

**SUBMISSION TO NSW PARLIAMENT PUBLIC BODIES REVIEW
COMMITTEE – INQUIRY INTO THE ALLOCATION OF SOCIAL
HOUSING – FROM NEWMACQ COMMUNITY HOUSING CO LTD
22 FEBRUARY 2006**

Background of submitting agency

Newmacq Community Housing Co Ltd, established since 1984, is a registered community housing provider with the NSW Office of Community Housing, an Office of the Department of Housing. Newmacq services the Local Government Areas of Newcastle, Lake Macquarie, Maitland, Cessnock and Port Stephens.

The company officer submitting this document is the General Manager.

Emphasis of Inquiry

Current levels of funding for the development of new housing stock

It seems apparent from the policy changes within the Department of Housing, termed "Reshaping Public Housing" that there is considerable uncertainty beyond the sunset of the current Commonwealth State Housing Agreement in 2008. Coupled with the need for maintenance and re-development of public housing stock, the level of funding for development of new housing stock seems to have virtually stopped. Sporadically, funding does emerge for specific purposes, for example the Housing and Support Initiative – 3 (HASI 3) Program, a joint Health and Housing program, but these small additions do not touch the general need for housing.

The effectiveness and appropriateness of housing allocations

All applicants to community housing have to qualify for public housing to be acceptable for community housing. As the Department of Housing, under its new policy initiatives, targets more of the most disadvantaged persons for housing in its limited, if not decreasing, stock of properties, unless community housing is allowed a broader scope its community mix will in time become identical to Housing. Whether this is an intended or unintended consequence is unclear, but either way, the outcomes for the client group would be better.

Notwithstanding, the concept of the broader social mix, that is – the most in need – usually requiring ongoing support by a funded service and those, who

by virtue only of lower income, are in housing stress, lessens the stigma on social housing, creates greater assimilation in the broader community and is more financially sustainable for the housing provider.

Presently Newmacq operates a combined allocation system based on a point score where various points are ascribed for particular need, for example "homeless" or "escaping domestic violence", as well as points allocated for every year an applicant has been on a waiting list. In allocation of housing, those people who do not otherwise have another category of 'need' to add to their score would tend to have to wait over a decade before their 'wait in turn' score would put them high enough in the list for possible allocation. Considerable resources are used to manage such a list.

Role of community housing in meeting the demand for social housing

Broadly speaking, social housing, as managed by community housing, is made up of various funded programs, but is basically made up of two types of properties. Capital properties – Department of Housing properties leased to community housing providers and Leasehold properties – privately leased properties where the tenant rent paid/market rent cost incurred is subsidised in accordance with the subject program formula.

Each social housing program is basically an exercise in breaking even having regard to administration costs, responsive and long term cyclical maintenance costs of the Capital properties. As such, the programs are not designed that housing providers have venture or development capital to utilise on additional properties. However, Newmacq has purchased a seven (7) unit site where less than market rent is charged with affordable housing program surpluses.

Within that limitation, the role of community housing, is more about producing qualitative outcomes for the client mix, rather than quantitative increase in social housing units. However, should community housing ever be given title to their stock of housing, the ability to creatively manage, maintain and increase the number of social housing units in NSW would be a definite outcome, as it is in the U.K.

Social housing allocation systems in other jurisdictions

I understand this point will be emphasised by other agencies more expert on the success of systems in other jurisdictions.

However, two of the main criteria for success in creating additional units are legislative changes that produce private capital – either by incentives or obligations and title to properties being held by the community housing provider to accommodate further financing opportunities.

Any other related matters

(a) The new eligibility policy of the Department of Housing will create a gap in those cohorts of people who, although in housing stress, that is paying in excess of 30% of gross household income on housing, will not be accommodated.

Affordable housing may be expanded to accommodate this gap, but again it would require incentives and/or title to community housing providers to achieve this. Considerable energy is being expended on developing affordable housing programs across the nation whose target group can range from those just outside of Department of Housing eligibility criteria to those households able to service a mortgage with some assistance. Developing a viable affordable housing model will take the pressure from social housing and it may be this area that incentives and or title can be more expediently deployed.

(b) The dichotomy of the role of SAAP services and other individual support providers from community housing providers seems an unnecessary and expensive dichotomy. The blended role is working quite successfully in other areas, for example Lodden Mallee Housing in Bendigo, Victoria.

Greg Budworth
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Newmacq Community Housing Co Ltd
21 February 2006