



Submission to the Public Bodies Review Committee

**PARLIAMENTARY INQUIRY INTO THE
ALLOCATION OF SOCIAL HOUSING**

**Submission by the Planning Institute Australia
(NSW Division)**

February 2006

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1. Introduction

The Planning Institute of Australia (PIA) is the peak professional body representing professions involved in planning Australia's cities, towns, regions and places. PIA is a not-for-profit association delivering benefits to over 4,500 members nationally. Our members are drawn from a range of planning professions – urban and regional planning, social planning, urban design, environmental planning, economic development planning, transport planning and planning law. A large proportion of our membership is employed in local government.

The shared core interest of PIA, as stated in its Constitution is:

“the community, and the education, research and practices relating to the planned use of land, its associated systems, and of the natural and built environmental, social and economic impacts and implications of the use of land”.

It is understood that the Public Bodies Review Committee will inquire into and report on the Allocation of Social Housing in New South Wales with particular emphasis on:

- Current levels of funding for the development of new housing stock
- The effectiveness and appropriateness of housing allocations
- Role of community housing in meeting the demand for social housing
- Social housing allocation systems in other jurisdictions
- Any other related matters.

The following submission is lodged on behalf of the NSW Division of the PIA and addresses the issues identified in the Terms of Reference.

2. Current levels of funding for the development of new housing stock

PIA NSW Division recognises that the NSW Government is ...” *developing strategies designed to leverage additional funds into the social housing sector by working with private, local government, and not-for-profit sectors.*”, as stated in the Annual Report 2003–04 Housing Assistance Act 1996 (2005:35-42). Such an approach, is intended to expand housing opportunities to assist people into home ownership and the private rental market, through a variety of means which has included

- Development of a training program in home-ownership skills;
- providing grants to local governments to support group self-build projects;
- extending the government guaranteed loan scheme for home purchase;
- trialling tenancy guarantees for tenants considered risky by private landlords;
- the Local Government Affordable Housing Strategy, to assist local councils to identify local opportunities for affordable housing and to work with the Department of Housing to develop their own affordable housing strategies.

However, as identified in the Australian Government's Productivity Commission Report on Government Services 2006: Part G Housing, waiting lists for both housing providers remain significantly high in NSW, despite the reduction overtime, as indicated in Table 1 below. Such high numbers on the waiting lists would suggest that there remains a need for continued development of new public and community

housing stock, in conjunction with initiatives and strategies currently being undertaken to increase affordable housing options.

Table 1: Public and Community Housing Total Applicants on Waiting Lists

Housing Type	Unit	NSW (c), (d)	VIC (e), (f)	QLD (g), (h)	WA (i)	SA (j),(k),(l)	TAS	ACT (m),(n)	NT (o),(p)	AUST
PUBLIC HOUSING										
2000-01		101 561	41 958	24 353	14 276	32 570	2 089	2 996	1 829	221 632
2001-02		96 045	45 517	26 797	14 340	32 694	2 772	3 271	1 854	223 290
2002-03		84 954	39 739	32 316	13 356	29 557	2 740	3 471	1 923	208 056
2003-04		77 984	40 701	35 430	12 732	28 565	3 229	3 730	1 876	204 247
2004-05		73 734	41 296	38 298	12 733	28 430	3 116	4 119	2 179	203 905
COMMUNITY HOUSING										
2000-01		21 022	na	5 312	na	2 138	19	261	na	
2001-02		19 770	na	4 813	2 772	2 137	123	272	na	
2002-03		20 013	na	8 300	1 761	2 636	241	374	na	
2003-04		17 160	1 859	7 793	1 381	3 008	246	272	na	
2004-05		16 547	2 569	11 647	3 327	2 592	391	311	na	

(a) Footnotes relate to 2004-05 data. For footnotes relating to 2000-01, 2001-02, 2002-03 and 2003-04 see previous editions of the *Report on Government Services*.

(b) Due to rounding the national total may not equal the sum of jurisdictions' data items.

(c) Estimate based on Census 2001, adjusted for Census of Population and Housing, adjusted for Census undercounting of public housing households.

(d) Properties leased to community organisations and properties leased to private tenants under the Public Equity Partnership (PEP) scheme have been excluded since 2002-03.

(e) Excludes 1271 applications eligible for both state owned and managed Indigenous and public rental housing (counted under State owned and managed Indigenous housing data collection).

(f) Property data for the total tenable and untenable dwellings are unreconciled and may not match published jurisdictional data.

(g) The total and new Indigenous households may be under-reported due to Indigenous self-identification and as mandatory reporting was only introduced from October 1997.

(h) Data for the total 'greatest need' applicants on waiting list represents applicants who satisfied stringent priority housing criteria, but does not include clients in similar circumstances who were waiting to be housed through Queensland's standard wait turn criteria.

(i) For the total tenable and untenable dwellings 883 properties leased to other organisations have been excluded.

(j) The total households paying less than market rent includes 452 households reported as receiving a rebated rent without income details being declared, due to provisions of the Rent Assessments policy.

(k) The total new Indigenous households assisted and the total Indigenous households' information is self-identified and not mandatory.

(l) For the total untenable dwellings properties head leased to other organisations have been incorrectly reported as unlettable dwellings prior to 2004-05. Therefore results for 2004-05 are not directly comparable with that from previous years.

(m) For the total number of new Indigenous households assisted and total number of Indigenous households may represent an undercount as ethnicity is a self-identified field.

(n) For the Australian Standard Geographical Classification remoteness area structure (ASGC remoteness areas) methodology differs from previous years and consequently results are not comparable to previous years' results.

(o) For the total new Indigenous households assisted and the total Indigenous households changes were made to the tenancy management system in January 2005 to record Indigenous status at the client level rather than at the household level.

(p) Households relocating from one public housing dwelling to another include four households that transferred more than once in the year. These households are counted as one household.

na Not available. — Nil or rounded to zero.

Source: Australian Institute of Health and Welfare (AIHW) 2002, 2003, 2003, 2004, 2005, *CSHA National Data Reports: Public Rental Housing*, Canberra.

The PIA NSW Division notes that since the NSW government has wound back the purchase of new housing stock, there has been increasing reliance on the private rental market, which has impacts on the availability and affordability of rental housing for the wider community.

The current level of funding for the development of new housing stock is considered inadequate for the need. NCOSS *Measuring Up* (2005 :28) identifies,

Although, Commonwealth Rent Assistance (CRA), and much of the taxation policy driving current inequities in our housing system are a Commonwealth responsibility the enabling of social and affordable housing is clearly within the scope of State government.

PIA NSW Division recommends that the NSW Government stop selling public housing in NSW particularly in Metropolitan Sydney, in order to maintain current levels of public housing provision. PIA NSW Division also recommends that the budget for the provision of new social housing be increased throughout NSW so that there can be purchases of housing in mixed use developments. PIA NSW Division supports additional strategies to further affordable housing in NSW along with development of new housing stock.

3. The effectiveness and appropriateness of housing allocations

The recently released *City of Cities: A plan for Sydney's Future* (2005:28) seeks to provide 30-40% of new housing (estimated at 7,000-8,000 lots per year) in new land release areas, and 60-70% of new housing in existing urban areas. Section C4 outlines strategies to "Improve The Affordability Of Housing", however only one strategy (C4.2, pp30) addresses social housing, which states,

"The Department of Housing will redevelop and regenerate housing estates and stocks"

This strategy, while important as part of an overall affordable housing approach, does not recognise the need for additional social housing, or take the opportunity to develop a range of social housing forms throughout the City, in new and existing areas. PIA NSW Division recognises that there is a need for effective and appropriate housing allocation within the Metropolitan Sydney region, as well as in other regional areas of NSW.

PIA NSW Division supports the provision of additional social housing in NSW and considers that there is a need for new funding and allocation methods to be explored. As there is a lower turnover rate of people in social housing in NSW those applicants waiting for housing are likely to be waiting longer. It is suggested that part public housing be added in the Second Design Eastern Darling Harbour in City of Sydney LGA, and other sites as they become available.

Any future provision or renewal of social housing needs to ensure that both housing and non housing outcomes are appropriately and effectively addressed. Mullins and Western (2001) identified the concept of housing and non housing outcomes based on the March 2000 AHURI Research Agenda, which sought,

...that good housing, including that acquired through government assistance, has positive social, psychological, cultural, and economic outcomes for individuals and households.

The provision of social housing in a concentrated area has shown to result in social issues and has not been entirely successful. Mullins et al identified nine 'non housing outcomes', which includes community; crime; poverty; social exclusion; perceived well-being (subjective quality of life); anomie; health; education; and labour force participation. Ensuring that such housing outcomes are met will assist in the effective and appropriate location and allocation of housing.

4. Role of community housing in meeting the demand for social housing

The NSW Department of Housing (2005) identified that around 6% of NSW households (22% of renters) live in social housing. Of these, 87% are in public housing, 8% in community housing and 5% in indigenous housing.

PIA NSW Division considers that there is an increasing role for Community Housing to assist in meeting the demand for social housing. However, to enable community housing providers to provide an effective role they need to be well resourced in order to meet criteria to gain funding and enable the provision of housing.

From a Sydney metropolitan perspective there is increasing demand for community housing, resulting in a growing role for community housing in social housing provision. Anecdotal evidence suggests this role will continue to grow due to waiting times for public housing estimated at 12 years, while community housing has a waiting period of 5-6 years. Community housing providers both acquire capital properties and lease properties through agents. As there are not enough capital properties to meet demand,

community housing service providers are currently experiencing significant demands in meeting tenants needs, while competing with the private rental market.

Community housing providers in regional areas are also finding it increasingly difficult to meet demands. A community housing provider in the Northern Rivers, providing housing for a group of aged persons, found it to be not viable and they struggle to maintain this service, given the criteria surrounding its provision.

PIA NSW Division recommends appropriate funding and resourcing of community housing service providers to enable them to be effective providers of one form of social housing.

5. Social housing allocation systems in other jurisdictions

N/A

6. Any other related matters

The lack of affordable housing has been (over the past decade) and continues to be a significant issue in NSW. Numerous research on affordable housing indicates that housing affordability is declining, despite interest rates being at 30 year lows, particularly in Sydney and coastal areas. Berry (2002:2) identifies the extent of housing affordability issues,

"Problems surrounding declining affordability, in the current era of buoyant general economic growth and relatively low nominal interest rates, are particularly worrying:

- *A quarter of a million low-income (tenant) households pay more than 30 per cent of their household incomes for housing, a clear sign of intense 'housing stress'.*
- *If this trend continues at the same rate as for the past decade, this figure will rise to one million households by 2020 (Berry and Hall, 2001).*
- *Between 1986 and 1996, the proportion of low-income private tenants living in housing stress in the capital cities rose from less than two-thirds to almost three-quarters; the figure for Sydney was 80 per cent (ibid.)."*

With such crises facing affordable housing there is an urgent need to identify and implement a range of affordable housing strategies, as proposed in the "City of Cities: A Plan for Sydney's Future". It is noted that the research identifies that community based initiatives are the most effective basis for developing successful housing affordability programs. However, such an approach needs to also be undertaken on a state-wide basis, not just focussed on the Sydney metropolitan area.

PIA NSW Division recommends the Inquiry consider:

- The provision of more funding and resources towards the range of social housing providers, strategies and programs and to meet the objectives related to affordable housing and increase the provision of social housing in NSW.
- Consulting the NSW Planning Institute of Australia about any recommended changes to the existing social housing system as planners are closely involved in the strategic allocation and development of land for residential development in NSW.