



# South Western Regional Tenants Association Incorporated

"Working Together to Increase Tenant Participation"  
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## Submission to Public Bodies Review Committee Inquiry into the Allocation of Social Housing

### Introduction

The South Western Regional Tenants Association Inc. (SWRTA) has been advocating for tenants in the south western Sydney region since 1985 and have watched the significant changes which have taken place in public housing in our region. SWRTA believes that well-maintained, safe and secure housing is the foundation of a stable and well functioning society. Where people have access to affordable good quality safe housing they have a basis from which to organize their lives and participate in and contribute to society. Therefore SWRTA considers it essential for our government to focus its attention on ways that all of its citizens may have access to good quality safe housing at an affordable price, either for rent or for purchase. It is a shocking statistic that there are approximately 100,000 people who are homeless in Australia today.<sup>i</sup>

### The NSW situation

Over the last 25 years there has been a dramatic change in the allocation of social housing in NSW. In the 1970s the tenants of the NSW housing authority were mainly working families. Due to tightened eligibility criteria working families are no longer eligible to apply for public housing. Social housing has become welfare housing. This has a number of significant consequences. Previously the majority of tenants were working families and only about 10% of tenants qualified for subsidised rent. Now approximately 95% of tenants qualify for subsidised rent. Thus there has been a dramatic decrease in rental income. Since 1996 Federal funding under the Commonwealth State Housing Agreement (CSHA) has significantly decreased. Under the CSHA State funding is proportionate to Federal funding and it also has reduced. The combined effect of reductions in funding and rental income has meant that social housing assets have been poorly maintained. In the 1990/91 each dwelling had a real operating surplus of \$1255 per annum. By the year 2000/01 each dwelling had a real operating deficit of \$530 per annum.<sup>ii</sup>



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In the short term the Department of Housing has used its assets to respond to this situation. However such deficit funding is not sustainable for the long term.

At SWRTA we have watched the changes in the tenant base and the impact on maintenance of the reduction in revenue to the Department. As the tenant base has changed and the State and Federal governments have reduced their funding tenants have been left in housing that, increasingly, is in dramatic need of renovation and refurbishment. At the same time there has been a significant increase in the demand for public housing with the waiting list continuing to grow.

As these changes took place the Department of Housing tried to manage within the available resources but the maintenance backlog continued to grow. The Department has recently received loan funds of \$1 billion to upgrade its assets to an acceptable quality. While this upgrading is essential the funds for it should be made as an ex-gratia grant. Also giving loan funds for maintenance does not address the issues related to the long-term sustainability of public housing and the acquisition of new properties.

## **Current levels of funding for the development of new housing stock**

The current levels of funding are inadequate for the development of new housing stock. There is a major need for a well funded capital program to allow for the development of new stock. SWRTA urges the government to allocate substantial funds to build or purchase new housing stock. At the same time the government must make some decisions about how it intends to fund public housing into the future. Within a broad range of possibilities there are two key possibilities: –

1. Recognize housing as a recurrent spending item and commit to ensuring that the Department of Housing will always receive sufficient funding to enable it to provide well maintained good quality housing for its tenants and to reduce waiting lists.
2. Dramatically increase public housing stock over a period of time and broaden the eligibility criteria so that the rents received for public housing allow it to be self-sustaining. This would require a shift in thinking so that the Department of Housing moved from being a provider of housing of the last resort to become a supplier of



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housing across a range of income brackets, with sufficient income from market rent to subsidise the cost of low income tenants.

SWRTA is very concerned about the future health of public housing and wants to see it survive and flourish. Therefore SWRTA supports option 2.

Option 2 allows for the community to support the needs of vulnerable citizens and those with multiple needs or disadvantage into the long term. Any other option leaves welfare tenants at the mercy of changing government priorities and changes in the economic situation of NSW.

## **The effectiveness and appropriateness of housing allocations**

In April 2005 the Minister for Housing announced the "Reshaping Public Housing Reforms" which changed the eligibility criteria for public housing and the tenure arrangements for new tenants from 1 July 2005.

### **Eligibility**

Existing waiting list applicants were accepted on the basis of income eligibility and will be able to remain on the waiting list provided they continue to satisfy the income eligibility requirements. New applicants must satisfy the new eligibility criteria based on income and need.

### **Tenure**

From 1 July, 2005 new tenants were no longer able to qualify for lifetime tenancy. There is a transition period from 1 July, 2005 to 30 June, 2006 during which any new tenants are offered only a 1 year tenancy. From 1 July 2006 tenancies will be assessed on need and will be short-term (2 years), medium-term (5 years) or (long-term) 10 years.

These changes to tenure and eligibility are a logical consequence of very long waiting lists, static or reducing housing stock and very limited funds. NSW public housing is becoming welfare housing of last resort. The long term results of these changes will mean that any areas of concentrated housing will be areas of concentrated vulnerability and



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disadvantage with a continually changing population. As a tenant becomes able to provide some stability for themselves they will be asked to leave public housing. As a result there will be no stability in these areas of housing concentration, be they 10 houses or hundreds. It is predictable that there will be an increase in neighbourhood disputes and 'anti-social behaviour'. There will be increased management and support costs and staff will have to be very highly skilled in dealing with a wide range of challenging people and situations. Considering these problematic issues that may result because of the changes to tenure and eligibility, there can be no doubt that disastrous consequences will indeed follow. It is for this reason that the policies should be reversed.

SWRTA believes that the consequences of the changes to tenure and eligibility are predictable and inevitable. Public housing in this State requires increased funding for both recurrent and capital expenditure. This would allow the above changes to eligibility and tenure to be reversed (at a minimum) and would lead to reduced waiting times for applicants and (hopefully) a shorter waiting list without disallowing many who are experiencing housing stress.

## **Role of community housing in meeting the demand for social housing**

Under the current Commonwealth State Housing Agreement the Department of Housing is transferring 2500 properties to community housing providers with 30 year leases.

SWRTA has grave concerns about the transfer of stock to community housing. At the end of the lease period the stock reverts to DOH who will then resume responsibility for aged stock.

Community housing providers are small service providers. They do not have the staff to intensively manage clients with complex needs. They do not have appropriate complaints mechanisms. Small staff numbers mean that there are very limited points for intervention when there are decisions made by community housing service providers which are disputed by tenants. The Office of Community Housing do not have any powers to review or intervene in individual cases or disputes.

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In the case of DOH tenants there are many points of review – If a client service officer makes a decision that is disputed by a tenant, the tenant or the advocacy service may take the issue to many levels in an attempt to resolve the issue. For example: Senior Client Service Officer; Team Leader; Operations Manager (Tenancy Management); Area Director; General Manager; Assistant Director General; Director General, as well as the Housing Appeals Committee.

The maintenance system is as slow and inadequate as that provided to DOH tenants.

Tenants do not have transfer rights. Tenants who live in Department of Housing properties can apply for a transfer to other areas within the state. For example, someone living in Liverpool may apply for a transfer to Wagga. Transfers are often requested because of changing family situations and support needs. This lack of transfer rights is a severe disadvantage to Community Housing Tenants.

## **Any other related matters**

Over the last few years the vast majority of tenants housed by the Department of Housing have come from their priority housing lists. Many of the new tenants have ongoing support needs which should be provided by appropriately trained specialist services (e.g. mental health workers; drug and alcohol workers). Unfortunately once a person is given public housing most other support disappears. The staff of the Department of Housing are left to cope with situations for which they do not have training. Advocacy services have to spend time seeking the reinstatement of services which should never have been withdrawn. Housing is not a substitute for support services and should not be treated as such by other government agencies and support services. The Department of Housing has negotiated specific agreements for a small number of tenants and properties. This is a useful start. However much more needs to be done to assist tenants with special needs and, in particular, many more health support services.



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## Conclusion

Public housing needs to be seen as an essential element in the provision of housing to our community. Without appropriate housing nothing else can function well. SWRTA believes that government must recognize the centrality of housing to economic stability and to ensure adequate funding into the long term. Anything else is likely to result in increased homelessness in our society and many more people living in housing stress, particularly in our cities. In fact, an increased role for government in housing may contribute to a reduction in housing rental costs and making housing more affordable particularly for working families.

Janet Davies

President

Jennifer Rignold

Secretary

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<sup>i</sup>Chamberlain C and Mackenzie D (2003) *Australian Census Analytic Program: Counting the Homeless* 2001, Canberra: ABS in Australian Institute of Health and Welfare (2005) *Australia's Welfare* pp. 318

<sup>ii</sup> Hall J and Berry M (2003) *Operating Deficits and Public Housing: Policy Options for Reversing the Trend* Royal Melbourne Institute of Technology Research Centre for AHURI, Melbourne. In Hall, J *Public Housing: Residualisation or Reinvigoration?* Parity Housing Works: the future of Public Housing, Vol.2, No.2, November, 2004.