



St Vincent de Paul Society
good works

**SUBMISSION TO NSW LEGISLATIVE ASSEMBLY
PUBLIC BODIES REVIEW COMMITTEE**

INQUIRY INTO THE ALLOCATION OF SOCIAL HOUSING

**ST VINCENT DE PAUL SOCIETY
NSW/ACT STATE COUNCIL**

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The St Vincent de Paul Society's work in NSW

The St Vincent de Paul Society is a worldwide Catholic lay movement, committed to putting Christian faith into action by serving people in need. The Society has been active in New South Wales since 1881. Across the state and the Australian Capital Territory, the Society now has a network of 20,000 volunteers and nearly 2,000 staff working in 602 local groups, 117 specialist programs and 269 shops.

The St Vincent de Paul Society is the state's largest provider of material assistance to people in need and of services to people experiencing homelessness. In 2004-05, the Society in NSW and the ACT provided assistance with food, financial assistance, clothing and furniture on more than 250,000 occasions, with the total value of all assistance given exceeding \$16 million. This work of material assistance is supported by our large network of shops (or Centres of Charity). Our organisation's services for homeless people include men's hostels, women's refuges, accommodation programs for homeless families, youth crisis centres and night patrol services.

In addition, the Society's volunteers and staff are involved in:

- Outreach to socially isolated people in their homes, hospitals and nursing homes;
- Aged care services;
- Support to people living with mental illness;
- Budget counselling;
- Employment centres for people with disabilities;
- Recovery centres for people with drug, alcohol and gambling addictions;
- Community care and support centres;
- Youth support services;
- Support, accommodation, education, counselling and material assistance to newly arrived migrants and refugees;
- Community development and education programs in public housing estates;
- Prison visitation;
- Assistance to victims of natural disasters; and
- Providing holiday accommodation for families under stress.

The impact of the housing affordability crisis on marginalised people

Each year, through its many services, the St Vincent de Paul Society provides support to hundreds of thousands of people in NSW. Many of these people do not have the appropriate, safe and affordable housing necessary for people to enjoy a settled and satisfying life.

Every day, St Vincent de Paul Society volunteers and staff are meeting people who are:

- homeless, with nowhere to turn;
- facing imminent eviction;
- battling to pay unaffordable rent;

- facing the prospect of a housing lender foreclosing on their mortgage;
- living in sub-standard housing; or
- trying to survive in neighbourhoods marred by violence and fear.

Every day, we are in contact with people with intellectual or psychiatric disabilities who are struggling to maintain their tenancies because they have insufficient support. And, all too often, our people hear the frustrations and anguish of ageing parents of people with disabilities, struggling to find appropriate support accommodation for their sons and daughters.

As the state's housing affordability crisis worsens, people living in the St Vincent de Paul Society's homeless refuges are finding it increasingly harder to find the rental accommodation they need to live independently again. This is putting even greater pressure on the very limited number of places available in our refuges.

As a result, the St Vincent de Paul Society sees the more effective provision of appropriate, safe and affordable housing for people on low incomes as one of the urgent social challenges facing NSW.

Decreasing housing affordability

Over the past two decades, housing prices in NSW have risen to levels which make it impossible for people on low to moderate incomes to purchase a home in the main population centres. Australia's median house price rose 235% in real terms in the 20 years to 2003. In 1983, the median house price was just under three times the average annual household income. By 2003, the median house price was seven times the average annual household income.¹

In the rental market, many low-income households are in housing stress – paying more than 30% of their income in housing costs. The 2004-05 annual report of the Commonwealth Department of Family and Community Services notes that 35% of households receiving Commonwealth rental assistance are paying more than 30% of their income on housing. However, this problem is significantly worse in major population centres in NSW, where well over half of all families receiving rental assistance are in housing stress.²

A 2001 analysis by the Affordable Housing National Research Consortium (AHNRC) of Australian Bureau of Statistics data showed that no low-income households (those in the bottom 40% of income levels) currently renting in the private market could afford to buy a house or a unit in any location in the Sydney metropolitan area. The AHNRC analysis also showed that no low-income households could afford to rent a three-bedroom house in inner Sydney and only 3% could afford to rent a house in Sydney's outer suburbs.³

¹ Marion Powall and Glenn Withers, Resource paper for National Summit on Housing Affordability, ANU Canberra, June 2004.

² Regional statistics regarding rental assistance and housing affordability were highlighted by the Department of Family and Community Services in its 2001 annual report.

³ Affordable Housing National Research Consortium (AHNRC), "Affordable Housing in Australia: Pressing Need, Effective Solution", Policy Options for Stimulating Private Sector Involvement in Affordable Housing Across Australia, 2001.

Cuts in social housing funding

As housing affordability has declined, the resources made available to the public and community housing sector have declined, too. In the 11 years to June 2003, the Government expenditure on the Commonwealth-State Housing Agreement declined in real terms by 40%.⁴ The end result is that public housing authorities across Australia are attempting to house increasing numbers of people, despite declining budgets and ageing housing stock.

An analysis in 2004 by the Australian Housing and Urban Research Institute showed that, in the 10 years to June 2001, the NSW Department of Housing's expenditure per dwelling (in real terms) had increased by 54.5% while its income per dwelling had declined by 12.2%. In 1990-91, the Department enjoyed an operating surplus of \$1,255 per dwelling (in 2001 dollars). By 2001, this had deteriorated to the point where the Department was operating a deficit of \$530 per dwelling.⁵

The sale and redevelopment of public housing stock

As a result of its declining financial position, the NSW Department of Housing does not have the funds to address the many maintenance issues in its ageing housing stock. Property sales and redevelopment schemes are being used by the Department to generate income for housing reconstruction. However, as the amount of land available to the Department continues to contract, this renewal generally involves the demolition of detached dwellings and their replacement with higher density housing. While this may achieve some improvement in housing stock in the short-term, one has to question how wise this strategy is in the long-term. The Department cannot rely on property sales as a source of income when it has such limited capacity to purchase or acquire new land for public housing.

The first major public housing estate redevelopment at Minto has highlighted some of the many obstacles facing the Department in its efforts to renew its housing stock. While the Department has publicly acknowledged some of the mistakes it made in its early planning for the Minto redevelopment, the biggest mistake was the sheer scale of the project. When the then Minister for Housing, the Hon. Andrew Refshauge, announced the redevelopment in May 2002, he put the lives of 935 households – around 3,000 people – on hold. Overnight, the Minto public housing estate became a temporary community, where long-term community-building efforts and planning for schools and other local institutions were replaced with confusion and concern for what the future may hold. For many tenants, eight to 10 years will have passed between Mr Refshauge's announcement and the day when they move from their home in Minto.

The Department claimed that improving social outcomes for tenants was a key objective for the Minto redevelopment, but it had carried out no research on the

⁴ Australian Council of Social Service, "Public and Community Housing: A Rescue Package Needed", ACOSS Info 323, October 2002.

⁵ Australian Housing and Urban Research Institute, "Sustainable financing for public housing authorities", AHURI Research and Policy Bulletin, April 2004.

potential social impact of the redevelopment before the announcement and had no process of prior public consultation. Had there been a consultation process, the Department may well have come up with a more gradual and less costly redevelopment process. A 2005 research report produced by Dr Judith Stubbs of the University of Western Sydney, Minto Residents Action Group and other agencies concluded that tenants of the Minto public housing estate favoured a more gradual process of redevelopment, with priority given to redeveloping neighbourhoods where amenity and social cohesion were poorest.⁶

One of the lingering questions about the Minto redevelopment is whether or not the cost of the project is justified, given what is being gained in social outcomes and what is being lost in public assets. Even after the sale of around three-quarters of the publicly owned land in the redevelopment area, it is expected that the redevelopment (including the construction of replacement housing elsewhere) will cost the Department of Housing around \$250 million. Minto is only one of many large public housing estates in NSW in need of improvement or partial or full redevelopment. If the Minto redevelopment is indicative of the real costs involved, the State Government will need to find many billions of dollars to tackle the challenge of deteriorating housing stock and social issues on large public housing estates across the state.

⁶ Dr Judith Stubbs, "Leaving Minto: A Study of the Social and Economic Impacts of Public Housing Estate Development", Minto Residents Action Group, Social Justice and Social Change Research Centre of UWS, Animation Project of St Vincent de Paul Society, and UnitingCare Burnside, March 2005.

Finding new land for social housing

A key goal for the Department of Housing in the redevelopment of large public housing estates is to improve the “social mix” – to improve the integration of public and private housing. The St Vincent de Paul Society supports this objective, as we regularly see some of the negative impacts of the poor planning of large public housing estates. However, any planned redevelopment of an estate must take full account of the views of the estate’s residents, as these are the people who have made the estate their home, despite the shortcomings in government planning.

Where estate redevelopment occurs after a fair process of negotiation between the Department of Housing and local tenants, the challenge for the Department then is to find ways of replacing public housing stock lost as part of the redevelopment. The Department’s current financial state leaves it with little option but to increase housing densities on existing land in other suburbs and towns. This process can only be done in a limited way if the Department is to avoid the creation of mini-estates of medium density housing on its larger parcels of land.

Without the purchase of new land, the objectives of improving “social mix” cannot be met. Better integration of public and private housing involves not only decreasing public housing densities on large estates but also finding ways of integrating public housing into areas of privately-owned housing.

New land for social housing is also of crucial importance to increasing the geographic spread of social housing in NSW. The St Vincent de Paul Society assists families and individuals in financial need in every corner of the state. It is quite clear to us that the absence or very low levels of social housing in many urban and rural districts is a major source of concern to families and individuals on low incomes. Many households face the difficult choice between remaining in a community where they have strong networks of family and friends but cannot reasonably afford private rental, or moving to another district where they have no networks but social housing is available. As many families in financial crisis have other issues to face, the absence of personal networks can be a very significant barrier.

The Department of Housing does not appear to have a strategy for increasing its land portfolio, nor are there agreed strategies for increasing social housing in new urban release areas. The Department must be given the resources to purchase new land in urban and rural local government areas where social housing is at minimal levels. In addition, the State Government must develop workable strategies – through a combination of land purchase and legislative requirements on developers – to acquire land for social housing in new urban release areas.

Affordable housing for low to middle income households

In addition to the need for a significant increase in public and community housing for households on very low incomes, the statistics on page 3 of this submission give an indication of the great need for a substantial increase in other forms of

affordable housing for households on low to moderate incomes (i.e. those just above the income threshold for public housing).

The NSW Department of Housing's "Reshaping Public Housing" reforms, introduced last year, bring the need for other forms of affordable housing into sharper focus. These reforms will require public housing tenants (at least those who have signed or will sign tenancy agreements after July 2005) to forego their right to public housing if their financial circumstances have improved to the point where they no longer qualify for priority public housing. This "Reshaping Public Housing" strategy assumes that tenants just above the public housing income threshold will be able to find affordable rent in the private housing market. In many cases, this will not be so, particularly where the tenants live and work in the inner or middle suburbs of Sydney. Unless affordable housing options are available, the Department of Housing would be further punishing former tenants who have tried to improve their family's circumstances.

In all the public discussion of affordable housing in NSW, to date very little has been achieved. A number of councils have developed affordable housing strategies and a few, most notably Waverley Council, have seen the completion of projects which can provide a model for others. A growing number of anecdotes are being shared around Sydney of affordable housing strategies being watered down under pressure from developers. It would be timely for the NSW Government to review what is being achieved in the development of affordable housing and what obstacles remain.

Any review of affordable housing should also look at the performance of Landcom in the provision of affordable housing. Our understanding is that Landcom is well short of its target of producing 7% affordable housing in its new developments. As a government entity, Landcom is in an ideal position to provide leadership on the development of affordable housing, particularly where it is working in partnership with local councils and government departments.

Provision of housing support services

St Vincent de Paul Society volunteers and staff regularly raise their concerns about the paucity of housing support services for people with intellectual and physical disabilities, those living with mental illness and people trying to make the transition from homelessness to living independently. Housing support services are generally the responsibility of the Department of Community Services and the Department of Ageing, Disability and Home Care. However, the low levels of funding available mean that many individuals and families cannot access the housing support needed – and, as a result, public and community housing services are not able to meet the needs of all those requiring support.

Social housing providers are, in our experience, very willing to provide housing for people needing support services. Argyle Community Housing, for instance, has set itself a goal of offering 12% of its overall housing stock to people in need of housing support. However, this goal has never been met, because insufficient support funding is available.

Management of public housing estates

In 2005, the St Vincent de Paul Society participated in the Inquiry into the Public Disturbances in Macquarie Fields conducted by the NSW Legislative Council's Standing Committee on Social Issues. As part of that inquiry, we raised our concerns that the "Reshaping Public Housing" reforms will contribute to a further destabilisation of life on public housing estates. The decision to introduce limited tenure from July 1, 2005 for new Department of Housing tenants will have a particularly negative impact in large areas of concentrated public housing. By subjecting each new tenant on a public housing estate to regular income and eligibility tests, the Department will ensure that any tenant who finds regular work with a moderate income is forced to move out of the estate. Local role models will be removed because of their success.

Security of tenure in a community provides a stable population, allowing a gradual maturing of the population profile. A stable and maturing population promotes greater cohesion and lower crime rates. At a public meeting in Campbelltown in September on the "Reshaping Public Housing" changes, tenants said they feared the removal of security of tenure would result in a decrease in social cohesion, morale, neighbourhood pride, volunteerism and local role models and an increase in local conflict, mistrust, stigma, social isolation, mental illness, family breakdown, vandalism and crime.

While the State Government has begun a program of redeveloping some public housing estates, the long time frames and the high costs involved will greatly restrict the speed at which redevelopment occurs. A significant part of the state's public housing stock will continue to be on public housing estates for some time to come.

According to the NSW Department of Housing, 30% of public housing stock is on what it classifies as "estates". The St Vincent de Paul Society believes, from our experience across NSW, that this 30% of public housing on estates needs to be managed more carefully than public housing which is less visible and better integrated with privately-owned housing. In some areas, the NSW Department of Housing and non-government organisations have been able to work together effectively to support local residents in significantly improving social conditions in public housing estates. These positive examples must be drawn together to develop a clear strategy for the management of public housing estates across NSW.

Key elements of this strategy would include:

1. Offering long-term tenure to people who choose to move to a public housing estate, allowing people to stay and contribute to a community even if they no longer meet the tight new eligibility criteria.
2. Allowing more flexible criteria in allocations strategies for different estates. Each estate could have particular criteria relevant to its needs, allowing the community to maintain a mixture of family profiles and ages.

3. Giving priority to public housing applicants who demonstrate a positive interest in moving to a particular estate, even if they don't meet all eligibility criteria. This approach was used effectively by Argyle Community Housing in Proctor Way, Claymore from 1997 and by the NSW Department of Housing's "Hill Project" in Minto prior to the redevelopment which commenced in 2002.
4. Developing effective local strategies to address maintenance issues and the prompt letting of vacant properties, to tackle the primary sources of dissatisfaction of public housing tenants.
5. Working with government and non-government agencies to ensure each estate has a strong network of social programs, with emphasis given to services which meet the needs of children and families and organisations which promote community-building and foster leadership skills among residents.
6. Case management of tenants who are at risk of losing their tenancy. This case management and support can be conducted either by specialist NSW Department of Housing staff or by a contracted non-government organisation. An excellent local example of this is the St Vincent de Paul Society's Housing Options and Personal Endeavours (HOPE) program in the Campbelltown district.
7. Increasing the staff to housing stock ratios and giving local Department of Housing teams greater flexibility in developing local policies and in managing relationships with tenants.
8. Introducing other housing providers, such as community housing organisations, to manage housing stock in sections of the estate, to provide greater options for tenants – as has occurred in Claymore and Airds-Bradbury with Argyle Community Housing.
9. Early intervention to try to solve neighbourhood disputes.
10. Economic development and education programs, including involving unemployed tenants in direct employment schemes and working on solutions to address employment disincentives (such as removing the potential loss of tenure for tenants who find stable employment).
11. Encouraging tenant-led solutions to local problems and neighbourhood improvements and supporting tenants in initiatives to promote social cohesion. A number of non-government organisations, including the St Vincent de Paul Society's Animation Project in the Campbelltown area, have developed experience and expertise in developing community leadership in public housing estates.
12. Promoting long-term stability by providing tenants with a variety of options to purchase their homes, including shared equity and retrospectively recognising rent paid as payment towards a home purchase. This measure would be of particular value in large estates like Macquarie Fields where offering more tenants the opportunity to remain as owner-occupiers would contribute significantly to community stability.

Recommendations

The St Vincent de Paul Society recommends that the NSW Government:

1. **Review the management of land assets by the NSW Department of Housing and community housing providers, to develop a statewide strategy to ensure sufficient land is available for a viable social housing sector for the future.**
2. **Work towards expanding public and community housing in parts of NSW where social housing is currently at minimal levels, to ensure that, by 2016, social housing makes up at least 3% of total housing in every local government area in NSW.**
3. **Commit to developing a strategy for new urban release areas, to ensure that each urban release area has a minimum of 8% public and community housing and an extra 7% of other forms of affordable housing.**
4. **Review current state legislation and local government approaches to affordable housing, with a view to setting legally enforceable benchmarks for affordable housing in new major private housing developments across the Sydney metropolitan area, the Hunter and the Illawarra.**
5. **Review the performance of Landcom in providing affordable housing, with a view to removing impediments preventing it from reaching its current target of 7% affordable housing in new developments.**
6. **Review current funding levels for the provision of housing support services for people with disabilities, people living with mental illness and those in transition from homelessness to independent tenancy, with the aim of increasing housing support services by 30% (in real terms) in the five years to 2011.**
7. **Review the likely long-term impacts of the “Reshaping Public Housing” reforms on large public housing estates and develop a revised strategy incorporating the 12 key elements mentioned above, with a view to piloting this strategy in a number of public housing estates across NSW.**