

**Submission  
No 28**

## **TENANCY MANAGEMENT IN SOCIAL HOUSING**

**Organisation:** Shelter NSW  
**Name:** Ms Mary Perkins  
**Position:** Executive Officer  
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# SHELTER NSW SUBMISSION

## Inquiry into Tenancy Management in Social Housing

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Submission to the Public Accounts Committee of the Legislative Assembly

These comments are a response to the request for submissions addressing the terms of reference of the Public Accounts Committee inquiry into current tenancy management arrangements in NSW social housing, with particular reference to:

- the cost effectiveness of current tenancy management arrangements in public housing, particularly compared to private and community housing sectors;
- the range and effectiveness of support services provided to tenants in social housing;
- outcomes for tenants from current tenancy management arrangements; and
- possible measures to improve tenancy management services.

### 1. Executive summary

#### *Lack of available data*

The ability to respond to the first term of reference of the inquiry is seriously hampered by a lack of appropriate data. Evidence to inform the specific issues of this inquiry is being identified by the Australian Housing & Urban Research Institute (AHURI), *Assessing management costs and tenant outcomes in social housing: developing a framework*. This Inquiry might be in a far better position to address the issues covered in its terms once this AHURI project is completed.

#### *Prima facie tenancy management comparisons*

With a very strong qualification about the nature of the available data, it seems that the current tenancy management services provided to LAHC by HNSW are cost effective, compared to the typical range of housing management fees charged by private real estate agents. The same appears to be true of community housing management costs, although slightly higher than the apparent costs of HNSW. There is no good fiscal reason for sourcing social housing tenancy management from the private sector.

### *What are tenancy management services?*

Tenancy management services provided by both public and community housing managers, cover three distinct areas of housing management:

- Tenancy management – outcome : tenant satisfaction with landlord services
- Brokering individual tenant support – outcome: tenancy sustainment (at risk households)
- Additional tenant and community support – outcome: change in household social & economic participation and wellbeing

The individual support function is externally provided, but its brokerage and management is not separable from the broader tenancy management and community support roles; nor should particular household types be provided a separate, lower level of tenancy management services that excludes additional tenant and community support.

### *Social housing tenancy services are more complex than private market property management*

Not only are individual tenant support and additional tenants and community support, not services provided by private real estate agents, but core social housing tenancy management includes management of neighbourhoods and anti-social behaviour that are not provided by private agents. Similarly, the outcomes required for social housing tenancy manager from activities such as lease management, are different from those expected of private agents. It is notable that HNSW now provides Private Rental Assistance to enable tenants in private tenancies to sustain those tenancies.

### *Additional support functions*

The effectiveness of the additional support functions delivered by social housing providers – both brokering and supporting individual support services and wider community and well-being support activities, including improved economic and social participation – are evident from the self-identification of benefit by tenants in National Social Housing Survey. It is also clear from that survey that community housing providers provide a higher level of assistance and their tenants express a higher level of satisfaction and access to other services.

### *The growing need for such support*

The need for this role has increased substantially due to the increased targeting of social housing to tenants with high needs, as a consequence of rationing a dwindling supply of social housing. In 2012-13, 66.4% of new public housing allocations in NSW, and 77.7% per cent of new community housing allocations were to those households in *greatest need*. 69.7% of new public housing allocations nationally and 70.3% of new community housing allocations were to households with *special needs*.

### *Specific support initiative success – HASI*

The Housing and Support Initiative which brings together housing and support for people with mental illness is one of the few initiatives that have been rigorously evaluated. It has been shown to have very high levels of success.

### *What tenants say about support needs*

In 2012 Shelter NSW undertook a study of the support needs of social housing tenants, *We look after our neighbours here': support services for NSW social housing tenants*. We outline some of the main issues identified by tenants. However, For the purposes of this Inquiry, the following observations might be made:

- It would be counter-productive to separate specific (external) support provision from tenancy management activities that support community strength and social inclusion, since a substantial part of the weight of supporting tenants with significant needs falls to their neighbours in social housing communities.
- In accessing more specific support services, housing managers are the first port of call and play a key role.

### *Outcomes for tenants from current tenancy management arrangements*

Once again, it is important to stress that we do not yet have data to effectively answer this question. The AHURI project, *Assessing management costs and tenant outcomes in social housing*, is intended to provide that. Shelter NSW strongly suggests that the results of the project be closely monitored and, if successful, adopted by HNSW in guiding future tenancy management arrangements.

Nonetheless, it is important to note that satisfaction data indicates that there is a significant level of tenant satisfaction and reports of substantially improved well-being from social housing tenancies.

However, in a 2011 Shelter NSW study, *View from the estates: tenants' views of the impact of changes in eligibility and allocations policies on public housing estates*, tenants themselves express an increasing level of stress from the concentration of complex needs within their community, a loss of 'quiet enjoyment' and safety. These policy-driven effects have not been accompanied sufficiently by tenancy management support.

### *Public tenants' views on measures to improve tenancy management*

In the same study, tenants identified problems with management and suggestions for improvement. The recurrent theme of these concerns and suggestions is that effective social housing tenancy management requires a more localised, consistent and engaged approach to tenancy management.

### *Changing tenancy management arrangements*

Shelter NSW is strongly of the view that any fiscal imperative to reduce tenancy management costs for LAHC, as a driver of future tenancy management arrangements, would be seriously counter-productive.

The separation of tenancy management, and asset management already limits the effectiveness of tenancy management. At the same time, the integration of social housing into the wider range of FACS activities also may not facilitate the delivery of expert tenancy management by locally based staff whose expertise is responsive housing management.

In the context of these trends, the growth of the community housing sector provides an opportunity to undertake a more flexible, responsive and integrated form of localised tenancy management. It also provides what, from the limited available data, appears to be a higher level of tenant support to build access to services, social inclusion and social participation.

## 2. The cost effectiveness of tenancy management arrangements in public housing

### ***Lack of available data***

The ability to respond to the first term of reference of the inquiry is seriously hampered by a lack of appropriate data.

This has been highlighted in the recent positioning paper from the Australian Housing & Urban Research Institute (AHURI), *Assessing management costs and tenant outcomes in social housing: developing a framework*<sup>1</sup>, released in July this year.

The report makes it clear that the publicly available data, collected by the AIHW for the annual *Report on Government Services* is of little value in calibrating expenditure on management activities. Especially through its inclusion of both discretionary and non-discretionary expenditure items, the relevant *net recurrent cost per dwelling* indicator is too broadly defined. It also notes that there are implausibly large variations (which are unexplainable because of the lack of disaggregation).

This Inquiry might be in a far better position to address the issues covered in its terms once this AHURI project is completed. It is worth noting that the positioning paper – and the research to follow – deals precisely with the key issues being considered by the Inquiry.

### ***Prima facie tenancy management comparisons***

#### ➤ *LAHC and HNSW*

Without useable publicly available data, it is difficult to make any useful comparisons of the cost effectiveness of public, community or private tenancy management. This lack of transparency is increased by the current arrangements, whereby the Land and Housing Corporation (LARC) pays a management fee to HNSW. In its 2012-13 Annual Report, the Land & Housing Corporation notes that “during the year LAHC engaged Housing NSW under a fee for service arrangement to provide tenancy management services under an agreed policy framework.”<sup>2</sup>

However, it is unclear what that payment is expected to cover – what the service being purchased is, whether they cover the full cost of the service, or whether full social housing management costs are spread between LAHC and Housing NSW – since the agreed policy framework is not readily available.

The actual tenancy management costs reported by LAHC were \$1,040.47 pa. per tenanted property in 2012-13. This is equivalent to a management fee of 5% of average market rents<sup>3</sup>. On the face of it, this suggests a substantially lower cost than the normal fee charged by private real estate agents of between 6% and 9% (excluding letting fees), although very basic property management fees can be as low as 5%. Once again, comparisons are highly imprecise – particularly with respect to some aspects of routine asset management (namely property inspection costs and the cost of administering routine maintenance) that would be performed by an agent, but are not done may not be undertaken by HNSW on one hand, and higher levels of

tenancy management and specialist tenancy support for higher needs tenants provided by HNSW, that is not undertaken by agents, on the other.

➤ *Community Housing*

It is even more difficult to make even a *prima facie* comparison with community housing. This partly because even less data is available on the cost of tenancy management<sup>4</sup> than is available for Housing NSW and LAHC. It is also because community housing providers are generally believed to invest relatively more in services to support tenants to both sustain their tenancies and to participate more widely, both in the community and economically. However, the AHURI report specifically makes the point that there is not available data to support this belief (one way or the other) and that there has been no work undertaken to provide evidence that the outcomes that are widely assumed from community housing management are actually achieved. Again, the purpose of the AHURI study is to fill this evidence gap.

Three proxies are available – but none of these are adequate to support an assessment of cost effectiveness. They are:

- the net cost per property reported in the Report on Government Services (ROGS);
- benchmarking data from the UK benchmarking club, Housemark (Cited in the AHURI positioning paper);
- management fees charged by community housing providers for the small number of properties they manage on a fee-for-service basis (in most cases for local government that provides affordable housing as a part of inclusionary zoning provisions).
- *Net recurrent costs (ROGS)*

AHURI provides a calculation from the AIHW data for the ROGS, comparing the average net recurrent cost of social housing (not the tenancy management cost) and the (unexplained) range of such costs. Given the range of such costs reported, little confidence can be placed on this data.

At best, this data might be taken to support a very general comment that the costs are broadly similar, with public housing being a very modest 5.9% cheaper than community housing, despite the presumed economies of scale.

**Table 1. Range in net recurrent costs per dwelling by (selected) provider type and jurisdictions 2011–12**<sup>5</sup>

Provider type	Highest value	Lowest value	Average (n=8)
Public housing	\$14,912*	\$5,884*	\$7,707
Mainstream community housing	\$15,699*	\$5,345*	\$8,149

*Calculated from AIHW 2013a, Table 3.9. Data in cells asterisked are from four different jurisdictions.*

- *Benchmarking costs from the UK (Housemark)*

The AHURI report also provides data from Housemark, a UK benchmarking club. The UK benchmarking club may provide some indication of the tenancy management costs in a mature

system. While the data is provided for a range of models of housing provider, for these purposes we will only consider the costs from ‘traditional housing associations’ and ‘stock transfer housing associations’<sup>6</sup>

**Table 2. Housemark housing management expenditure per dwelling in England, 2010–11 (A\$ 2012)<sup>7</sup>**

	Rent arrears & collection	Tenancy management	Resident involvement	Lettings	Managing ASB	Other	Total
Trad HA	222	224	148	136	111	29	870
HA (transfer)	182	155	116	99	103	29	683

Source: Housemark—reproduced from ‘Social Housing’, June 2012

The Housemark data has been converted to 2012 Australian dollars. While this provides a more disaggregated picture, it is still unclear what is involved in each area. Moreover, it would be a mistake to assume that the activities or costs are comparable across countries. However, it does suggest that housing associations (community housing providers) do provide housing management services at a competitive cost.

- *Sample management fees (NSW)*

A more useful indication of community housing tenancy management costs is the fee charged by a provider to a local authority (or others) for the management of affordable housing. Once again, however, it should be stressed that the services provided for ‘affordable housing’<sup>8</sup> may not be comparable to those required for general social housing management.

Community housing providers may have a range of different contracts for housing management, which may be for local authority affordable housing, management of housing developed under the Affordable Housing SEPP and housing managed on behalf of other community organisations that own housing for high needs groups for whom they provide support. The following are examples of current management fees paid to a community housing provider<sup>9</sup>. These may be a flat fee per property or they may be a percentage of rents at various points in the market. Examples of the former are \$1,333, \$1,436 and \$1,500 per annum (which equates to between 4.4% and 5.7% of median market rents in the area of operation). Other contracts range between 6.5% and 7% of market rent, with others 6% of first quartile rent and 6% of median. In all these cases, management fees are either below or in the lower range of normal private real estate agent fees.

### ***Effectiveness of tenancy services***

Currently there are limited sources of information to assess the effectiveness of services provided by social housing providers.

The most widely cited source to evaluate the effectiveness of tenancy management services is the National Social Housing Survey<sup>10</sup>, undertaken by the Australian Institute of Health and Welfare (AIHW). The survey covers tenants in public housing, community housing and state owned and managed Indigenous housing, and reports on satisfaction



with overall landlord services, maintenance, and amenity. The survey also explores tenants' perception of the benefits of being housed in social housing and the services accessed. The surveys enable comparisons of levels of satisfaction between public and community housing.

The headline measure is satisfaction with services provided.

**Table 3. Proportion of tenants satisfied with services provided by the housing organisation, in NSW, 2012 (per cent)<sup>11</sup>**

	<b>Public housing</b>	<b>SOMIH</b>	<b>Community housing</b>
Very satisfied	‡22.2	16.3	‡32.9
Satisfied	33.9	32.3	36.7
Sub-total	<b>‡56.1</b>	<b>‡48.6</b>	<b>‡69.6</b>
Neither satisfied nor dissatisfied	16.6	16.5	14.3
Dissatisfied	‡13.9	18.8	++9.7
Very dissatisfied	13.5	16.0	++6.4

‡ Indicates jurisdictional finding is statistically significantly different from the national finding.

++ Indicates RSE of over 25% and less than 50%.

The two main points to be taken from this data are:

- that the overall level of satisfaction with the services provided by both public and community housing providers is high<sup>12</sup>; and
- that the level of satisfaction with community housing providers is substantially higher than that of public housing.

The AHURI positioning paper took the latter observation further by comparing relative satisfaction from the 2010 NSHS in across a range of variable – age, dwelling type, whether the tenant had been recently housed. In all cases the relatively greater satisfaction with community housing was maintained, with the difference ranging from 6% to 16%. Finally, the difference has been consistent in NSHS across time.

In terms of overall satisfaction, it is important to note that the 2012 survey used a different methodology to previous surveys, and that previous surveys show a substantially higher level of satisfaction with both public and community housing.

**Table 4. Satisfaction with services provided by the housing organisation over time, by housing program type, 2001–12 (per cent)<sup>13</sup>**

Year of survey	Public housing	SOMIH	Community housing
2001	69	..	80
2003	68	..	77
2005	68	63	82
2007	70	63	80
2010	73	..	79
2012	65	59	74

*2012 estimates are not directly comparable with 2010 or previous estimates due to changes in survey design and estimation*

### ***What are tenancy management services?***

The difficulty in establishing the cost-effectiveness is not just the lack of any data about what services are provided for the aggregate tenancy management prices that can be identified. It is also a matter of clarifying what services should be provided as part of social housing management.

Once again, there is no generally agreed classification.

The UK housing management activity classification developed by the Housemark benchmarking club breaks down the housing management task into five distinct elements:

- rent arrears and collection - 27% of total housing management costs
- tenancy management - 24%
- resident involvement - 17%
- lettings - 14%
- managing anti-social behaviour (ASB) – 14%

The AHURI project proposes a more extensive disaggregation of housing management:

Tenancy management – outcome measure – tenant satisfaction with landlord services

- Allocation/ letting
- Rent collection & arrears management
- Managing leases
- Managing neighbourhoods/ ASB

Individual tenant support – outcome: tenancy sustainment (at risk households)

- Client support visits
- Client referrals for personal support/ counselling etc
- Managing support partnerships
- Responding to changing needs (support)

Additional tenant and community support – outcome measure: change in household social & economic participation and wellbeing

- Supporting tenant participation
- Community development, ‘place making’ and events
- Direct provision of community services (eg. Employment training, youth activities)
- Client referrals to employment training services etc

Property & neighbourhood managements – outcome measure: tenant satisfaction with repairs services, property condition, and neighbourhood quality.

For the purposes of this Inquiry, it is assumed that ‘property and neighbourhood management is not at issue. At the same time, it should be stressed that the standard and maintenance of housing is the greatest concern (apart from affordability) of tenants in both social housing and the private rental market. The effectiveness of property management will have a bearing on overall tenant well-being and satisfaction with other tenancy services.

### **3. The range and effectiveness of support services provided to tenants in social housing**

#### ***Social housing tenancy services are more complex than private market property management***

While this disaggregation of the housing management function is intended to provide a framework to measure social housing cost of provision and tenant outcomes, it also reflects the fact that social housing management has come to entail a far wider range of activities than those typically provided by private real-estate agents.

In considering the appropriateness of contracting out tenancy management services from Housing NSW to either community housing or private real estate agents, the key point is that a wider range of services are required by social housing tenants, than are provided by private landlords or agents.

While this is sometimes seen principally as the brokering of external support provision for specific groups of tenants with high needs, effective social housing management also includes a range of other services that are not so specifically targeted, but which are either additional to, or more complex than, those undertaken by private sector property managers. To illustrate this we can briefly consider the functions identified by the AHURI report under the heading of tenancy management:

- Allocation/ letting
- Rent collection & arrears management
- Managing leases
- Managing neighbourhoods/ anti-social behaviour

*Allocations* – because of the vulnerability of many social housing households, this function entails an additional dimension of ensuring that allocations are appropriate – both in terms of the physical needs of the tenant and in terms of the sustainability of that tenancy and its impact on other tenants or the neighbourhood.

*Arrear management* – Both in terms of the imperative to sustain tenancies of vulnerable households and the requirements of the Residential Tenancies Act, there is a higher imperative to find solutions to rent arrears rather than to resort to eviction. These may involve negotiated repayments that take account of the low incomes of most social housing households, and at time, personal support such as budgeting skills.

*Managing leases* – not only does this involve an imperative to avoid eviction, but it also involves assessments of ongoing eligibility at the end of a lease.

*Managing neighbourhoods and anti-social behaviour* – this is not an activity undertaken by most private agents<sup>14</sup>, but it is essential for social housing providers. Particularly on housing estates, the neighbourhood effects of tenancies may require specific interventions or pro-active engagement. In the case of anti-social behaviour, tenancy management may involve the negotiation and monitoring of specific agreements.

### ***Additional support functions***

The AHURI typology also identifies two additional areas of activity that are intrinsic in social housing management.

- Individual tenant support, and
- Additional tenant and community support

The aim of the first is to ensure that very vulnerable tenants, often with high and complex needs, are able to sustain their tenancies. These services are usually delivered by an external agency – and should be to ensure that the housing provider does not intrude into or control all aspects of tenants' lives, but rather, responds when tenants seek such help. But, neither is it totally separate from basic tenancy management since it is through this relationship that aspects of the support function, such as identifying emerging needs of tenants and/or responding to changing needs, are carried out.

The final area of social housing management – additional tenant and community support – links a far broader range of activities to the housing management role. The objective of this range of activities is to support households' social and economic participation and wellbeing.

In part, this is a response to the high levels of disadvantage experienced by most social housing tenants, and the fact that social housing landlords are uniquely well placed, because of the tenancy relationship and the impact that secure housing has on community and individual well-being, to be a lead agency in improving participation and well-being. But it is also a significant objective for the efficient management of

social housing since it directly impacts of rental income, reduced neighbourhood problems and, in the long run, maintenance costs.

Once again, these activities are not undertaken by private agents. Both public and community housing managers have a successful track record of undertaking such activities. As a broad observation, public housing managers may have a stronger track record of larger scale initiatives in specific places and times, while community housing providers are likely to undertake smaller scale initiatives as a consistent part of their business.

The National Social Housing Survey again throws some indirect light on the effectiveness of these approaches to tenancy management.<sup>15</sup>

**Table 5. Perceived benefits of living in social housing**

	% public housing	% community housing
Being able to manage rent or money better	75.6	70.4
Feeling more settled in general	69.8	72.8
Feel more able to cope with life events	46.1	49.9
An improved sense of social inclusion	43.0	49.9
Have better access to services	36.4	36.6
Other benefits *	11.0	13.2

*\*They, or their household, received 'other benefits' from living in social housing. These benefits included a greater feeling of security and stability and a greater sense of independence*

*Source: Table E3.1: Self-reported benefits gained by tenants living in social housing, National Social Housing Survey 2012*

The benefits identified by tenants are likely to reflect two different things – benefits that arise from affordable and (until recently) secure housing; and benefits that may at least partly be due to housing management.

The ability to manage rent and money better and feeling more settled in general are most likely to arise from the former. An improved ability to cope with life's events, a greater sense of independence, better access to services and, particularly, an improved sense of social inclusion, are important outcomes that are likely to reflect social housing management.

It is particularly noteworthy that tenants report both a greater sense of independence and social inclusion, given the stigmatisation of social housing and recent suggestions that social housing creates dependency.

The other observation from these data is that, apart from being able to manage rent and money better<sup>16</sup>, community housing tenants are more likely to report these benefits

than public tenants by a modest, but consistent, margin. In the case of an improved sense of social inclusion, this becomes a substantial margin.

While tenants of both types of providers report a similar perception of improved access to services, the NSHS also reports the services actually accessed by tenants over the previous 12 months. This provides a picture of the main services used by tenants. More important, it identifies whether access to such services has been assisted by the housing manager.

This shows a significant level of assistance provided by social housing tenancy managers (both public and community) in accessing crucial services. Again, it identifies a modestly higher level of access to many services by tenants of community housing managers. In all cases for which results are provided, community housing tenancy managers provided approximately double the assistance provided by public housing managers.

**Table 6. Community and health services accessed by respondents in the past 12 months**

	% public housing	Provider assisted (a)	% community housing	Provider assisted (a)
Health/medical services	52.6	3.5	54	6.4
Mental health services (b)	19.4	4.8	25.6	9.1
Information, advice and referral services	9.8	12.6	13.2	21.8
Day-to-day living support services	9.4	10.1	12.4	20.5
Aged care	8.5	10.5	9	23.2
Financial and material assistance	7.1	10.9	10.3	23.5
Training and employment support services	7.1	np	9	7.5
Other support services	7.2	7.5	8.2	18.4
Services that provide support for children, family or carers	6.7	8.3	6.6	np
Life skills/personal development services	4.6	np	8.7	17.0
Residential care and supported accommodation services	3	28.4	7.3	44.8
Drug and alcohol counselling	3.1	np	4	np
None of the above	36.1		31.6	

Source: tables 4.1 National Social Housing Survey 2012

(a) Only those who reported they had accessed a service were then asked to indicate if they had accessed that service in the past 12 months with the help of their housing provider.

(b) The category 'mental health services' includes the following services which were listed separately in the 2012 NSHS: 'psychological services', 'psychiatric services' and 'mental health services'

n.p. Not publishable because of small numbers, confidentiality or RSE greater than 50%.

Some of these differences in services accessed or the level of support by providers in accessing them will reflect the different tenant profile. Public housing tenants are older, with 43% being 65 or over compared to 35% of community housing tenants. Community housing providers have a substantially higher proportion of tenants who have been homeless in the past 5 years.

**Table 7. Proportion of individuals who experienced homelessness in the last 5 years, by housing program type, 2010 –2012 (per cent)<sup>17</sup>**

Survey year	Public housing	Community housing
2010	6.0	12.0
2012	9.4	18.6

### ***The growing need for such support***

The above identifies the broad range of support services utilised by tenants and the role of tenancy managers in accessing them, indicating a high level of brokerage as a core part of social housing tenancy management.

The need for this role has increased substantially due to the increased targeting of social housing to tenants with high needs, as a consequence of rationing a dwindling supply of social housing.

The Productivity Commission’s *Report on Government Services* provides two measures of such prioritising – ‘greatest need’ and ‘special needs’.

Greatest need households are defined as households that at the time of allocation are either homeless, in housing inappropriate to their needs, in housing that is adversely affecting their health or placing their life and safety at risk, or that has very high rental housing costs. In 2012-13, 77.3% of new public housing allocations nationally, and 76.7% per cent of new community housing allocations were to those households in greatest need. In NSW the proportions were 66.4% of public housing allocations and 77.7% of community housing allocations.<sup>18</sup>

Special needs for public and community housing — those households that have either household member with disability, a principal tenant aged 24 years or under, or 75 years or over, or one or more Indigenous members. In 2012-13, 63.1% of new public housing allocations nationally and 76.7% of new community housing allocations were to households with special needs. In NSW the proportions were 69.7% of public housing allocations and 70.3% of community housing allocations.<sup>19</sup>



### ***Specific support initiative success – HASI***

The *Housing and Support Initiative* (HASI) which aims to ensure people with mental health problems receive the appropriate support to enable them to sustain their tenancies and recover from or manage their illness, is one of the most effective support programs for people with mental illness.

*‘The Housing and Accommodation Support Initiative (HASI) in New South Wales (NSW) aims to provide adults with a mental health diagnosis with access to stable housing, clinical mental health services and accommodation support. HASI supports over 1000 mental health consumers across NSW living in social and private housing and ranging from very high support (8 hours per day) to low support (5 hours per week) levels. It is a partnership program between Housing NSW, NSW Health, NGO Accommodation Support Providers (ASPs) and community housing providers.’<sup>20</sup>*

The HASI evaluation published in September 2012 identifies this as a highly successful program. Measured from their entry to the time of the evaluation it showed that clients had

- significantly reduced level of hospital admission for mental health
- improved mental health overall, improved life skills and decrease in behavioural issues
- improved skills in daily living and participation in community, social, education and employment activities.

It also shows significant improvements in clients’ housing situations.

*‘The HASI program has achieved its aim of stable housing for most HASI consumers. Most people enter the program with a history of unstable housing, including almost half with no home immediately prior to entering HASI, for example, from hospital, prison, living with friends or family, living in a boarding house, in other unstable or temporary housing or primary homelessness. Many consumers who were already housed before joining HASI had also experienced unstable housing in the past.’<sup>21</sup>*

*‘Most HASI consumers were satisfied with their housing and the support they receive from the housing provider. If consumers had moved, it was usually for planned reasons to more suitable accommodation. Most HASI consumers successfully maintained their tenancies (90 per cent)....almost all HASI consumers met their tenancy obligations – they paid rent on time, maintained their property and were good neighbours....The number of Consumer Trader and Tenancy Tribunal (CTTT) actions against HASI tenants was low, as was the incidence of damage caused by tenants. Both these results were similar to other people living in social housing. Housing managers were generally satisfied that, with support, HASI tenants were reliable and paid their rent on time.’<sup>22</sup>*

Once again, however, it is important to recognise that HASI is a partnership which involves both the specialist mental health support and specific engagement and brokerage of the tenancy manager.



### ***What tenants say about support needs***

In 2012 Shelter NSW undertook a study of the support needs of social housing tenants. This responded to the increasing priority given to allocating social housing to tenants with high levels of disadvantage, and the recognition that more tenants will require support to sustain their tenancy. It aimed to get a tenant perspective on how effectively attempts to improve access to support services were working on the ground for social housing tenants.

The Shelter project's initial literature search emphasised the need for a flexible and coordinated approach – beyond the usual silos of service provision – that is supported by someone who is respectful and trusted.

While the majority of participants in the study's focus groups had long term health or disability issues and many had other support needs as well, including mental health conditions, drug and alcohol problems and histories of domestic violence, it is important to avoid the stereotype of passive and dependent recipients of support. The report – *We look after our neighbours here': support services for NSW social housing tenants*, Shelter Brief 52, Shelter NSW, 2012<sup>23</sup> – notes that “many were highly involved in their community, supporting other tenants and playing active roles in local community groups”.

The following is from the conclusions of the research<sup>24</sup>.

- Social housing tenants are more likely to have significant support needs than other people in the community, with the major issues including poor physical and mental health, disability, ageing, substance misuse issues, domestic and family violence and financial problems. Tenants also report significant issues with law and order and neighbourhood disturbance and this is often linked to some of these other support issues.
- At the same time, many tenants are highly committed to their communities and put a lot of energy into supporting their neighbours and their wider communities. This tenant goodwill is a rich resource for communities with significant amounts of social housing, and can help many tenants to sustain their housing. However, such networks need support if active tenants are not to burn out.
- Tenants are much more likely to turn first to people they know well for help with support needs – family, friends or neighbours. This informal care and support is of central importance in sustaining tenancies and support for informal carers and community networks is likely to have significant benefits in supporting tenancies.

- However, many issues are too complex or stressful for informal carers to address, and it is important that tenants have access to a well-resourced, coordinated formal support system.
- Tenants have varying experiences of interaction with the support system. Most have received good support at various points. However, this experience is not consistent and the main experience of the tenants we spoke to is that tenants and their supporters have to work hard to find the supports they need in the formal system. Housing providers can play a key role in this as they are often the first port of call for tenants who need support and can serve as gateways to other parts of the formal support system.
- The significant resources that have been directed towards mental health in NSW in recent years appear to be bearing fruit on the ground. Many tenants expressed a good understanding of mental health issues and have positive experiences of people with mental illness receiving support and treatment. However this still needs to be placed alongside ongoing difficulty of living with mental health problems, both for the person with a mental health problem and their friends and neighbours.
- Tenants find other support systems less reliable. Many commented on inconsistent and intermittent service responses in their communities. In particular, there appear to be very limited options for responding to drug and alcohol misuse issues, and a very low level of understanding amongst tenants of what could be done about these issues.
- Availability of supports can be central in helping tenants to sustain tenancies and also can make communities more liveable places for all of their tenants. On the other hand, the failure to provide adequate support may lead to eviction or homelessness and occasionally can have more drastic consequences still in the shape of suicide or serious violence.
- Failure to support tenants who are experiencing problems also has serious consequences for neighbours and the wider community in the shape of increased neighbourhood disturbance and stress.
- Tenants value a number of characteristics in support services, including respect, continuity and follow-through, coordination and clear information about what is available.

For the purposes of this Inquiry, the following observations might be made:

- It would be counter-productive to separate specific (external) support provision from tenancy management activities that support community strength and social inclusion, since a substantial part of the weight of supporting tenants with significant needs falls to their neighbours in social housing communities.

- In accessing more specific support services, housing managers are the first port of call and play a key role.
- Successful intensive support programs such as HASI, also rely on the partnership with the housing managers.

#### **4. Outcomes for tenants from current tenancy management arrangements**

Once again, it is important to stress that we do not yet have data to effectively answer this question. The AHURI project, *Assessing management costs and tenant outcomes in social housing*, is intended to provide that. Shelter NSW strongly suggests that the results of the project be closely monitored and, if successful, adopted by HNSW in guiding future tenancy management arrangements.

In a small number of cases there have been comprehensive evaluations of housing and support initiatives. The best example is the evaluation of HASI discussed above, that demonstrates very successful outcomes in terms of sustaining housing as well as mental health.

Beyond this, we have the satisfaction data discussed above which indicates that there is a significant level of tenant satisfaction and reports of substantially improved well-being. While some of this is clearly due to access to affordable housing and less insecure tenancies than in the private market, some is attributable to the tenancy management provided. This is more evident in community housing.

However, in the Shelter NSW study *View from the estates: tenants' views of the impact of changes in eligibility and allocations policies on public housing estates*<sup>25</sup>, tenants themselves express an increasing level of stress from the concentration of complex needs within their community, a loss of 'quiet enjoyment' and safety. These policy driven effects have not been accompanied sufficiently by tenancy management support.

#### **5. Possible measures to improve tenancy management services**

##### ***Public tenants' views***

In April 2011, Shelter NSW undertook a study to identify the experience of public housing tenants of changed administrative arrangements – particularly allocations and fixed term tenancies. In the course of the study, *View from the estates: tenants' views of the impact of changes in eligibility and allocations policies on public housing estates*<sup>26</sup>, tenants identified a number of issues related to tenancy management and options to improve it.<sup>27</sup>

The following is a summary of this section of the report:

### *Customer service and communication*

Many tenants were able to identify examples of good service, and officers who they felt were committed to doing a good job. However, they identified a number of systemic issues which interfered with good customer service.

- A common theme was that of staff turnover.
- A second theme was that of lack of communication.
- Many tenants commented that they had found it effective to get someone more experienced – a tenant advocate or service provider, for instance – to advocate on their behalf.
- A further customer service issue which ties into those above was impersonality. The combination of the centralisation of some functions (especially maintenance) and staff turnover means they feel they no longer know the person they are talking to, and that so many key issues are out of these officers' hands.
- Finally, tenants commented on the variable attitudes of the staff they had dealt with over the years. .

### *Responses to neighbourhood problems*

Tenants were very aware that neighbourhood issues were not solely the responsibility of HNSW. In talking about various kinds of issues, the two agencies most commonly discussed were mental health agencies and the police.

Tenants mainly looked to HNSW staff for three things – to help deal with neighbourhood disputes, to prevent ongoing antisocial behaviour or behaviour which interfered with their quiet enjoyment of their home, and to be a referral point where they faced situations in which they were not sure what to do.

In general, tenants felt there was nowhere they could go to effectively respond to neighbourhood problems and that these problems went unaddressed for long periods of time.

### *Tenant suggestions for policy change*

#### *Improving customer service*

A key theme around customer service was that of improving the amount of contact and “presence” of HNSW in their communities. Many felt that service delivery needed to be more localised, with a HNSW staff responsible for a particular precinct and getting to know the neighbourhood and tenants in that precinct. But if service delivery is localised, building good relations with the tenants is top priority.

They saw a strong need for better coordination between housing and other support services, and for housing officers to be better skilled and resourced as a first point of contact when problems arose.

#### *Improving the allocation system*

From the neighbourhood point of view, most tenants felt that better account needed to be taken to of the fit between the tenant and their neighbourhood. This would be facilitated if the allocation process was done by, or at least involved, a staff member who had a close knowledge of that community.

#### *Responding to neighbourhood issues*

Some felt that such problems would be eased by a greater HNSW presence in the community, and those who had lived in areas where there was an active presence (say, a staffed facility in the neighbourhood) felt that this significantly improved community cohesiveness.

Other suggestions were tailored to specific types of neighbourhood problems.

- Some tenants talked about the need for supported housing models for people with chronic mental health problems, others felt that this model involved too much segregation, and felt that the better response was to simply provide better support for people in mainstream housing.
- Others talked about a more active role for HNSW in mediation in neighbourhood disputes, especially where disputes did not involve breaches of tenancy obligations.
- Many talked about improvements in design which would make neighbourhood issues less of a problem – for instance, better noise attenuation; closure of, or better management of, public laneways; more of a mix of public and private housing (although not all tenants agreed with this, as some felt that private home owners looked down on them); and better attention to safety issues such as fencing and traffic calming.
- Many tenants also talked about a need to focus on rewarding good behaviour, rather than punishing antisocial behaviour.

The recurrent theme of these concerns and suggestions is that effective social housing tenancy management requires a more localised, consistent and engaged approach to tenancy management.

## ***Changing tenancy management arrangements***

Three trends are appear to be exerting conflicting influences in improving tenancy management for social housing tenancies.

- The separation of HNSW and LAHC, linked to a fiscal imperative to make the LAHC portfolio 'sustainable' in the absence of adequate funding;
- The restructuring of the Department of Family & Community Services(FACS) leading to a loss of focus on the specific expertise required for social housing management, which undercuts the potential benefits of the Departments 'localisation' approach;
- The growth and strengthening of the community housing sector and the opportunity to transfer public housing tenancy management to community housing providers.

The separation of the asset management functions now undertaken by LAHC, and tenancy management functions undertaken by HNSW already weakens the integration of management in the interests of tenant well-being. Shelter NSW is also strongly of the view that any fiscal imperative to reduce tenancy management costs for LAHC, as a driver of future tenancy management arrangements, would be seriously counter-productive. Only a more integrated approach to property management, tenancy management, individual support provision, and community support for social & economic participation and wellbeing, will deliver effective outcomes for an increasingly vulnerable social housing tenant community.

The integration of social housing into the wider range of FACS activities focuses on the co-ordination between local public servants of FACS services. However, it does not facilitate the delivery of expert tenancy management by locally based staff whose expertise is responsive housing management. At the same time, local responsiveness is limited by centralised functions such as the housing register and maintenance requests.

In the context of the above trends, the growth of the community housing sector provides an opportunity to undertake a more flexible, responsive and integrated form of localised tenancy management. It also provides what, from the limited available data, appears to be a higher level of tenant support to build access to services, social inclusion and social participation.

## Notes

<sup>1</sup> Hal Pawson, Vivienne Milligan, Peter Phibbs & Steven Rowley *Assessing management costs and tenant outcomes in social housing: developing a framework*. AHURI Positioning Paper No. 160, Australian Housing and Urban Research Institute, July 2014

<sup>2</sup> NSW Land and Housing Corporation Annual Report 2012-13, FACS. P12

<sup>3</sup> This is based on the actual market rents paid by LAHC for properties head leased from the private market. This figure is 99% of the average rent for the whole of NSW for the June 2013 quarter reported in the HNSW Rent and Sales Report No 106 December quarter 2013.

<sup>4</sup> To provide such data systematically would require systematic activity costing – or even reporting by division of the organisations. This data is not required by either the ROGS or the Community Housing Registrar.

<sup>5</sup> H Pawson, V Milligan, P Phibbs, and S Rowley, 'Assessing management costs and tenant outcomes in social housing: developing a framework', AHURI Positioning Paper 160, Australian Housing and Urban Research Institute, 2014. Table 3 (p 12)

<sup>6</sup> These are associations created to manage housing transferred from the ownership of local authorities.

<sup>7</sup> Adjusted to 2012 A\$ by applying the CPI for 2012 and the exchange rate at June 2012.

<sup>8</sup> 'Affordable housing' is housing provided at sub-market rent to low and moderate income households. Social housing is provided to low income households who meet HNSW eligibility criteria and pay an income related rent – usually of between 25% and 30% of income.

<sup>9</sup> These have been provided to Shelter to illustrate community housing management costs. Their actual agreements and parties are subject to commercial confidence.

<sup>10</sup> Australian Institute of Health and Welfare, *National Social Housing Survey, Detailed results 2012*. Canberra, Cat. no.HOU 272

<sup>11</sup> Table E2.3: *National Social Housing Survey 2012*

<sup>12</sup> However, the satisfaction levels for both community and public housing in NSW is significantly lower than that found in other jurisdictions. The following are the total results for Australia.

**Table E2.1: Satisfaction with services provided by the housing organisation, by housing program type, 2012 (per cent)**

Level of satisfaction	Public housing	SOMIH	Community housing	All
Very satisfied	31.0	21.9	38.8	31.9
Satisfied	34.2	36.6	35.1	34.4
Sub-total	65.2	58.5	73.9	66.3
Neither	14.3	15.9	12.4	14.0
Dissatisfied	11.3	13.8	8.5	10.9
Very dissatisfied	9.2	11.8	++5.2	8.7
Total	100.0	100.0	100.0	100.0

++ Indicates RSE of over 25% and less than 50%.

Note: Responses to this question relate to the person in the household who completed the survey form.

<sup>13</sup> Table E2.2: *National Social Housing Survey 2012*

<sup>14</sup> Although neighbourhood management may be undertaken in higher end body corporate management or in new developments that have been marketed with a specific 'community' character. In these cases, there is likely to be a premium for management of such communities.

<sup>15</sup> Table E3.1: Self-reported benefits gained by tenants living in social housing, *National Social Housing Survey 2012*

<sup>16</sup> Community housing rents are higher than the rents for public housing by the amount of Commonwealth Rent Assistance that the tenant can claim. While the net affordability is the same, the complexity of rental arrangements and the need to manage (higher) income to meet higher rents, may account for the lower result.

<sup>17</sup> Table EA.7: *National Social Housing Survey 2012*

<sup>18</sup> Productivity Commission, *Report on Government Services 2014*, Chapter 17 Housing

<sup>19</sup> Productivity Commission, *Report on Government Services 2014*, Chapter 17 Housing

<sup>20</sup> Jasmine Bruce, Shannon McDermott, Ioana Ramia, Jane Bullen and Karen R. Fisher, *Evaluation of the Housing and Accommodation Support Initiative (HASI): Final Report*, Social Policy Research Centre, ARTD Consultants and University of New South Wales, September 2012, SPRC Report 10/12, p9

<sup>21</sup> *Ibid*, p14

<sup>22</sup> *Ibid*, p15

<sup>23</sup> J Eastgate and P Rix, *'We look after our neighbours here': support services for NSW social housing tenants*, Shelter Brief 52, Shelter NSW, 2012. See also:

J Eastgate, 'Tenants' views on housing and support', *Parity*, vol.26, no.6, July 2013, pp. 44-45.

<sup>24</sup> P31. *'We look after our neighbours here'*

<sup>25</sup> J Eastgate, P Rix and C Johnston, *View from the estates: tenants' views of the impact of changes in eligibility and allocations policies on public housing estates*, Shelter Brief 47, Shelter NSW, 2011.

<sup>26</sup> J Eastgate, P Rix and C Johnston, *View from the estates: tenants' views of the impact of changes in eligibility and allocations policies on public housing estates*, Shelter Brief 47, Shelter NSW, 2011.

<sup>27</sup> Section 3.4. p 19.