

**Submission  
No 34**

## **TENANCY MANAGEMENT IN SOCIAL HOUSING**

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# SUBMISSION BY THE PORT JACKSON BRANCH OF THE COMMUNIST PARTY OF AUSTRALIA

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## Inquiry into tenancy management in social housing

The Committee will inquire into, and report on, 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.

Submission by the Port Jackson Branch of the Communist Party of Australia.

### **Introduction to the CPA**

The Communist Party of Australia (CPA) has a long proud history of support for and extension of public housing. The Port Jackson Branch of the Party has been working on the issue of public housing in and around Glebe for many decades.

### **General Comments on handing tenancy management to the private sector.**

There is ample evidence that privatization has failed everywhere it has been tried. If it is in the electrical industry – prices go up and blackouts are more frequent. In Railways prices go up for consumers, maintenance and safety suffer.

The most recent long line of failures is what is called PPP's private public partnerships. The most appropriate one in this context is the use of SPOTLESS for maintenance of public housing properties. There are so many complaints about Spotless coming in that activists for public housing call it a Government policy of demolition and eviction by neglect. Spotless does NOT do its work well, we can document this with numerous cases. We can document the number of call backs and the victims of this neglect left stranded for weeks with urgent repairs which are not done or done so ineffectively that the victims have to begin another round of calling the so call 'hot line' for repair and waiting for 6-9 weeks and often giving up.

We call on the committee to take notice of an article in the SMH called 'Spotless makes sparkling debut on the stock market'. (SMH May 24-25) This article notes that the CEO of 'Spotless' earned a cool \$23 million in his shares as well as the company making nearly earning \$1 billion. We have asked everyone we can from the State Government, the Federal Gov and ASIC how did they pass a probity check when their record is dodgy in regard to some of the poorest people in NSW?

Using the SPOTLESS experience we can see that not only does the State have to pay for the dodgy, non-existent, tardy and shoddy services of that company but it has to contribute to the luxurious life style of its CEO and the profits of the company. This experience in the maintenance of public housing should have any Government of any stripe running a hundred miles from such a concept as

Licia Wood, Political Reporter, The Daily Telegraph, July 09, 2014 10:53am

NSW Community Services Minister Gabrielle Upton has welcomed the announcement.

### **PUBLIC housing rent, maintenance and inspections could soon be outsourced to the private sector.**

A parliamentary inquiry will investigate if better value can be found for taxpayers. The state government spends \$120 million a year on tenancy services to 117,000 public housing households.

Community Services Minister Gabrielle Upton said she welcomed the inquiry announced yesterday. "It's sensible and appropriate to review such a major and important area of public expenditure," she said.

However, the script is written in concrete it seems the private is always better and the Minister Upton has complied with this mythology in the face of overwhelming evidence for the contrary.

We draw your attention the recent article by Rob Oakeshott (former LNP member of state and Federal Parliaments) in *the Saturday Paper* (9 Aug) and his remarks to the Wheeler centre in Melbourne.

*The rules are simple: fight the bastards, bankroll the other side of politics, cause them damage until they learn to ignore treasury and finance advice and start listening instead to that grubby leveler in politics – money.*

....

*Our key decisions for the future of Australia are now being outsourced at a level never before seen. Parliamentary democracy is going through its own sort of privatisation.*

We would ask the committee to come at this issue from a social justice perspective rather than a purely monetary one. We have proved that private sector is the wrong sector to provide services to the public housing, will cost more money, will transfer money from the public purse to the ultra-rich. Your experience of failed PPP's in the State, of SPOTLESS and a myriad of cases from overseas and here that privatization will not work. Privatisation of tenancy services is a bad idea and will cause more distress than there already is in public housing.

This is an idea which comes from the Neo Liberal handbook, the very same principles that led to the GFC and the current demise of the economies of Greece, Spain and Ireland. Reject this notion of saving money on the administration of public housing and reverse a long standing 'bleeding obvious' failure of Government to adequately fund and appreciate public housing.

**• the cost effectiveness of current tenancy management arrangements in public housing, particularly compared to private and community housing sectors;**

In a decision made during the Fraser Government that public housing would only be for the neediest, public housing has gradually evolved to cater for the most marginal in our community. Public housing is a housing for people who are extremely needy. Those with mental health issues, health or fragile elderly have gravitated to the public housing estates.

Community Housing has evolved for those on a socio economic level higher than the above – those who are employed in low paid work, have some casual work and are fairly positive about life.

How can there be a comparison between the two? The very premise of the term is defective, a veritable apples and oranges situation. It is like comparing the cure rate of children's ward to a palliative care ward for the dying. The administration costs of catering for those people must be a lot different.

In the Community sector there will be managers and CEO's who will say they are achieving great things and providing great service very efficiently and in a cost effective way. Do not believe them, they are subject to the iron laws of profit just as private sector. They have to pay their staff and increase their stock of housing with their profits. Presently the state Government gives housing stock to the community housing providers and encourages them to make a profit out of it. A money merry go round rather than good social policy. They can save by reducing staff, ignoring maintenance which in the ends leads to a situation where the State has to rescue the service from bankruptcy.

Private sector housing admin is run by Real Estate agents and developers hardly an appropriate yardstick for a service like public housing.

The cost effectiveness is a buzz word. The Spotless experience is that they fail to clean the drainpipes \$600. A tree grows in the gutter and extends its roots to the walls of the house - \$6,000 repair bill. The tree causes the house to be demolished \$60,000. We all know about false economies where things are neglected and the problem gets worse.

*For want of a nail the shoe was lost,  
For want of a shoe the horse was lost  
For want of a horse the rider was lost  
For want of a rider the message was lost  
For want of a message the battle was lost  
For want of a battle the kingdom was lost  
And all for the want of a horseshoe nail.  
(Proverbial rhyme)*

**• the range and effectiveness of support services provided to tenants in social housing;**

Due to the changes made over recent years by both Governments of removing Housing and repairs to separate departments the services for the tenants is less effective. A CSO is informed/finds out etc of problems has to contact another department to get things done. They feel powerless and the cross communication just does not happen so neither group knows what the other group is doing.

The CSO's can talk to the tenants about rent issues, complaints about other tenants, report on who is living with them etc. But they have no role in the care of tenants – directing their personal problems to health professionals and so on.

**• outcomes for tenants from current tenancy management arrangements;**

Under funded and with roles that are confusing the CSO's cannot do their jobs effectively. The CSO's of a few years ago who had a better grasp of what was needed for tenants. The job description and job splitting of the O'Farrell/Baird years has been less than effective.

In public housing where mental health is an issue, the problem of the acute mental health teams being overwhelmed leads many in our community spending many days with suicidal tendencies and no support.

In general the outcomes for the tenants is not good not because of the staff but because of the system and dedicated cutting of public servants by the recent Governments.

- **possible measures to improve tenancy management services.**

Improving staffing ratio to tenants

Expanding the roles of CSO's to include maintenance and some social work coordination

Seeing public housing as a credit to the state not something to be flogged off.

ON NO ACCOUNT TO INTRODUCE PRIVATE SECTOR INVOLVEMENT IN TENANCY MANAGEMENT.

SMH May 24-25

