

**Submission
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TENANCY MANAGEMENT IN SOCIAL HOUSING

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INQUIRY INTO TENANCY MANAGEMENT IN SOCIAL HOUSING

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[REDACTED]

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THE COST EFFECTIVENESS OF CURRENT TENANCY MANAGEMENT ARRANGEMENTS IN PUBLIC HOUSING PARTICULARLY COMPARED TO PRIVATE AND COMMUNITY HOUSING SECTORS.

The provision of public housing is one of the most important social outcomes for low income and disadvantaged citizens that a government can support. This is particularly true in a state where the lack of affordable housing is at a historic high. Although there are many problems with the way that public housing is currently delivered it is still a lifesaver for many tens of thousands of people in NSW and should be protected at all costs.

The private market can never offer the service or social good that public housing offers. If housing was to be run on the Real Estate Agent model it would quickly degenerate into market rentals as rents would rise to meet the profit motive of a private business and the pressure of the market rent. Any social and economic support would be lost as it would not be profitable. This is why public housing in its current form is so important. A model run on market principles will only drive the poor out of the rental system and lead to overcrowding and homelessness.

Having highlighted the importance of public housing I will now turn to issues relating to the current tenancy management arrangements.

Continuity in staffing is a real problem that has led to a lack of communication and the constant loss of local knowledge. Client Service Officers are constantly changing and in many cases do not relate to the community or understand the issues that relate to individual properties in their portfolios. Cuts to staffing and the employment of casuals and people without tenancy management experience or social services skills are weakening the ability of HNSW to deal with its tenants and their tenancies.

The split of the Department of Housing into HNSW and the Land and Housing Corporation (LAHC) has led to a disconnect between the tenants and their properties, between maintenance and rent collection and makes it more difficult for tenants to navigate the system and staff to relate to their clients. The fact that housing unaffordability is recognised as one of the major problems in the country but is ignored by the fact that both federally and at a state level there is no Minister for Housing. This relegation of Housing to a sub portfolio is most concerning and undermines the importance of housing the community.

The cumulative effect of Commonwealth funding cuts over the last decade or more have led to a hole in the State budget for housing which has never recovered and has grown to the extent that currently public housing properties are sold to try and meet the shortfall and ongoing maintenance has declined. The case of Millers Point is a tragic example of this failure and is the most controversial example of the sell-off of public housing.

Over the last decade the issue of sensible, planned and on-going maintenance has been allowed to decline which has led to a degradation and back-log of much important maintenance work. The failure to maintain gutters for example has led to huge maintenance issue with mould, rising damp, rotting floors and peeling walls being a common issue across the older estates. Again Millers Point is a perfect example of how this has been allowed to develop to the extent that many of the houses were deemed uninhabitable. It is a problem that has affected most of the estates and older buildings across the state.

I have worked with residents in two Erskineville Estates who had placed multiple requests with Housing NSW to attend to the guttering which had rusted away. The failure of the department to complete basic maintenance on the gutters over a long period of time meant that the rusted gutters were causing damp and mould in the buildings and creating slippery surfaces at the entrance to the buildings. Instead of cleaning the gutters out every 6 months Housing NSW has now been forced to completely replace the rusted gutters. This is one example of Housing NSW's approach to building maintenance where issues of health and safety are ignored or deferred until the initial problem manifests into a much larger issue.



Photo of gutter from Copeland St, Erskineville Housing NSW property

This is compounded by the use of substandard contractors that are hired by the department or its head contractor Spotless to attend to maintenance issues. The criticism of Spotless and their contractors is widespread and although brought to the department's attention numerous times they

are still the contractor of choice for the LAHC. It has been said that this is because they are the only company that responds to the tender process but it is possible for an organisation to look beyond the tender process and investigate other options.

There are endless complaints of bad contractors that do not finish work or who disappear for days on end in the middle of a job. Many contractors are rude and cannot communicate with residents about what is happening with their repairs, while others are left with unfinished jobs or incorrect repairs. There needs to be some sort of mechanism to check on the work of contractors as is done in some community housing where a report card is issued to residents after contractors have been used. This lack of oversight by Housing NSW means that the residents and the State are not receiving value for money. The result is an increase in ongoing maintenance costs paid to a company that doesn't always address the root cause of the problem. During my term on Council I have met with a number of Millers Point Housing tenants who were battling with leaky rooves and rising damp. In response to their requests for property maintenance to deal with the issue a contractor was sent out to re-paint over the marks in the ceiling and spray a water repelling chemical on the roof. These measures had no effect on the problem despite Housing NSW paying for multiple contractors to attend to it.

Allocations policy or lack thereof is also a growing problem with many inappropriate placements destroying the amenity and security of some buildings. This is especially true of buildings set aside for older tenants who now find themselves having to deal with people with complex needs and anti-social behaviours. It is important that all people in need are housed but it needs to be done in a sensitive and knowledgeable manner. People with histories of violence or erratic behaviour should not be put into buildings where the majority of the tenants are women or the elderly.

Many of these problems appear to have been addressed by Community Housing which cherry pick their tenants, have a more rigorous eviction process and are more discerning about contractors with a check card given to residents after a maintenance visit. However this is much easier to do when the housing provider has a small portfolio of property and tenants. If Community housing was to replace the current system it would soon be swamped by the same problems that are faced by HNSW without the social service resources and economies of scale available to HNSW.

Another aspect of public housing that is unique and incredibly important is the commitment to community development and tenant participation. Although there are many criticisms of the lack of social services attached to some needy tenancies it must be acknowledged that HNSW does encourage and support tenant development. Whether it's through school scholarships, grants for social projects, the funding of community development workers or the support of Precinct Committees and Neighbourhood Advisory Boards, there is in principle a social support system that would be totally absent from a Real Estate Model and unsustainable for Community housing.

People in social housing are there because they can't survive in the private rental market and it would seem contradictory to the aims and principles of the *Housing Act 2001* to turn over public housing to private market models.

POSSIBLE MEASURES TO IMPROVE TENANCY MANAGEMENT SERVICES

Continuing from the points raised above one of the most important things that HNSW could do to improve tenancy management would be to employ permanent, qualified staff and to improve training for them so that they are more able to deal with the complex problems that are experienced by many public housing tenants. Team Leaders should not be moved continuously as they are the experts in their areas and they know the problems and advantages of their different properties. In the past CSOs did regular (6 monthly) tenant visits which allowed the department to keep in touch with their tenants and to observe how their tenancies were being managed. These visits should be reintroduced for both the tenants and the departments benefit as they ensure a line of personal communication is kept open between both parties.

There needs to be a better and more sensitive allocations policy which would protect vulnerable women, children and elderly tenants. There need to be more staff hired to handle problem tenancies and anti-social behaviour, at present I believe there is only one. There needs to be a way to attach social services to leases so that vulnerable people are kept in touch with the appropriate social services. This is especially true of mental health services which need to be connected to tenancies where mental health issues may cause social problems for existing communities. It is my view that Housing NSW needs to strengthen its relationships across government and better anticipate the complex needs of residents. By facilitating a pathway for residents to access a range of government services through their tenancy, social outcomes for residents will improve. This requires a whole of government approach to address the intersecting needs and disadvantages faced by Housing residents.

With the rise of the priority list which caters to people with very complex needs it is even more important that allocations and leases are handled sensitively and provide access to the services that will support a successful tenancy. This cannot be done without trained and understanding staff who can look at these issues in an holistic and knowledgeable way considering the whole community not just the “house them and worry about the consequences later” attitude that is current.

By creating rental incentives to work, rather than disincentives, which punish the tenant for earning extra income, it would lead to higher rents for the department and more self-respect for the tenants themselves. There should be no introduction of 5 year “transitional” leases which push people out of public housing after an allotted amount of time such as the five year plan being trialled at Macquarie Park¹.

This attempt at forcing people to meet employment targets within a six month to five year period could ultimately lead to more people becoming disadvantaged and homeless. These types of programs should only be offered to people who are already entering the workforce and are comfortable with the transition process.

¹ <http://www.dailytelegraph.com.au/newslocal/news/government-considers-proposal-to-force-ivanhoe-public-housing-tenants-to-pay-market-rent/story-fngr8gwi-1226981832712>

Community Development Workers are a very important way that HNSW can work with its tenants to provide pathways to self-improvement and to more tenant control of their properties and participation in their management.

Many residents would claim that the best way for the department to save money would be to hire better contractors and there is a general feeling that Spotless are not the best company to be managing the maintenance of HNSW properties. As I outlined earlier, there are endless stories of repairs being left unfinished or having to be redone numerous times due to the poor performance of Spotless contractors. Better tendering processes and acknowledgement of the problems reported about Spotless could improve the costs of maintenance, as would good long term planning.

Building more public and affordable housing should be a priority for improving tenancy management and for housing the incredible number of people on the wait list. An audit should be done of all the empty properties and there should be a quicker turnaround time for filling vacant properties. The sell-off of public housing properties should be curtailed and government commitment to increasing social housing should be a priority. Despite an estimated waiting list of 86 000 by 2016 the NSW Government is selling off more properties than it is creating.² In 2012-13 financial year 1386 properties were sold off but only 536 were built.³

Environmentally Sustainable Development (ESD) principles should be applied to all new housing and should be retrofitted for older buildings. Solar PV should be installed on all rooves which would cut energy costs for both the tenants and the department and ensure the buildings viability into the future.

COST EFFECTIVENESS OF TENANCY MANAGEMENT IN PUBLIC HOUSING COMPARED TO PRIVATE AND COMMUNITY HOUSING

The benefits of social housing cannot be compared to the private market which may deliver better maintenance and security but is unaffordable for low income earners. There is no social aspect to private market housing and the complex and unique needs of public housing tenants could never be met by a profit driven private market system. Any suggestion of handing public owned housing to private entities like real estate agents, developers of the much maligned Spotless would be anathema to the social aims of public housing and its commitment to housing the poor and the vulnerable and should not be considered.

Community housing has potential as a small scale housing provider but it must be remembered that it has stricter criteria for accepting tenants and is often lacking in appeal mechanisms for tenants who have issues with their housing provider. Having said this more small scale community or co-operative housing would be welcomed as alternatives to public housing or as a way of transitioning out of public housing into the affordable housing market and ultimately the private market. However, public housing managed by the government must continue to grow to reflect the social and economic needs of people in NSW. Non-profit community housing organisations cannot address

² NSW Auditor-General's Report to Parliament, *Making the best use of public housing*, p14

³ NSW Land and Housing Corporation Annual Report 2012-13

the unmet demand for low cost housing alone. If the Government fails to increase its housing stock and improve its service NSW there is a risk of social housing becoming a two tiered system where the most stable clients are serviced by the community sector and tenants with the most high level, complex needs being serviced by the Government. I won't expand on this here, however, there is strong evidence to suggest that further increasing the concentration of disadvantage in public housing estates will produce poorer social outcomes.

It must be remembered that many public housing tenants are fragile, elderly, disabled or have complex needs and would not survive in the private market.

The benefits of public housing include: outreach services, such as those at the Fire Station in Glebe where those who are too aged or frail to travel to the area office can have their issues addressed; flexibility in methods of rent payment including a direct debit mechanism for those who choose to have their rent automatically deducted from the bank; community development workers; grants and scholarships; and affordability. These important services are not met by the private market and only partly met by community housing.

The other concern for community housing is the problems it would face if it had to manage the large portfolios that are managed by HNSW. This happened in Glasgow where the community housing providers managed to survive for about ten years before they became unviable and were swallowed by large providers. Community housing works as long as it is not drowned in poorly maintained properties which would lead to it having the same financial difficulties now facing HNSW. A community housing provider would be forced to solve this issue by raising rents and could lead ultimately to bankruptcy.

Although the last State government was committed to transferring much of public housing to community housing providers it would be a mistake to ignore economies of scale and dump thousands of vulnerable people into a system that would not be ultimately sustainable for them or the community housing provider.

There are some aspects of community housing that could be adopted by HNSW such as the contractors report card, which is given to tenants to rate the service provided by maintenance contractors. This could be very helpful in allowing HNSW to monitor the performance of their contractors and ultimately save money by identifying poor service and shonky contractors.

Finally I will reiterate the fact that only social/public housing is able to meet the needs of the most vulnerable and disadvantaged in our society, it is a social good that should be supported and increased.

RANGE AND EFFECTIVENESS OF SUPPORT SERVICES PROVIDED TO TENANTS IN SOCIAL HOUSING

As mentioned in the previous comments there are many criticisms of HNSW and the LAHC but no private enterprise could supply the social benefits that social housing brings to our society. I have already mentioned the grants and scholarships, the community development workers through the HCP programs, the support of not for profit community organisations like the Factory in Waterloo and the Glebe Youth Service in Glebe, the Precinct Committees and Neighbourhood Advisory Boards and the actual housing itself.

I believe the splitting of housing into two entities has been a mistake and has turned people's homes into mere assets via their control by the LAHC. Thus we have the sell-off of Millers Point where a whole community is being evicted and destroyed for a purely economic purpose without consideration of the wishes of those people who had lived most of their lives in these homes. The economic rationale of selling off properties because of increasing land values is a very dangerous precedent and has sent ripples of concern through all public housing tenants in the inner city.

It is essential that public housing is retained and expanded and it is very concerning that there has been no promise of new housing from the sell-off of Millers Point but rather a commitment of the moneys raised to general departmental needs rather than any replacement of inner city housing.

In terms of more explicit social services it is important to note that many services are available for tenants but many people do not know that these services exist. It is important that tenants are kept informed of available services both from the department and from the local community. This is often done via fridge magnets and the like and should be part of any information given to new tenants.

It is very important that health services are attached to the leases of very vulnerable tenants so that they do not fall through gaps in the system once they have been given housing. There needs to be an overarching approach to public housing which embraces all the government services such as Health, Mental Health, Aged Care, Youth Services, Education, Disability Services and the State Parole Authority.

Currently there are many tenants with complex needs including mental health issues combined with substance abuse which can lead to ongoing problems with anti-social behaviour. There should be some sort of triage system for new tenants that would identify their needs and allocate their property and lease type accordingly ensuring that appropriate services are attached.

It is important that the Health Department contributes to the costs of supporting these tenants and does not leave all the responsibility to HNSW. The sector needs a combined multi-departmental approach to supporting the tenancies of these complex needs tenants. Although there is more cooperation between departments in some areas there should be an holistic approach across the board.

Another aspect of public housing that needs to be addressed is the need for a mixed tenure model that would allow a mix of rental types within buildings thus making them less prone to stigmatisation and more financially viable. There is a growing trend to stigmatise public housing tenants through shows like A Current Affair and this needs to be countered by the many stories of ordinary people who still contribute to society through volunteering and other community work. HNSW needs to counter this stigmatisation by doing more PR to show that public housing tenants are worthwhile human beings who can and do achieve worthwhile lives under very difficult circumstances.

It is critical that the NSW Government makes a new investment in their housing stock and the management of these properties and their tenants. Without a concerted effort to better support current tenants and to meet the needs of those languishing on the waiting list the Government will ultimately be faced with higher social and economic costs in the long term. If housing and other

social services are not strengthened NSW will pay in the form of increased costs in homelessness services, crisis accommodation, police and criminal justice services and other areas. It is vital that our policy makers and community leaders understand that supporting vulnerable people through public housing will produce positive social and economic benefits. This type of investment is critical to the success of our state.