

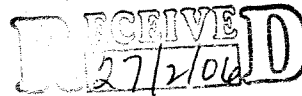


S-17

Churches Community Housing

Friday, 24 February 2006

The Committee Manager
Public Bodies Review Committee
Parliament House
Macquarie Street
Sydney NSW 2000



Dear Ms Watson

Re: Inquiry into the Allocation of Social Housing

Enclosed please find two copies of our submission to the Public Bodies Review Committee for the Inquiry into the Allocation of Social Housing.

We have also lodged a copy by e-mail today.

Should there be any additional information or clarification required we would be pleased to assist the committee further in this matter.

Yours sincerely

Derek R Yule
Executive Officer
Churches Community Housing

Encl.



Churches Community Housing Ltd

Submission

**To the Public Bodies Review Committee
Inquiry into the Allocation of Social Housing**

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Churches Community Housing Ltd.
Submission to the Inquiry into the Allocation of Social Housing

Preamble

History of Churches Community Housing Ltd

Churches Community Housing Inc. (CCH) was established in 1996 to assist churches and church welfare organisations in New South Wales, to develop housing initiatives for individuals and families on low incomes in partnership with the State Government. CCH began as an incorporated association auspiced by the NSW Ecumenical Council. CCH's membership is made up of all major church denominations in NSW including Catholic, Anglican, Protestant and Orthodox churches – seventeen denominations in all.

Modelled after similar units in Victoria and South Australia and based on the understanding that there is a wealth of underutilised church owned assets that can be developed for community housing, CCH acts as educator, facilitator, and mediator between churches and government to deliver cost efficient community housing for people on low incomes with support needs.

Churches Community Housing is funded by the Office of Community Housing, which is a business unit of the Department of Housing. We work to facilitate partnerships, accessing and bringing together Churches' resources and government funding to provide a range of housing and associated services. CCH regularly provides a churches' perspective on consultative committees and housing related forums.

CCH was established primarily as a resourcing organisation and peak agency for church housing providers in New South Wales. However, in June 2003 CCH extended its operations to include tenancy management and became registered as a company, Churches Community Housing Limited (CCHL).



The church sector has a long history of providing high quality supported accommodation to a range of families and individuals with special support needs. CCHL's decision to develop a new Housing Management company with a special focus on Supported Accommodation arose from an ongoing problem experienced by some church groups in juggling the role of landlord and support provider and the inherent conflict of interest this dual role entails.

Churches Contribution to Community Housing and Commitment to those in Need of Social Housing

With churches' ethos and theology mandating their social responsibility, churches have automatically and traditionally responded to local needs. Historically, they created the "modern welfare environment" simply by seeing need and responding to it. Currently there is a renewed focus on exploring new approaches to meeting need. Consequently, many churches are interested to explore the possibility of developing their underutilized assets for community housing. Government on the other hand is seeking ways to access church assets for development, particularly where land is scarce and need is high.



Introduction

CCHL's submission to the Inquiry into Allocation of Social Housing is based upon our organisation's experience, both as a peak agency in the church housing sector, facilitating public church partnerships and also as an individual community housing provider.

In 2004 CCHL conducted a Mapping Survey of Church housing providers in NSW, which revealed a profile of church housing agencies and the tenants those agencies served. The findings presented in the 2005 Report of the Churches Community Housing Project supports the proposition that the church housing sector is a unique segment of the social housing sector in NSW.

The church housing sector serves some of the most vulnerable people who are social housing tenants. The vast majority of these tenants are receiving supported programs administered by the church housing provider.¹

It is on the basis of some of the key findings of this Report, and descriptions of conditions under which housing is delivered to recipients of the church housing sector, that this submission will rely.

Our submission will focus primarily on three terms of reference, namely:

- **Current levels of funding for the development of new housing stock** (Our response will speak to the church housing sector's issues around title, associated with achieving viable Public Church Partnerships to create community housing.²)



- **The effectiveness and appropriateness of housing allocations**
(Our response will refer to recent AHURI research on 'social housing allocation systems and how they can be improved'³, in the context of some special features of the church housing sector, namely church housing providers maintaining nomination rights over the properties they manage and/or support.)
- **Role of community housing in meeting the demand for social housing**
(The inherent mission of 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. In light of the failing capacity of public housing to meet the demand for social housing, the challenge of stemming the ever shrinking supply of social housing can be best met by the community housing sector – a sector which is flexible and capable of growth.)

Churches operating in the community housing sector, have the capacity for innovation and flexibility in developing partnerships which can create further community housing opportunities as well as other affordable housing products.

Our submission contends that community housing is the most viable model for enhancing the provision of social housing in the current circumstances. A critical issue is the maintenance of the community housing sector and its protection from the potential threat of imposition of Reshaping Public Housing legislation to its operations.)



GENERAL BACKDROP TO THIS SUBMISSION

Broad comment on the current status of the provision of social housing in NSW must be the starting point of any submission to the Inquiry into Allocation of Social Housing. This can involve a discussion of the circumstances related to the key influences on social housing provision e.g. the financial, policy, planning, regulatory, political and social influences. However it is not possible to offer views on the functional capacities of systems to adequately deliver or allocate social housing without first recognising that people requiring housing are at the centre of each of these potential areas of analysis.

This submission will begin with a discussion of what 'social housing' actually is and will then comment on the implications and effects of the New South Wales Government's *Plan for Reshaping Public Housing* (mooted in April 2005 by former Housing Minister, Joe Tripodi) and subsequently passed by the NSW Parliament as the Residential Tenancies (Social Housing) Act 2005 on 19 October, 2005.

Churches Community Housing's submission is based on the premise that there is an Australia-wide crisis in the availability of affordable housing and contends that nowhere is the housing crisis more evident, than in the social housing sector in NSW.

This submission will also refer to some of the effects of the new legislation on current and prospective public rental housing residents and the ramifications for the whole social housing sector.

It will argue that any extension of the provisions of this Act to the community housing sector is likely to stifle flexibility and innovation, for example in initiatives for affordable housing and partnerships and the opportunity for growing new



housing stock. This will be discussed in the context of the operations of the church housing sector and particularly in the work of Churches Community Housing Limited.

What is Social Housing?

There are some key facts and information associated with social housing that are an important background to our submission. These involve an understanding of what is meant by 'social housing' and a description of what constitutes the social housing sector in New South Wales.

Social housing refers to Public housing, Community housing and Indigenous housing. Social housing has specific meanings in NSW law. The Residential Tenancies Act 1987 (s.3) states: 'social housing premises means residential premises let by a social housing provider under a residential tenancy agreement (otherwise than in circumstances, if any, prescribed by the regulations).' The same section also states: 'social housing provider means any of the following: (a) the New South Wales Land and Housing Corporation, (b) the New South Wales Department of Housing, (c) the Office of Community Housing of the Department of Housing, (d) the Aboriginal Housing Office, (e) an organisation for the time being registered with the Office of Community Housing, or under Part 5 of the Aboriginal Housing Act 1998, (f) an organisation prescribed by the regulations.'

Public housing refers to housing that is owned and managed by government and rented out to individuals. Community housing refers to housing owned and/or managed by non profit non government landlords, e.g. housing associations, cooperatives, religious organisation, Aboriginal housing companies. The term community housing is not usually used to refer to non profit housing leased to specific population groups with special health or disability needs, e.g. residential



care, group homes for people with disability, or to housing provided to homeless people. Nor is it usually used to refer to housing rented to military personnel by the Defence Housing Authority.

It has been suggested that there are three areas where social housing has positive housing outcomes that might be relatively better than those in private rental housing:

- **Affordability**

The affordability of the dwelling where rents are set as a proportion of tenant income, e.g. in public housing in New South Wales, 26% of rebated tenants pay less than 20% of income on rent and 74% of rebated tenants by 20%-25% income on rent.⁴

- **Security**

The period of tenure given to the tenant in their lease; and

- **Standards**

The condition of the dwelling and the type dwelling related to household need.

Social Housing programs are managed by state governments and are delivered directly through the state housing authorities such as the NSW Department of Housing or by non profit non government associations under government funding programs. The states finance their social housing from Commonwealth and state revenue sources. Their own revenue sources are the taxes they collect. The key means of accessing taxation revenue collected by the Commonwealth Government is the Commonwealth State Housing Agreement (CSHA). The Commonwealth is able to give direct financial assistance to states under s.96 of



the Constitution, and the law that provides the framework for this assistance is the Housing Assistance Act 1996 (Cwlth). The Act enables the Commonwealth, states and territory governments to negotiate an agreement on the terms under which the states get the Commonwealth money. The current CSHA covers the 5 year period 2003-08.

It has as its main objectives: the maintenance of a core social housing sector; choice for consumers; improvement of housing outcomes for Indigenous people; and innovative approaches to leveraging other resources.

The agreement sets an amount for 'base funding' to the states on a population basis, and sets amounts for the Aboriginal Rental Housing Program, Crisis Accommodation Program, and Community Housing. The agreement requires the states to match the 'base amount'. The Commonwealth, state and territory government provided just under \$1.4 billion (contributing about 74% and 26% respectively) for housing programs under the CSHA in 2002-03. In 2003-04 the NSW state government matched a \$293.5 million Commonwealth grant with \$117.8 million of state funds, and contributed an extra \$100 million from state revenue sources.

New South Wales has the largest number of social housing sector dwellings. The 140,574 such dwellings were 35% of the national social housing stock (including CAP dwellings).⁵ New South Wales has nearly twice the number of social housing dwellings as the next biggest state, Victoria.

Since the late 1990's housing researchers and analysts have increasingly begun to use the term, 'affordable housing'. This is not the same as social housing. It is a wider concept, which encompasses social housing. Affordable housing is dwellings provided to consumers, by sale or rental, that enable consumers to achieve *housing affordability* – that is, to pay no more than 30% of their gross



income on recurrent housing costs, such as mortgage payments or rent. The housing can be located in the private sector (owner-occupied, or privately-owned housing head leased by social housing providers and let to tenants) or in the social housing sector.

Public Housing - Key Facts

There were some 123,105 households in public rental housing in New South Wales, in 2004.⁶

New South Wales has 35% of the national public housing stock, and nearly twice the number of public housing dwellings than Victoria.⁷

There is a strong consumer demand for public housing. The state housing register (waiting list) had 77,984 people in June 2004.⁸ The occupancy rate was 98%. There is only a small number of new construction and acquisitions to the stock in a year, e.g. 298 in 2003-4, 378 in 2004-05. (Note: 'new' does not mean 'additional'.) These numbers are a substantial drop on the 3,000 – 5,000 new starts each year that were typical a decade ago. Nevertheless there are over 10,000 new allocations (new tenancies created) in a year. New allocations arise because tenants die, leave voluntarily (into private rental or home ownership, or move interstate), get evicted, etc. Waiting times vary by region and dwelling type.

Allocation of the housing is targeted to low-income households. In 2003-04 more than half of allocations were made to households with special needs (2003-04).⁹ In the same year, nearly a third (29%) of allocations were made on the basis of 'greatest need'.¹⁰



In April 2005 the New South Wales government announced a 'Plan for reshaping public housing' that indicated that all new allocations would be based on low income, need, and capacity to access affordable housing elsewhere (e.g. the private rental market).¹¹

Tenants are charged a 'market rent' but they can receive a rebate from the Department so that the amount they actually pay is no more than 25% of their income. Some 90% of tenants have reduced or rebated rent in consideration of their low income status.

The April 2005 announcement for 'reshaping public housing' indicated that existing tenants on 'moderate incomes' would be charged 30% of their income as rent, capped at the market rent, with this change taking effect in November 2005.¹²

The average rent charged for each dwelling is 58% of the market rent (2003-04).¹³ The average cost of providing assistance to a dwelling (excluding capital cost) is \$4,822 (2003-04)¹⁴

Of the subsidized tenants, 91% have a social security payment as their primary income source.¹⁵ The main income source tenants have are: age pension (28%), disability pension (26%), parenting payment (17%), Newstart allowance (9%), other Centrelink benefit (9%), wage (5%), other (4%).

Of the subsidized tenants, nearly half live in sole person household (49%); this is a dramatic change in the profile of public housing tenants compared with the immediate decades after World War 2. The other household types are: single parent (20%), couples (10%) group household (9%), couple with children (5%), and other (7%).¹⁶



Indigenous households are more dependent on this tenure than non-indigenous households: 22% are public housing tenants, compared with 5% of non Indigenous households.¹⁷

A clear advantage that public housing has over private rental housing for low income renters is a reduction in the proportion of income spent on rent.

Community Housing – Key Facts

The CSHA - funded community housing sector is smaller than the public housing sub-sector, with 19,060 households in New South Wales (June 2004).¹⁸ This sub-sector is expected to grow to some 10% of the social housing stock by 2006.¹⁹

There were 17,160 applicants on waiting lists for community housing in 2003-04. New South Wales has a quarter of the national community housing stock. There are some 190 community housing providers in New South Wales.

The average cost of providing assistance to a dwelling (excluding capital cost) is \$8,036 (2003-04).²⁰

The profile of residents in it is generally similar to that in public housing because most community housing associations use a similar eligibility policy. The proportion of new tenancies allocated to households with special needs was 63% in 2002-03, compared with 52% for public housing. And more community housing tenancies are allocated according to greatest need: 82%, compared with 29% for public housing. The welfarization of community housing is being accelerated by a policy for 20% of new capital supply in this sub-sector being for dwellings for people with high support needs.



There are two significant strands of non-profit rental housing provided by non-government organisations that are not usually seen as part of the community housing sector:

- Rental housing for people with disabilities in group homes, subsidized under state government funding programs in the disability and mental health portfolios – most group homes for people with disabilities are owned and managed by the state government, through the Department Disability, Aging and Home Care, but they are not usually seen as ‘public housing’;
- Rental housing for older people in residential care facilities (hostels and nursing homes), subsidized directly by the Commonwealth Government; non-profit organisation provided 65% of the residential places, Australia – wide, in 2002-03, and particularly dominated service provision in rural and remote areas; the rest are provided by commercial (‘for profit’) providers and government agencies.²¹

Sustainability of Social Housing

The issue of the sustainability of social housing is central to the terms of reference of this inquiry. The changing economic and social environment, together with increasing funding constraints, has presented state housing authorities with a range of problems which threaten their ongoing viability.

Key points to note in New South Wales are:



- 92% of the state budget allocation for public housing is spent on maintenance and upgrading (2005-06)²²
- Only 8% of the public housing budget is spent on new stock (2005-06).²³

Increased targeting of social housing has dramatically changed the tenant profile, with 90% of public housing tenants now on statutory benefits – virtually a reversal of the situation of 25 years ago. (In 1976, for example, only 20% of public housing tenants were on rebated rents.) About two – thirds of tenants in public housing are aged - and disability support pensioners. Changing social patterns, including the breakdown of traditional families and the increase in single-parent and single-person household, have also had an impact on tenant profile.

This has meant a substantial drop in rental income for state housing authorities, with relatively few tenants paying higher rents (up to market level). The movement from two-income to one income households contributes to falling rent revenue per dwelling.

Increased targeting of social housing has also meant an increasing percentage of tenants with high and complex levels of need. This, in its turn, has required a substantial change of emphasis from primarily provision of housing to delivery of services and intensive tenancy management. It has also meant increasing costs involved in sustaining tenancies and in dealing with increasing levels of property damage, crime and vandalism.

The profile of the tenant population as one characterized by high need is reinforced by policy directions announced on 27 April 2005, which tighten eligibility criteria and end 'tenancy for life' tenure for new applicants.²⁴

Aging and increasingly inappropriate stock has forced a change from new (and additional) construction to high and increasing levels of overdue and recurrent



maintenance. The average age of a public housing dwelling in New South Wales is 25 years. Maintenance of dwellings has soaked up substantial amounts of funding under the CSHA, especially as declining rent revenue cannot cover both operating and upgrading costs.

These factors, combined with a continuing decline in Commonwealth funding, have led to a declining revenue base in real terms. Commonwealth expenditure on CSHA assistance declined by 18.6% between 1993-1994 and 2002-03. Included in CSHA expenditure in 2002-03 was \$89.7 million of goods and services tax (GST) compensation paid to state and territory governments.

The Commonwealth subsidy to NSW public housing through the CSHA has contributed some 16 -19% of the Department of Housing's total revenue in the early 2000s.

In New South Wales the number of public housing units has remained stable over the last few years. See Table 1.

TABLE 1: UNITS OF ACCOMMODATION MANAGED BY PUBLIC HOUSING

Year	2001-01	2002-03	2003-04	2004-05
Units	129,927	129,185	128,798	128,461

Source: NSW Government Budget estimates.²⁵

The number of completions of new public and community housing dwellings has declined in New South Wales over the last few years. See Table 2.

TABLE 2: UNITS OF PUBLIC AND COMMUNITY HOUSING COMPLETED

Year	2001-02	2002-03	2003-04	2004-05
Units	1,083	806	662	692

Source: NSW Government Budget estimates.²⁶



It is acknowledged that modest growth is required to reconfigure public housing stock, to break up concentrations of high-need tenants on large estates, and to seek a broader mix of tenures to contribute to the sustainability of local communities. This also raises other issues, like:

- The role of asset sales as a means of asset management to achieve these ends and to help plug revenue gaps, and how to find an appropriate balance – asset sales have helped state housing authorities manage their operating deficits but this cannot be continued indefinitely; and
- The need to attract private finance as an additional revenue stream.

Among the sustainability problems faced by state housing authorities is the problem of debt repayments. This arises from the fact that CSHA funds were provided to the states as loans from 1945 to 1989, at which time they became grants. At 30 June 2001, state housing authorities still owed a total of \$4.06 billion, of which New South Wales owed \$1.556 billion, or 38%. Annual repayments from state housing authorities total \$243 million. This is an increasing cost burden and a serious constraint on funding flexibility.

Alternative sources of financing

Since the Commonwealth government's National Housing Strategy in 1992, there has been broad discussion of attracting additional investment into social housing, and, since the late 1990s, into 'affordable housing'. This debate has been sharpened by the decline in CSHA funding, and the need to find additional funding resources.

To date, there has not been marked success in setting up appropriate vehicles to attract private sector investment, as an alternative to financing social housing by taxation or public debt.



The NSW Department of Housing is using a privately-financed project (PFP) approach for redevelopment of a few public housing estates.²⁷ A PFP is a public-private partnership that involves the creation of a new assets through financing and ownership control by the private party and private sector delivery of related services that would normally have been provided by government. Government contributes to the establishment of infrastructure, for example through land, capital works or risk sharing.

In addition to looking towards private investment to try to find a way out of the overall crisis in funding, there are also other ways in which governments, might be able to raise additional finance for housing. One option could be for revenues for state taxes like stamp duty and land tax could be applied, in whole or in part, to easing the housing unaffordability crisis.

Another option which can specifically target the current crisis in the social housing sector is public church partnerships (PCP).



CCHL SPECIFIC RESPONSE TO INQUIRY TERMS OF REFERENCE

Term of Reference 1:

Current levels of funding for the development of new housing stock

Public Church Partnerships: a means to develop new social housing stock

Churches Community Housing Ltd. (CCHL) has a history of facilitating Public Church Partnerships, based on the understanding that churches have underutilised land/buildings that can be developed as viable community housing projects in New South Wales. CCHL encourages dialogue between the parties by educating churches, by facilitating meetings and projects, and by mediating between churches and public agencies to deliver an increase in the number of community housing units for people in housing need.

In a 2002 discussion paper entitled: *Public Church Partnerships: Barriers to Accessing of Church Assets for Community Housing*, CCHL identified two significant barriers to effective utilisation of church land/buildings (which are owned outright by the churches). These barriers centre on *equity* and *title*. These barriers are interrelated and have been a consistent stumbling block to the delivery of significant increases of 'low cost' housing stock in NSW.

Both the abovementioned paper and Churches Community Housing's submission to the Standing Committee on Social Issues of Legislative Council's Inquiry into Community Housing in 2002, set out the case for addressing the policy vacuum in NSW where there is no apparent policy or consistent position on title and equity arrangements in a partnership. The proposition advanced in both documents is that churches retain title of their land and that government negotiate a progressive reduction of its equity in a partnership over a reasonable period of time.



It has been previously argued by CCH that Public Church Partnerships (PCPs) has the capacity to 'stretch' the limited resources of both churches and public agencies and deliver real measurable improved outcomes for the people of NSW. The concept of partnerships as a way of maximizing resources to generate new community housing units has received a lot of attention. However the potential for partnerships in NSW is far from realised.

The 2002 CCHL "Barriers Paper" stated:

"Over the last 12 months \$10 million dollars worth of church assets have been proposed for public church partnerships (representing 8 different churches/agencies) with only \$3.6 million likely to progress. Of those progressing, projects that are located in the inner ring of Sydney will usually have churches contributing 50% to 60% of the equity with the public agency contributing the remainder. The other \$6.4 million of potential assets have been withdrawn due to a range of inter-related issues including title and equity."²⁸

By the close of 2005, while Church interest in partnerships in community housing (PICH) continues, the absence of a formally articulated PCP program, has resulted in the successful funding of only one PICH application in a non metropolitan location. Such poor engagement in partnerships with the church sector within the PICH program can be attributed to: The combination of miniscule funds available, combined with the Government's desire to maximize its allocation by targeting fund to areas of highest need; While from the perspective of churches who have land or property in sought after areas for community housing, the economic encumbrances of joint title or tenants in common and lack of amortization, offers little attraction in comparison to other financially flexible and appealing alternatives of developing their property.

It is clear that finalization of a policy framework for Church/Government partnership is now desperately overdue. CCHL welcomes recent initial discussions with the Office of Community Housing on this matter and strongly recommends that consultation and collaboration with the Church sector proceeds



to develop a policy framework for Public Church Partnerships. The principle issues that need to be addressed are those of title, equity and amortization – with exploration of flexible funding models and innovative affordable housing products.

Churches recognise that government has a responsibility to secure its investment in a housing development as a way of ensuring long -term viability of the social housing sector in NSW. Churches have similar responsibilities with their property portfolios. Other than the present arrangement (Tenants-in -Common), some mechanisms that attempt to satisfy the requirements of both parties are currently under consideration. However, in developing the policy framework, the church sector's objective would be that the following terms be openly discussed;

- Where the church/organisation owns the land freehold, consideration be given by government of the church group's stewardship responsibilities to present and future generations.
- The retention of sole title should be considered with all improvements progressively transferring to the land provider.
- That a period of 25-30 years be negotiated as the 'reasonable' life of the project and that the government's equity be amortized over that period of time.



Inquiry Term of Reference 2:

The effectiveness and appropriateness of housing allocations

Findings of recent AHURI research on social housing allocation systems,²⁹ have centred on the trends in Australia and comparison with overseas innovations in allocation. The researchers point out that social housing allocation systems are distinguished by the fact that access is determined primarily on *administrative* criteria. This model of access stands in contrast to access to private housing which is based primarily on household choice, with the chief mechanism to ration supply being market rent levels.

Based on evidence that from the mid 1990's there has been a distinct movement towards greater targeting of social housing allocations to those in greatest need, the researchers suggest that social housing allocations are the result of 3 discernable processes all focussed around housing persons in particular need:

- **Strategic planning** (in which key target groups are identified and the purposes of housing that group – such as whether they are transitional or longer term tenants – are defined);
- **Primary rationing** (in which criteria for rationing are developed and decision rules are developed for excluding applicants); and
- **Secondary rationing** (in which criteria for rationing are developed for matching households with housing suitable for their purposes).

The challenge posed for organisations such as CCHL is to reflect on the unique positioning of church housing providers in the social housing sector to work through issues about allocations and consider reforms which are consistent with our own agencies along with the best development of the social housing sector as a whole.

One of the dangers of over reliance on administrative solutions for social housing allocations is the temptation to institute a single centralised system



for allocation. This 'one size fits all' approach is a logical outcome of rationing in a climate of declining real funding and static housing stock and is unlikely to deliver better outcomes to individuals requiring social housing.

CCHL housing agencies are known for their ability to respond to the special needs of people facing challenges, which include the need for shelter and a home. Key to the church agencies' provision of housing to meet the needs of its clients, is the maintenance of the current system of '*nomination rights*'.

'Nomination rights' over a particular set of properties allows the church agencies to allocate housing to the recipients of their (support) programs. Most church agencies have a specific expertise, focus and target group; and attract applicants/clients accordingly. The specificity of the client base can influence the type and design of housing stock and the length of tenancy – which is often short to medium term.

It is critical for church housing agencies that the certainty of the process of nomination rights is assured.

Commenting on the prospect of a common allocation process as ludicrous, Sister Myree Harris from Gethsemane Community Inc. at Petersham, for people with mental health issues, spoke of her concern that people with mental illness and people with intellectual disability's special accommodation and support needs would be poorly addressed within the 'cumbersomeness' of such an allocation process.

It is essential that social housing providers with knowledge of the housing needs and individual support requirements of people with mental illness and those with intellectual disability, have a role in allocation for this group of social housing applicants.³⁰ Sister Myree cited the diversity of accommodation



models required by people with mental illness and intellectual disabilities e.g. living independently, with someone else or in shared support – cluster housing. She also mentioned the importance of best practice models such as HASI.

Similarly Lorraine Eddy, Coordinator of Assistance with Care Housing Program with Centacare based at Liverpool, did not see any advantage in a centralised or common allocation system to deal with the huge ageing population who increasingly require social housing. She believes that the public housing system is not coping with the large number of ageing applicants and their special requirements currently and again stressed the importance of housing providers who have the knowledge and expertise around housing older people.

Church support agencies such as Centacare are partnered with registered Community Housing providers, e.g. Churches Community Housing Ltd and Hume Housing – who work together to acquire housing stock suitable to the needs of specific populations. It is therefore critical that church support agencies and community housing providers are able, via nomination rights, to conserve their stock based on specific programs and populations.

This proposition is pivotal to the effective operation of CCHL. Established in 2003 as a tenancy management company, CCHL is a registered housing provider managing 265 units of property in the Sydney metropolitan area. CCHL is partnered with a range of support agencies and the majority of tenants in the managed properties receive support or are in programs delivered by the support agencies. As a rule these agencies have nomination rights to the properties associated with their programs.



Support Partner Agencies with Churches Community Housing Ltd.

Support Partner Agency	Program Name	Target Group
Haymarket Foundation	Bourke St houses	Drug recovery
Mission Australia	WISH Program	Women in supported housing
NSW Alcohol & Drug Foundation	Kathleen York House	Women in recovery
Centacare	Family Services	Families/young women with children
Centacare	Alive Program	Youth/families
Centacare	Aged Care Services	Aged
Mission Australia	Crossing Program	Youth
Gethsemane Community	Gethsemane Project	Mental Health
Northern Area Mental Health Services	Assertive Recovery in the Community (ARC)	Mental Health
Mission Australia	Fairfax House Project	families
Mission Australia	Gateway Project	Single men
St Vincent de Paul	Outreach Program	Single men
St Vincent de Paul	Rendu Centre	Youth
St Vincent de Paul	Vincentian Family Services	Families
Uniting Care	Bowman Street	Mixed – long term general housing
St Vincent de Paul	Marian Centre	families

The future for achieving effective and appropriate social housing allocations, lies with an acknowledgement of the strength and value of a coordinated multi-provider social housing system. This approach assumes that individual social housing providers will operate within an environment which fosters flexibility and choice based on the specific characteristics of the sector they serve.



Inquiry: Term of Reference 3

Role of Community Housing in meeting demand for social housing

Comment on the opportunities of Public Church Partnerships to grow the social housing sector have been discussed previously, however the critical conditions for this growth is within the community housing sector.

The community housing sector is an environment which distinguishes itself from public housing in its size, its flexibility, its diversity and capability for innovation. As independent businesses, community organisations can utilize and leverage wider sources of finance – adding considerable value to the public dollar.

The very diversity of community housing providers can be seen in the operations and specific “community” focus of each community housing organisation. Take for example, Churches Community Housing Ltd; Argyle Community Housing and Women’s Housing. Each of these organisations is based on the requirements of very different constituencies.

In the case of these 3 providers their constituencies are based variously: on an affiliation with church supported housing agencies (CCHL); on geographic location in the Campbelltown area and the southern highlands (Argyle), or on housing a particular target group in this case, single women (Women’s Housing). Of necessity, each community housing organisation will choose options and methods of operation which are suitable and effective for achieving the outcomes required by their particular constituency.



Similarly, opportunities to grow community housing for their particular constituency will often be based on the logical connections, relationships and networks associated with the individual community housing organisation.

In the case of the church housing sector, there is obvious potential in the more established church denominations, who are in fact large, dynamic corporate organisations, to explore new forms of partnerships with government, including affordable housing. Most have administrative infrastructure and personnel who manage substantial finance and property portfolios worth hundreds of millions of dollars. Churches' professionalism, compassionate care, their capacity to integrate services with housing and the manner in which they deliver cost-effective services, make them ideal partners with government.

It is likely, if the diversity of unique community housing organisations are enabled to flourish – as in the case of the church sector progressing its request to lift the barriers regarding title and equity in negotiating partnerships in the church housing and community housing sector, there will be genuine opportunity for not only the creation of new community housing but also extending options for financing affordable housing.

CCHL however does have concerns about the effects of the recent legislative changes of 'reshaping public housing' on the potential opportunities for growing community housing. CCHL would be particularly concerned if any elements of this policy were to be extended to the operation of the community housing sector. CCHL's concern is about the limitations that a standardised set of procedures set by government would bring to the unique and flexible operations of the community housing sector. One most compelling reason why community housing cannot adopt the same standardised procedures as public housing, relates to community housing organisations' need to maintain



its current tax status as NGO charitable organisations. There has been a Victorian Supreme Court ruling where organisations whose business approach is prescribed by government, will be seen as “an agent and creature of government” which will cost them their tax status.³¹

The critical advantage of the community housing sector is its diversity and its ability to apply flexible models by supplying housing to different target groups of people in need.

Flexible models of public church partnerships where churches retain sole title of their land and the capacity to borrow against it, facilitates possibilities of developing additional affordable housing for people on low incomes living in mixed communities in terms of levels of income and levels of need. This approach allows projects to be financially viable and self-sustaining, especially through the opportunity for cross subsidization and allows further development of new projects.

For examples of two different models where mixed community housing developments are in operations see Sydney's Citywest Housing³² based in Pymont and Bridge Housing³³ based in San Francisco.

Steve Bevington, Managing Director of Community Housing Limited based in Victoria and chairman of Community Housing Federation of Australia, speaking on ABC Radio National's program, *Perspective* on February 13, 2006, spoke about the Bracks Government backing the community housing sector. And giving them access to an initial \$75 million dollar fund to promote the growth of affordable housing in Victoria. He said:

“Why are they backing it? Because more housing - about one and a half times more housing –can be developed for the public housing dollar through community housing, as compare to other housing options. In addition, the government can hand over responsibility for the maintenance and management of the property to the long- term housing experts.



Community housing organisations can make the public dollar go further by matching public funds with a combination of other capital, such as private finance, community donations, and local councils making land available.

Australia's continued prosperity is important for our society as a whole, however, keeping communities together by not marginalizing the low income earners, the poor, or the elderly is a recipe for stronger and more caring communities.

Affordable housing makes communities inclusive rather than exclusive, diverse rather than one-dimensional. It allows our economy to function more effectively, enabling within a single community a mix of professions, tradespeople, the essential service workers and the labourers. Community Housing is an essential ingredient to a better life for all Australians.³⁴

It is hoped that with the assistance of the foreshadowed Community Housing Legislation, that the community housing sector in New South Wales will be enabled and supported to take the bold initiatives necessary to create new community housing, resulting in a widened pool of social housing.

Endnotes

¹ Churches Community Housing Ltd, *Churches Community Mapping Project Report*, October 2005, p.2
The majority of church housing providers describe themselves as providing supported housing or a mix of support or generalist housing. Of the 1489 tenants within church properties 73% were receiving some sort of support.

² Churches Community Housing Inc, *Public Church Partnerships: Barriers to Accessing of Church Assets for Community Housing – A discussion Paper*. May 2002.

³ AHURI Research & Policy Bulletin, *Social housing allocation systems – how can they be improved?*
Issue 64 September 2005 ISSN 1445-3428

⁵ Department of Family and Community Services, *Housing Assistance Act 1996: Annual Report 2002-2003*, Canberra, 200-4, p. 151



³ Australian Institute of Health and Welfare, *Commonwealth State Housing Agreement national data reports 2003-04: public rental housing*, Canberra, AIHW cat. No. HOU 114, January 2005, p.20; data for 30 June 2004.

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⁷ Department of Family and Community Services, *Housing Assistance Act 1996: annual report 2002-2003*, Canberra, 2004, p. 151.

⁸ Australian Institute for Health and Welfare, *Commonwealth State Housing Agreement national data reports 2002-2003: public rental housing*, Canberra, AIHW cat. no. HOU 114, January 2005, p.8.

⁹ Australian Institute of Health and Welfare, *Commonwealth State Housing Agreement national data reports 2003-04: public rental housing*, Canberra, AIHW cat. no. HOU 114, January 2005, p.24. Special need is defined as low-income households that are Indigenous, have a member with a disability, have the principal tenant aged 24 or under, or have the principal tenant aged 75 or more.

¹⁰ Greatest need is defined a low income households that were in one of the following circumstances at the time of housing allocation: they were homeless; their life or safety was at risk in their housing; their health condition was aggravated by their housing; their housing was inappropriate to their needs; or, they had very high rental costs (Department of Family and Community Services, *Housing Assistance Act 1996 annual report 2002-03*, the Department, Canberra, 2003, p.18).

¹¹ NSW Department of Housing, 'Who is eligible for public housing?', Fact Sheet, n.d. (April 2005)

¹² NSW Department of Housing, 'Changes to rent subsidy' Fact Sheet, n.d. (April 2005).

¹³ Australian Institute of Health and Welfare, *Commonwealth-State Housing Agreement national data reports 2003-04: public rental housing*, Canberra, AIHW cat. no. HOU 114, January 2005, p.15.

¹⁴ Australian Institute of Health and Welfare, *Commonwealth State Housing Agreement national data reports 2003-04: public rental housing*, Canberra, AIHW cat. No. HOU 114, January 2005, p.31

¹⁵ NSW Department of Housing, *Annual report 2003-04*, NSW Department of Housing, Ashfield, 2004, p.7

¹⁶ *ibid*

¹⁷ The data are for Aboriginals and Torres Strait Islanders, not Aboriginals; for Australia, not New South Wales; and are from 1999. the source is Australian Bureau of Statistics, *Australian Housing Survey – Aboriginal and Torres Strait Islander Results*, Cat. no. 4712.0, ABS, 2001

¹⁸ Data in this paragraph are from the Australian Institute of Health and Welfare, *Commonwealth-State Housing Agreement national data reports 2003-04: CSHA community housing*, Canberra, AIHW cat. no. HOU 113, January, 2005

¹⁹ NSW Department of Housing, '2005/06 New South Wales Budget commentary on the Housing Policy and Assistance Program', NSW Department of Housing, May 2005, p. 13.

²⁰ Australian Institute of Health and Welfare, *Commonwealth-State Housing Agreement national data reports 2003-04: CSHA community housing*, Canberra, AIHW cat. no. HOU 113, January 2005, p.30.

²¹ See www.ageing.health.gov.au/about/agedaust1a.htm, site viewed 24 February 2004.

²² NSW Government, Budget estimates 2005-06; *Budget paper no.3, volume 2*, NSW Treasury, Sydney, p.9-13



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- ²³ NSW Government , Budget estimates 2005-06: Budget paper no.3, volume 2, NSW Treasury, Sydney, p.9-13. New stock is not additional (extra) stock adding to the total supply.
- ²⁴ NSW Government, 'The NSW government's plan for reshaping public housing' (27 April 2005), online at www.housing.nsw.gov.au, viewed at 28 April, 2005
- ²⁵ NSW Government, *Budget estimates 2005-06: Budget paper no. 3, vol. 2*, NSW Treasury, Sydney, p.9-12.
- ²⁶ NSW Government , *Budget estimates 2005-06: Budget paper no. 3, vol. 2*, NSW Treasury, Sydney, p.9-12.
- ²⁷ NSW Government, *Working with Government: guidelines for privately financed projects*, Sydney, November 2001, p. 55
- ²⁸ Church Community Housing Inc. *Public Church Partnerships: Barriers to Accessing of Church Assets for Community Housing*, May 2002. p.6
- ²⁹ Dr Kath Hulse and Professor Terry Burke, AHURI Project 50141 *Allocating Social Housing*. September 2005. Reports of Project can be found on the AHURI website (www.ahuri.edu.au) by typing the project number into the search function
- ³⁰ Sister Myree cited the diversity of accommodation models required by people with mental illness and intellectual disabilities e.g living independently, with someone else or in shared support – cluster housing. She also mentioned the importance of best practice models such as HASI. Based on a telephone conversation with Sister Myree Harris from Gethsemane Project Inc , Feb 2006.
- ³¹ Reported in Adam Farrar article "Reshaping Community Housing". *Housing Matters*, Newsletter of the NSW Federation of Housing Associations, Dec. 2005 p.
- ³² City West Housing Office at The Hub, Suite 61, 89-97 Jones Street Ultimo. 2007
- ³³ Bridge Housing, San Francisco, California. Web address: www.bridgehousing.com
- ³⁴ Steve Bevington, talk given on *Perspective Program*, ABC Radio National, 13 February, 2006

