

**INQUIRY INTO THE ALLOCATION OF SOCIAL HOUSING**

**Prepared By:**

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**On Behalf of the Aboriginal and Tenancy Advice Services NSW**

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20<sup>th</sup> February, 2006

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

Dear Committee:

Following your invitation to submit a submission in respect to the above inquiry, we have pleasure in attaching our contribution. This submission is a collective response from our Aboriginal Tenants Advice & Advocacy Services throughout NSW. The response was ratified at our Conference on 8 – 10 February 2006 held in Sydney. It is a pleasure to forward this submission, however, information abounds on the financial and social implications currently being experienced by tenants, potential tenants and families within Australia and the never ending inquiries and submissions sometimes appear to overwhelm the public, not to mention organizations concerned with addressing social housing needs, when the facts and figures are available for government bodies and policy makes to refer to. On the Internet alone there are 3,210,000 Australian sites analysing,<sup>1</sup> discussing and determining the need of social housing and the needs of families and individuals churning out the same information over and over again but in a different format.

As the Aboriginal Resource Unit (ARU) is constantly involved in the consequences of government policies in respect to housing, we sincerely hope that your findings will assist in the creation of policies (and or amendments), that will assist all Australian in need to access the basic right of affordable and secure social housing and then to progress from social housing to the acquisition of their own home. The transition from social housing to the homeownership or private rental is a huge gap where progress needs to be initiated. The Rentstart Program is of temporary assistance to clients and the Rental Assistance Program is tied in with Centrelink and family payment assistance whereby assistance is provided determined by gross income and, if circumstances improve for the client, once again assistance is minimised or ceased. Once again, clients need to be on very limited income to access the full benefits of these policies.

According to NSW Department of Housing Corporation Directions 2002 – 2004 one of the main objectives was “Focusing on our clients”. “We will support our clients and customers to make informed decisions about their housing and where there are systemic barriers to access, we will work with clients and service partners to identify and eliminate them”.<sup>2</sup> From the Aboriginal Tenancy & Advocacy Service Workers and the ARU perspective, these systemic barriers have not been eliminated.

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<sup>1</sup> Google Search, 31.1.06.

<sup>2</sup> NSW Department of Housing Corporation Direction 2002 - 2004

It is noted from the Auditor-General's Report to Parliament 2005 "Waiting lists for public housing have decreased over the past five years from 96,000 in 2001 to 69,000 at 30 June 2005. The Corporation advises us that this is mainly due to improved management of the housing register".<sup>3</sup>

There could be other reasons for this downward trend including:

- The time taken between placing the application and the actual allocation of housing. A simple action such as the clients change in address without immediate notification can strike them off the register. We are personally aware of cases that have waited 16 years.
- Constant evictions taking place
- The cut-off point for being placed on the register has not increased in line with wages, rent and living expenses, leaving many vulnerable families homeless and/or being placed on the "black list" for rental arrears or in extreme housing stress. The cut off point for eligibility is \$395.00 gross – not the actual amount being received. If the tenant is lucky enough to be housed the Department of Housing determines rental on these gross amounts – taxing from wages, then this tax being taken into account to calculate rentals. So the tenant is paying rental on tax already paid. Individuals earning above \$395.00 are not eligible. Taking into consideration the average individual income is **\$54,000.00** the cut-off points are listed in the table below.
- Policies have become inflexible and stricter to the extent that public housing only encaptures those with multiple disadvantages.

No of persons in Household	Maximum total weekly Income	Year Income
1 person	\$395.00	\$20,540.00
2 persons	\$500.00	\$26,000.00
3 persons	\$580.00	\$30,160.00
4 persons	\$665.00	\$34,580.00

By analysing the information, this weekly income restriction is bordering on families living in absolute poverty before they are eligible for assistance. These income levels need to be increased with a total weekly income that reflects and encaptures Australian families in situations that need assistance in respect to housing. Consideration should be given to private rental costs, childcare costs, living expenses, educational expenses etc.

<sup>3</sup> Auditor-General's Report to Parliament 2005 Volume Four page 97.

## 1. Current Levels of Funding for the Development of New Housing Stock.

After perusing Annual Reports from 1998 – 2005 and Corporate Direction strategies, several alarming points, if understood correctly, surfaced. The emphasis appears to be concentrating on Management, Client Satisfaction and Maintenance – very little if anything is mentioned in regards to strategies to increase housing stock that is publicly owned and managed.

Properties Under Public Housing Management	
1995 – 1995	132,275 <sup>4</sup>
1996 – 1997	133,714
1997 – 1998	133,198
1998 – 1999	133,950
1999 – 2000	133,463*
2002 – 2003	125,216 <sup>5</sup>
2003 – 2004	124,735 <sup>6</sup>

One can only come to the conclusion when analysing this information that Housing Stock managed and/or owned by the Department is decreasing and that properties are being sold and/or demolished than being developed. The Auditor-General's Report to Parliament also states "a decrease of \$56,000,000 in government grants" for 2005<sup>7</sup>.

It is very difficult to fully pull together all aspects of Social housing when there are numerous parties involved in the Management, Construction and Investment components. These Companies, Organisations and/or Departments include (that we are able to establish at this point in time), Resitech, Businesslink, The Land & Housing Corporation, AMP, Macquarie Goodman – even Centro Real Estate who have a property on the market currently being leased to New South Wales Land & Housing Corporation with a 7 years lease remaining. Perhaps it could be in the interests of the Public to be informed of all the parties involved in the provision of social housing and under what circumstances.

The New South Wales Land and Housing Corporation has developed Public Equity Partnerships. One of these partnerships exists with AMP whereby "In June 1991 and October 1993, the Corporation sold 1,490 residential properties to the AMP Society for \$130 million and \$69.169 million respectively".<sup>8</sup> The Housing Corporation manages the properties, AMP is guaranteed rental shortfall by the Housing Corporation and when the properties are disposed of the Society is entitled to a return of capital plus a share in capital profits. These 1,490 properties were sold for \$199.169 million in total – an average of \$133,666 per residency. What a shame that low-income earners or indeed any

<sup>4</sup> Department of Housing Annual Report 1999-2000

<sup>5</sup> Auditor-General's Report to Parliament 2005 Volume Four page 99

<sup>6</sup> Auditor-General's Report to Parliament 2005 Volume Four page 99

<sup>7</sup> Auditor-General's Report to Parliament 2005 Volume Four page 105

<sup>8</sup> New South Wales Land & Housing Corporation Annual Report for the year ended 30 June 2004 "Notes to and Forming Part of the Financial Statements" page 61.

home purchaser cannot access such bargains. One must ask whether the public are aware of the transfer of public properties to private companies. It would also be a reasonable suggestion that the public be informed of these arrangements - otherwise the public may interpret Government policy without knowing the facts.

Upon examining the annual reports from 1998 to 2005 under sale of residential properties it is of some concern the losses reported in selling these properties. The table below examines:

Year	Sales Proceeds	Cost of Sales	Gain	Loss
2005				9,691,000
2004	\$70,636,000	\$62,737,000	\$6,228,000	
2003	\$98,719,000	\$68,884,000	\$27,696,000	
2002	\$143,455,000	\$122,828,000	\$17,478,000	
2001	\$70,900,000	\$72,374,000		\$1,474,000
1999	\$54,667,000	\$76,807,000		\$23,697,000
<b>TOTAL</b>	<b>\$438,377,000</b>	<b>\$403,630,000</b>	<b>\$51,402,000</b>	<b>\$34,862,000</b>

Please take note that these figures do not take into account demolishes nor Land sold. Not sure how accounting processes work, but a total gain of \$51,402,000 was accounted for after selling proceeds accounted for \$438,377,000. If these properties were renovated to ensure they are marketable why are they not retained to recoup the renovation costs and give a better return to the Department plus maintain and help increase our housing stock level.

The table below records funding levels (to the best of our knowledge) as indicated in Annual Reports.

Year	Consolidated Fund Allocation	Remarks
2005	\$394,187,000	Decrease of \$56,000,000.
2004	\$450,258,000	
2003	\$434,000,000	
2002	\$557,193,000	
2001	\$432,646,000	
2000	\$395,139,000	
1999	\$349,836,000	

If we have reported this correctly, funding for 2005 has returned to below 2000 levels. Funding levels should be increasing in line with CPI and increasing property values and surely, the above figures do not indicate a policy of expanding the potential to increase housing stock.

It is often commented on that the Department demolish or sell properties to raise money to increase housing stock, however, the two tables above completely contradict this understanding. This leads one to assume that more properties are not being purchased and costs in relation to maintaining properties are increasing. An example of this is reflected in Resitech Annual Report 2001 – 2002 “NSW Department of Housing Demand For Construction Services continued to decline as more funds were directed into upgrading services”.<sup>9</sup> Having stated this, however, Macquarie Goodman, a publicly listed company delivering “complete Property Solutions” has indicated in its Annual Report 2003, a list of their Top 20 Customers where the NSW Land & Housing Corporation lists as number 14. Macquarie Goodman’s 2005 report indicates properties being held to the value of \$41.4 million dollars<sup>10</sup> with the NSW Land & Housing Corporation nominated as the Customer.

**Aboriginal Housing Office:**

The following Grants were received by the AHO as follows:

<b>Department</b>	<b>2004</b>	<b>2003</b>
Commonwealth/State Housing Agreement	\$39,765,000	\$41,832,000
ATSIC	\$17,990,000	\$12,635,000
Department of Health	\$20,000	\$168,000
Aboriginal Community Development Program	\$11,590,000	\$6,249,000
<b>Total</b>	<b>\$69,365,000</b>	<b>\$60,884,000</b>

It is interesting to note that the CSHA funding decreased and with the demise of ATSIC, will extra funding be provided in 2005 and consequent years to compensate.

There are 259 registered Aboriginal Housing Organisations, with a total of 3,075 Indigenous applicants for mainstream public housing with 8,700 in mainstream public housing and 588 Indigenous households in mainstream community housing.<sup>11</sup> These figures complement above statement highlighting the need for applicants to receive social housing.

One of the factors identified at our Koori Mini Conference was the need to prioritise where funding is to be allocated, as current funding will not allow the Aboriginal Housing Office to address all issues. It was stated “that if we are going to take over management of social housing which includes current Department of Housing stock and Land Council properties the Aboriginal Housing Office need to start on a level playing field and this will require Government funding to repair current stock (approximately 1,400 homes) with the average repairs costing an estimate \$30,000.00 per home”.

<sup>9</sup> Resitech Annual Report 2001-2002

<sup>10</sup> Macquarie Goodman Annual Report 2005 page 21

<sup>11</sup> Aboriginal Housing Office Annual Report 2003-2004 page 19

## **2. The Effectiveness and Appropriateness of Housing Allocations.**

Taking into consideration the above, the shortage of social housing appears to have put pressure on the government to implement policies to minimise the number of individuals and families that can access social housing and/or maintain their tenancy. This leaves socially and economically disadvantaged families and individuals in a constant dilemma.

- a. Do I improve my circumstances even minimally and lose my right to social housing?
- b. Do I continue working for low wages or do I cease working to maintain my eligibility?

There should not be this pressure on families. There should be policies implemented that encourage tenants to improve their circumstances without ramification to the security of their homes. Families who increase their income should automatically become accessible to programs, which allow them, with support, to purchase their home or alternatively purchase a home in another area (if appropriate). The issue of obtaining a deposit of 10% plus to cover the extra fees is more often than not unfeasible for many families. Even the above to purchase the home they are living in via a suitable program that assists with the legal and loan requirements and a repayment structure that is flexible (for example longer than 25 years) would assist during the transition period. It should also be acknowledged by the Government that many families in social housing do not have the capacity nor the knowledge to deal with the many legal and government requirements when purchasing property. Although some tenants may not be able to pay off their home in their lifetime – their children will have the opportunity to do so or use the equity for their own homes. This will give the children of socially disadvantaged families the same rights and families who own their own homes. It will also break the dependence on social housing for many families. There is a very evident gap between those on benefits and those financially able to service a mortgage. This gap must be minimised. The current system of not renewing “renewable leases” just places families in very stressful situations and encourages families to opt for the security of their home or a place for their family to call home is understandably utmost in their concerns.

Of course Rent start assists to move a person or family to private rentals, however, this only assists initially and the Rental Assistance scheme assists clients determined by income with full assistance only being given to those on benefits. The greatest barrier for Aboriginal people, large families and economically disadvantaged families is the fact that real estate agencies and the owners of properties discriminate against certain potential tenants. From an Aboriginal perspective it is not uncommon for families to try numerous times with numerous real estates to access private rental but are constantly declined. This discriminatory process should be acknowledged in government policies as a valid issue when applying and reapplying for social housing.

In respect to current allocations and the appropriateness of allocations, some examples among numerous incidences to highlight, are:

- a. Tenants whose children have moved out of their three or four bedroom home and have requested smaller premises within their own communities are declined because they do not fit the policies on transfers and are informed it is best to remain in their current premises as they cannot be transferred to smaller premises. This does not mean we are advocating forcing tenants from their homes into accommodation in other communities but if the client wishes to move, as the home is too large they are accommodated in smaller premises without any ramifications to their leasing arrangements or moving them from their community if they wish to remain.
- b. Single clients being offered 2/3 bedroom accommodation
- c. Medically unfit clients who have requested no stairs (eg suffer emphysema) being accommodated in upstairs accommodation with no lifts.
- d. Unrealistic demands on tenants such as the policy of the DoH whereby tenants having to prove that they can sustain a viable tenancy for six months in the private sector. This has occurred with clients before being eligible to be placed back on the waiting list for DoH housing. This request by DoH particularly affects Aboriginal families who, in particular Regional areas, are confronted with Real Estate Agents refusing to rent to Aboriginal people – not to mention affordability that is why they require social housing in the first place.
- e. Aboriginal clients, when requesting social housing, are required to submit an Aboriginality Form. When tenants wish to be placed back on the waiting list after proving to DoH that they have met all the requirements, after losing their previous tenancy with the department, are then asked to supply another form and this is offensive to the client. The old form is on their files. Aboriginality lasts one's whole life and cannot be changed at will. If the form meets the requirements of the Aboriginal Housing Office another form should not be necessary.
- f. Staff working in homeless and crisis accommodation informing us that "housing is just not available" to place families.
- g. Single mum three children, who suffered the loss of child being denied a transfer from her residence to another premises where the bedroom requirements would be less.
- h. High allocation of disadvantage groups should not be placed in one estate.

As a consequence of our Koori Mini Conference the Aboriginal tenancy workers identified the issues below and requested that they be incorporated into this submission.

1. In a number of regions, Departments have placed Aboriginal people in housing estates. Assumptions should not be made that all Aboriginal groups get along e.g. West Dubbo.



2. Eligibility criteria for community housing should not be exactly the same as DoH as it was felt that the criteria for eligibility for DoH tenancies is far too difficult to attain;
3. Regional independent teams that are well resourced – similar to Housing Appeals Committee - should undertake allocations. Eligibility should be considered on personal circumstances. It was noted that some DoH staff could discriminate against certain tenants;
4. All verbal information given to tenants should be confirmed in writing, as it has been noted that when issues arise the agreement which was made verbally is denied by DoH staff;
5. A member of our network and of the Housing Appeals Committee has informed that where applicants have appealed against non-eligibility and the Housing Appeals Committee have established that they have met all the criteria - their application will still be denied by the Department! Why have a Housing Appeals Committee if the DoH do not abide by their recommendations.

Workers at grass root level understand only too well the social implications of government policies. There appears to be an inconsistent approach to assisting families regardless of all the realms of government documents proclaiming the wonderful work undertaken in respect to social housing.

### **3. Role of Community Housing in Meeting the Demand for Social Housing.**

Many Aboriginal people define Community Housing as housing provided by Aboriginal Land Councils, Aboriginal Housing Organisations and the Aboriginal Housing Office.

#### **(a) The Department of Housing and Mainstream Community Housing**

Most Aboriginal people are aware of the Department of Housing, Aboriginal Housing Organisations and Land Councils, however, very few utilise and know of social housing options. There should be more promotion of social housing options within Aboriginal communities.

Although there are several policies within the Department of Housing that address and take into consideration Aboriginal culture and the family structure, there are many other policies that need addressing.

- Many of our workers have indicated that tenants have problems with maintaining succession of tenancy.
- Restrictions in maintaining family contact and values.
- Anti-Social behaviour policy leaves it open for any neighbour to complain without having to justify the complaints.
- Discrimination by Housing Provider staff needs to be addressed in the form of a policy which states that this is a real factor when determining outcomes for existing clients and potential clients.

#### **(b) Aboriginal Land Councils**

The Aboriginal Housing Sector has approximately 4,700 houses of which 2,600 are owned by LALC's – that is approximately 60% of the Aboriginal Housing Sector. Originally the Aboriginal Land Trust owned reserve lands and houses in communities but in January, 1983 the Lands Trust was abolished and stock was transferred to Land Councils. The Aboriginal Housing Sector has 260 organisations and 121 Land Councils in regions throughout NSW.

It is a well-known fact that most of the properties belonging to Aboriginal Land Councils are in desperate need of repair. There are several programs that are available to address this need but like most problems involving Aboriginal communities the issues need to be addressed and approached in a three-prong manner – training, community awareness and funding.

Planning for the future is an area that concerns many Aboriginal communities. Although our mortality rate is very high, funding should be made available to build units on Land

Council properties to allow single and the elderly to live and make larger homes available for young families. Most Land Councils have the available land to do so – therefore the equity. Most of our young ladies start their families a lot younger than the wider Australian community and often they remain in the family home. This adds extra strain not only on the parents but on the premises. Funding is substantially used for repairs, rates and maintenance – making it very difficult to build residencies for the young and the elderly.

There has been a precedent where the DoH, under the Supported Housing Program and the Community Housing Assistance Program, has worked with the Gandangarra Aboriginal Land Council to provide villas for tenants with mental health issues and the development of units to house Aboriginal families. Land Councils and Housing Organisations should be encouraged to work in with the NSW Land & Housing Corporation to provide housing under these programs. Funding possibly could also be obtained from other sectors to enable Land Councils to achieve this goal. However, in a lot of cases, Housing Organisations are not aware of programs that they can tap into. There should be some effort made to ensure that Aboriginal Housing Providers are aware of any funding from any department that is available for them to request.

#### © **Aboriginal Housing Office**

Since the establishment of the AHO many Aboriginal people believed that they would receive a service that was culturally appropriate. However, because the DoH manages AHO properties often the service is far from being culturally appropriate. The AHO have adopted most of the Department of Housing's policies with the exception of a few. The AHO urgently need to review DoH's policies to ensure that they are culturally appropriate. For example: Department of Housing – Policy EST0014A Additional/Unauthorised Occupants. Our Services have been contacted by numerous Aboriginal tenants regarding this Policy. Neighbours have complained but Aboriginal tenants have informed that it is not the same person and that non-Aboriginal people believe we all look the same.

## **CONCLUSION:**

The above appears to inform us that the Government seems to have lost the ethos of social housing. It appears, at this stage, that like other Government Departments, the public assumes that public housing belongs to the public actually is being sold or transferred to private corporations and businesses. However, keeping faith in the hope that just and fair policies will be forthcoming to ensure Social Housing is maintained and indeed increased to acceptable levels, we ask that issues highlighted in this report be considered. This report has been ratified by our Koori Conference, 8 – 10 March, 2006.

To wind up, we believe it would be in the interests of the Government to examine systems that exist in Europe and the Scandanavian Countries where in some countries, public housing accounts for 70% of the housing sector. There is also a need to consider housing a varied cross section of communities into public housing to minimise the issues that arise from estates being abundant with families who suffer discrimination albeit in the form of race, religion, economic or disability.

The Koori Mini Conference also stated that the consistency of Departmental Staff in delivering policies decisions needs to be addressed and that there is little accountability for staff's actions. One of the Department of Housing philosophies is that every attempt will be made to assist tenants to secure and maintain their tenancies. However, we have many instances where completely the opposite has occurred and every effort has been made to penalise or evict tenants with little or no support given to the tenant to rectify matters or assist with alternative housing options.