	0%
NN71 Wingham	64	86%	9%	0%	5%
NN72 Nambucca	198	30%	24%	4%	31%
NN73 Urunga	60	45%	45%	10%	0%

Location	Total Stock	% Cottage	% Unit	% Townhouse	% Villa
NN74 Alstonville	44	66%	20%	0%	14%
NN75 Brunswick Heads	41	15%	80%	0%	5%
NN76 Mullumbimby	31	55%	45%	0%	0%
NN77 Gloucester	48	85%	15%	0%	0%
NN78 Foster/Tuncurry	241	5%	61%	18%	16%

Southern and Western Division

Location	Total Stock	% Cottage	% Unit	% Townhouse	% Villa
SAW1 Bega Valley	166	64%	16%	0%	10%
SAW2 Bombala	13	69%	31%	0%	0%
SAW3 Cooma	121	67%	33%	0%	0%
SAW4 Crookwell	24	100%	0%	0%	0%
SAW5 Goulburn	712	79%	20%	0%	0%
SAW6 Gunning	2	100%	0%	0%	0%
SAW7 Kiama	60	62%	32%	0%	0%
SAW8 Mulwaree	2	100%	0%	0%	0%
SAW9 Queanbeyan	689	75%	18%	4%	4%
SAW10 Shellharbour	1839	71%	11%	6%	6%
SAW11 Nowra	1041	76%	12%	6%	6%
SAW12 Ulladulla	152	55%	30%	1%	11%
SAW14 Tallanganda	16	88%	13%	0%	0%
SAW15 Wollongong City	3653	29%	43%	21%	7%
SAW16 South Wollongong	3103	58%	30%	8%	4%
SAW17 Yass	100	96%	2%	0%	2%
SAW18 Batemans Bay	193	38%	44%	1%	7%
SAW19 Bermagui	17	18%	0%	0%	29%
SAW20 Berry	6	100%	0%	0%	0%
SAW21 Delegate	0				
SAW22 Eden	133	86%	3%	1%	10%
SAW23 Helensburgh	46	100%	0%	0%	0%
SAW24 Huskisson	22	0%	100%	0%	0%
SAW25 Jindabyne	13	92%	8%	0%	0%
SAW26 Merimbula	27	30%	48%	7%	11%
SAW27 Moruya	108	47%	41%	1%	11%
SAW28 Narooma	59	51%	42%	0%	7%
SAW29 Shoalhaven Heads	17	0%	100%	0%	0%
SAW30 Bungendore	3	100%	0%	0%	0%
SAW31 Sussex Inlet	14	0%	0%	0%	14%
SAW32 Bathurst	650	62%	25%	6%	6%
SAW33 Blayney	64	81%	16%	0%	3%
SAW34 Bourke	60	78%	22%	0%	0%
SAW35 Brewarrina	25	84%	16%	0%	0%
SAW36 Canowindra/Cabbone	38	84%	11%	0%	5%
SAW37 Cobar	97	93%	7%	0%	0%
SAW38 Coolah	9	11%	0%	0%	0%
SAW39 Coonabarabran	62	97%	0%	0%	3%
SAW40 Coonamble	70	79%	20%	1%	0%

Location	Total Stock	% Cottage	% Unit	% Townhouse	% Villa
SAW41 Cowra	255	82%	15%	0%	3%
SAW42 Dubbo	961	75%	24%	0%	2%
SAW43 Forbes	234	82%	16%	0%	2%
SAW44 Gilgandra	52	100%	0%	0%	0%
SAW45 Condobolin	76	81%	16%	0%	3%
SAW46 Lithgow	410	73%	24%	0%	0%
SAW47 Mudgee	110	80%	20%	0%	0%
SAW48 Narromine	80	87%	13%	0%	0%
SAW49 Oberon	42	100%	0%	0%	0%
SAW50 Orange	1052	73%	20%	4%	2%
SAW51 Parkes	303	71%	27%	0%	2%
SAW52 Rylstone	46	100%	0%	0%	0%
SAW53 Walgett	54	93%	7%	0%	0%
SAW54 Warren	35	100%	0%	0%	0%
SAW55 Grenfell	28	75%	21%	0%	4%
SAW56 Wellington	116	87%	13%	0%	0%
SAW57 Hill End	0				
SAW58 Nyngan	50	74%	26%	0%	0%
SAW59 Baradine	4	100%	0%	0%	0%
SAW60 Binaway	1	100%	0%	0%	0%
SAW61 Carcoar	0				
SAW62 Collarenebri	5	100%	0%	0%	0%
SAW63 Cumnock	0				
SAW64 Dunedoo	7	100%	0%	0%	0%
SAW65 Eugowra	2	100%	0%	0%	0%
SAW66 Geurie	0				
SAW67 Goodooga	0				
SAW68 Goolagong	1	100%	0%	0%	0%
SAW69 Gulargambone	5	20%	0%	80%	0%
SAW70 Gulgong	2	100%	0%	0%	0%
SAW71 Lightning Ridge	0				
SAW72 Lynhurst	1	100%	0%	0%	0%
SAW73 Mandurama	0				
SAW74 Manildra	0				
SAW75 Mendooran	0				
SAW76 Millthorpe	3	100%	0%	0%	0%
SAW77 Molong	6	50%	0%	0%	0%
SAW78 Nymagee	0				
SAW79 Peak Hill	11	82%	0%	0%	18%
SAW80 Portland	14	100%	0%	0%	0%
SAW81 Quandialla	0				
SAW82 Stuart Town	0				
SAW83 Tottenham	1	100%	0%	0%	0%

Location	Total Stock	% Cottage	% Unit	% Townhouse	% Villa
SAW84 Trangie	18	83%	17%	0%	0%
SAW85 Trundle	1	100%	0%	0%	0%
SAW86 Tullamore	0				
SAW87 Ulan	0				
SAW88 Wallerwang	82	100%	0%	0%	0%
SAW89 Woodstock	3	100%	0%	0%	0%
SAW90 Yeoval	0				
SAW91 Albury	1108	70%	23%	4%	3%
SAW92 Balranald	15	67%	33%	0%	0%
SAW93 Berrigan	4	100%	0%	0%	0%
SAW94 West Wyalong	40	85%	10%	0%	5%
SAW95 Broken Hill	131	62%	36%	0%	2%
SAW96 Hillston/Carrathool	2	100%	0%	0%	0%
SAW97 Ivanhoe	0				
SAW98 Coolamon	4	100%	0%	0%	0%
SAW99 Cootamundra	210	84%	16%	0%	0%
SAW100 Corowa	43	95%	0%	0%	5%
SAW101 Culcairn	4	100%	0%	0%	0%
SAW102 Deniliquin	141	81%	13%	0%	0%
SAW103 Griffith	351	81%	11%	0%	2%
SAW104 Gundagai	45	82%	18%	0%	0%
SAW105 Hay	59	86%	14%	0%	0%
SAW106 Holbrook	5	100%	0%	0%	0%
SAW107 Jerilderie	8	100%	0%	0%	0%
SAW108 Junee	83	72%	28%	0%	0%
SAW109 Leeton	189	84%	16%	0%	0%
SAW110 Lake Cargelligo	8	100%	0%	0%	0%
SAW111 Lockhart	4	100%	0%	0%	0%
SAW112 Mathoura/Murray	0				
SAW113 Coleambally	4	100%	0%	0%	0%
SAW114 Narrandera	83	81%	14%	0%	5%
SAW115 Temora	70	91%	9%	0%	0%
SAW116 Tibooburra	0				
SAW117 Tumbarumba	17	88%	12%	0%	0%
SAW118 Tumut	185	90%	9%	1%	0%
SAW119 Urana	1	100%	0%	0%	0%
SAW120 Wagga Wagga	1392	79%	15%	0%	1%
SAW121 Burham/Wakool	0				
SAW122 Dareton/Wentworth	27	100%	0%	0%	0%

Location	Total Stock	% Cottage	% Unit	% Townhouse	% Villa
SAW123 Adelong	12	67%	33%	0%	0%
SAW124 Batlow	32	100%	0%	0%	0%
SAW125 Coomealla	0				
SAW126 Darlington Point	2	100%	0%	0%	0%
SAW127 Euston	0				
SAW128 Finley	15	100%	0%	0%	0%
SAW129 Genmain	0				
SAW130 Henty	0				
SAW131 Menindee	0				
SAW132 Moama	6	100%	0%	0%	0%
SAW134 Mulwala	1	100%	0%	0%	0%
SAW135 The Rock	2	100%	0%	0%	0%
SAW136 Tarcutta	2	100%	0%	0%	0%
SAW137 Tocumwal	10	50%	50%	0%	0%
SAW138 Ungarie	2	100%	0%	0%	0%
SAW139 Wilcannia	6	100%	0%	0%	0%
SAW140 Yenda	3	100%	0%	0%	0%
SAW141 Young	183	75%	25%	0%	0%
SAW142 Harden/Murrumburrah	28	86%	14%	0%	0%
SAW143 Boorowra	6	100%	0%	0%	0%

The data (provided to the Committee by the NSW Department of Housing in June 2006) contained within these tables was accurate at the time of publication. The percentages for the categories do not always equal 100%, this is explained by a statistically insignificant proportion of other types of accommodation not being reported.

List of Submissions

- No. 1 - CAMPISI Ms Jackie (Waverley/Woollahra Aged Services Interagency)
- No. 2 - TYDD Ms Elizabeth (Consumer, Trader and Tenancy Tribunal)
- No. 3 - CONFIDENTIAL
- No. 4 - CONFIDENTIAL
- No. 5 - GREENAN Mr Roger (Windale Community Group)
- No. 6 - CONFIDENTIAL
- No. 7 - CORBETT Ms Cheryl (Dtarawarra Pty Limited)
- No. 8 - CONFIDENTIAL
- No. 9 - SMITH Mr Ross
- No. 10 - PERKINS Ms Mary (Shelter NSW)
- No. 11 - MARGUIN Ms Ariel (Each & All Stronger Together - EAST)
- No. 12 - RYAN-CLARK Ms Fiona (Lend Lease Communities)
- No. 13 - CONFIDENTIAL
- No. 14 - HALE Ms Sylvia (Greens NSW)
- No. 15 - IBRAHIM Mr Mohamed (Cumberland Housing Co-op Ltd)
- No. 16 - CONFIDENTIAL
- No. 17 - YULE Mr Derek (Churches Community Housing)
- No. 18 - FARDELL MP Dawn (Member for Dubbo)
- No. 19 - WINTER Ms Barbel (Multicultural Disability Advocacy Association)
- No. 20 - MARTIN Mr Chris (Tenants Union of NSW)
- No. 21 - ROSER Ms Monique (Planning Institute Australia, NSW Division)
- No. 22 - BOURKE Eddy (Community Housing Federation Australia)
- No. 23 - HERBERT Rev Harry (UnitingCare)
- No. 24 - SHELLSHEAR Ms Karine (Association to Resource Co-Operative Housing)
- No. 25 - CONFIDENTIAL
- No. 26 - GARDINER Mr Warren (NCOSS)
- No. 27 - BUDWORTH Mr Greg (NEWMACQ Community Housing)
- No. 28 - CONFIDENTIAL
- No. 29 - CONFIDENTIAL
- No. 30 - CONFIDENTIAL
- No. 31 - COLEMAN Ms Jill (Regional Tenant Resource Service South Eastern Region)
- No. 32 - ALLAN Ms Kim (Hunter-Central Coast Tenants Advisory Council)
- No. 33 - CONDREN Mr James (Stand Up and Be Counted Advocacy Group)
- No. 34 - DAVIES Ms Janet (South Western Regional Tenants Association)
- No. 35 - CLAYTON Mr Stevie (AIDS Council of NSW)
- No. 36 - KWAN Ms Jo (Eastern Area Tenants Service)
- No. 37 - MACKENZIE Mr John (Park and Village Service)
- No. 38 - SMITH Councillor Allan (Dubbo City Council)
- No. 39 - FARRAR Mr Adam (NSW Federation of Housing Associations Inc)
- No. 40 - MOORE MP Clover (Member for Bligh)
- No. 41 - POWER Mr Paul (St Vincent de Paul Society)
- No. 42 - CONFIDENTIAL
- No. 43 - COFFEY Mr Michael (Youth Accommodation Association)
- No. 44 - BANYARD Mr Rick (Property Owners Association of NSW Inc)
- No. 45 - ALLEN Mr Mike (NSW Department of Housing)

Minutes

Minutes of the Proceedings No.19

Wednesday 30 November 2005
5:00pm, Room 1153, Parliament House

1. Members Present

Mr Matthew Morris MP (Chair), Mr Andrew Constance MP, Mr Wayne Merton MP

2. In Attendance

Ms C. Watson, Committee Manager
Ms S. Ngui, Senior Committee Officer
Ms B. Groves, Committee Officer

3. Apologies

Mr Alan Ashton MP, Mr Barry Collier MP, Mr Robert Oakeshott MP

4. Inquiry into Social Housing- Call for Submissions

Resolved on the motion of Mr Andrew Constance MP, seconded by Mr Wayne Merton MP, that the draft Terms of Reference be accepted, with amendments, and that the call for submissions commence.

Minutes of the Proceedings No. 20

Wednesday 8 March 2006
4:30pm, Room 1254, Parliament House

1. Members Present

Mr Matthew Morris MP (Chair), Mr Alan Ashton MP, Mr Barry Collier MP

2. In Attendance

Ms C. Watson, Committee Manager
Ms S. Ngui, Senior Committee Officer
Ms B. Groves, Committee Officer

3. Apologies

Mr Andrew Constance MP, Mr Wayne Merton MP, Mr Robert Oakeshott MP

4. Inquiry into the Allocation of Social Housing- Submissions

Members noted the submissions received to the Inquiry into the Allocation of Social Housing.

It was agreed that an invitation be extended to the NSW Department of Housing to brief the Committee on the current Department of Housing policies on allocation. This briefing will be scheduled for Wednesday 29th March.

It was also agreed that the secretariat would distribute to members a summary of the breakdown of social housing stock in each NSW electorate.

Dates for the proposed public hearing and potential witnesses are to be finalised at the next meeting.

Minutes of the Proceedings No. 21

Wednesday 29 March 2006

4:30pm, Room 1108, Parliament House

1. Members Present

Mr Matthew Morris MP (Chair), Mr Alan Ashton MP, Mr Barry Collier MP, Mr Wayne Merton MP, Mr Robert Oakeshott MP

2. In Attendance

Ms C. Watson, Committee Manager
Ms S. Ngui, Senior Committee Officer
Ms B. Groves, Committee Officer

3. Apologies

Mr Andrew Constance MP

4. Inquiry into the Allocation of Social Housing- Briefing from the Department of Housing

The Committee received a briefing on current allocation policies from Mr Paul Vevers (Acting Deputy Director-General) and Mr Julian Neylan (Manager, Client Service Strategy) from the NSW Department of Housing.

At the request of Members, the Department of Housing agreed to provide written responses to those questions not covered during the meeting.

5. Inquiry into the Allocation of Social Housing- Discussion of Potential Witnesses

Members agreed that Public Hearings for the inquiry into the Allocation of Social Housing would be held on Thursday 4 May 2006 from 9:00am-1:00pm, and on Thursday 11 May 2006 from 9:00am-1:00pm.

A representative from Hastings Council (Port Macquarie) and Waverly Council should be added to the list of witnesses for the hearings.

Minutes of the Proceedings No. 22

Thursday 6th April 2006

10:00am, Room 1108, Parliament House

1. Members Present

Mr Matthew Morris MP (Chair), Mr Alan Ashton MP, Mr Barry Collier MP, Mr Andrew Constance MP, Mr Wayne Merton MP

2. In Attendance

Ms C. Watson, Committee Manager
Ms S. Ngui, Senior Committee Officer
Ms B. Groves, Committee Officer

3. Apologies

Mr Robert Oakeshott MP

4. Inquiry into the Allocation of Public Housing- Submissions

Resolved on the motion of Mr Matthew Morris, seconded by Mr Alan Ashton, that the submissions to the Inquiry into the Allocation of Public Housing by accepted.

Minutes of the Proceedings No. 25

Thursday 8th June 2006
4:30pm, Room 1254, Parliament House

1. Members Present

Mr Matthew Morris MP (Chair), Mr Barry Collier MP, Mr Wayne Merton MP

2. In Attendance

Ms C. Watson, Committee Manager
Ms S. Ngui, Senior Committee Officer
Ms B. Groves, Committee Officer

3. Apologies

Mr Alan Ashton MP, Mr Andrew Constance MP and Mr Robert Oakeshott MP

4. Inquiry into the Allocation of Social Housing

Members agreed to invite the Department of Housing to a briefing/public hearing in the following months.

Members noted the draft recommendations and proposed report chapters, and agreed that a section on Aboriginal and Torres Strait Islander housing issues be included in the final report.

Minutes of the Proceedings No. 26

Wednesday 19 July 2006
10:00am, Room 1254, Parliament House

1. Members Present

Mr Matthew Morris MP (Chair), Mr Alan Ashton MP, Mr Wayne Merton MP

2. In Attendance

Mr Paul Vevers, Acting Deputy Director General, NSW Department of Housing
Mr Julian Neylan, Manager, Client Service Strategy
Mr Darren Rodrigo, Office of the Minister for Housing
Ms C. Watson, Committee Manager
Ms S. Ngui, Senior Committee Officer
Ms B. Groves, Committee Officer

3. Apologies

Mr Barry Collier MP, Mr Andrew Constance MP and Mr Robert Oakeshott MP

4. Inquiry into the Allocation of Social Housing

Representatives from the NSW Department of Housing provided Members with a briefing on several issues relevant to the current Committee inquiry, including trends in allocations, priority transfers and the role of Public Private Partnerships in the development of housing stock.

Minutes of the Proceedings No. 27

Wednesday 30 August 2006
4.30 pm, Room 1254, Parliament House

1. Members Present

Mr Matthew Morris MP (Chair), Mr Andrew Constance MP, Mr Wayne Merton MP

2. In Attendance

Mr Sean O'Toole, Managing Director, Landcom
Mr Greg South, General Manager Corporate and Finance, Landcom
Ms C. Watson, Committee Manager
Ms S. Ngui, Senior Committee Officer

3. Apologies

Mr Barry Collier MP, Mr Alan Ashton MP and Mr Robert Oakeshott MP

4. Inquiry into the Allocation of Social Housing

Representatives from Landcom provided the Committee with a briefing on the role of Landcom in the provision of affordable housing and on the Minto redevelopment.

Minutes of the Proceedings No. 29

Wednesday 18 October 2006
4.30pm, Room 1254, Parliament House

1. Members Present

Mr Matthew Morris MP (Chair), Mr Andrew Constance MP, Mr Wayne Merton MP, Mr Alan Ashton MP, Mr Barry Collier MP, Mr Robert Oakeshott MP

2. In Attendance

Ms Catherine Watson, Committee Manager
Ms Samantha Ngui, Senior Committee Officer

3. Inquiry into the Allocation of Social Housing

Consideration of the draft report into the inquiry into the Allocation of Social Housing deferred to the next meeting 25 October 2006. Chairman to make amendments to the draft report and circulate the revised draft to members prior to the next meeting.

Minutes of the Proceedings No. 30

Wednesday 25 October 2006
4.30pm, Room 1254, Parliament House

1. Members Present

Mr Matthew Morris MP (Chair), Mr Andrew Constance MP, Mr Wayne Merton MP, Mr Alan Ashton MP, Mr Barry Collier MP, Mr Robert Oakeshott MP

2. In Attendance

Ms Catherine Watson, Committee Manager
Ms Samantha Ngui, Senior Committee Officer
Ms Belinda Groves, Committee Officer

3. Inquiry into the Allocation of Social Housing- Consideration of Draft Report

Members agreed to the following amendments:

- Amendment of recommendations 5 and 8 to insert “and State” after the word “Commonwealth”;
- Recommendation 5 be amended to include the word “social” before the word “housing”;
- An additional recommendation be included as follows: “That the Government consider conducting an investigation into further incentives for landlords of low-income rental housing to encourage growth in this type of housing stock”.

Resolved on the motion of Mr Alan Ashton MP, seconded by Mr Robert Oakeshott MP:

That the draft report: “Report on the Inquiry into the Allocation of Social Housing” be accepted, with amendments, as a report of the Public Bodies Review Committee, and that it be signed by the Chairman and presented to the House.

On the motion of Mr Alan Ashton MP, seconded by Mr Robert Oakeshott MP:

That the Chairman and Committee Manager be permitted to correct any stylistic, typographical and grammatical errors in the report.
