

**Submission
No 26**

TENANCY MANAGEMENT IN SOCIAL HOUSING

Organisation: The Housing Trust
Name: Ms Joan Ferguson
Position: Chief Executive Officer
Date Received: 8/08/2014

The Committee Manager
Public Accounts Committee (PAC)
Parliament House
Macquarie St
Sydney NSW 2000

Dear Sir/Madam,

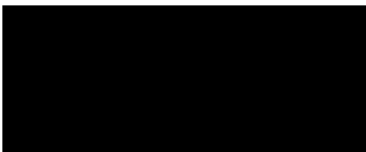
Submission on Inquiry into tenancy management in social housing

Please find enclosed a submission to the Public Accounts Committee *Inquiry into Tenancy Management in Social Housing*.

I would like to thank the committee for the opportunity to make this submission. Our submission (attached) includes a range of quantitative and qualitative information about our tenancy management services and outcomes.

I would like to invite the Committee to visit our organization. We would welcome the opportunity to provide the Committee with further information, some confidential tenancy management case studies, and/or answer any questions the Committee may have.

Yours sincerely



Joan Ferguson
Chief Executive Officer

Submission to Public Accounts Committee

Inquiry into Tenancy Management in Social Housing

Summary

The Housing Trust has 30 years' experience of delivering high quality housing in the Illawarra for some of the most disadvantaged people in our community. We have a proud tradition of housing those who find it difficult to maintain a home with other landlords, whilst at the same time running an efficient and effective housing service.

We now provide homes for more than 2,000 people in nearly 1,000 homes. More than half our tenants are over 50, 90% receive a Government benefit, a significant number of tenants are living with a mental illness and 11% of households are Aboriginal. This means that we rely on support services to help people keep their homes, this can be challenging and resources are not always available and priorities may not be shared.

We need to be very efficient to run our business. Our only income is the subsidized rent our tenants pay- that is 25% of very low and low incomes plus rent assistance. Nevertheless, we believe our focus on providing the best service we can afford means that our tenants are happy with our services. Our tenants take great pride in their home, pay their rent on time and support their neighbours. Each year we aim to visit every tenant at home, some we see more often. It is important that we check our tenants are doing well and that there is no work which needs to be completed at the property.

Many of our homes are located in larger blocks and to help create a community for marginalized and isolated people we have block meetings to hear from our tenants and to give them a say in how their neighbourhood is managed. At these meetings tenants come up with great ideas about how to build a cohesive community, one of the most simple and effective being community gardens.

The Housing Trust provides value for money for our tenants, community and for Government. We run an efficient organization and we deliver Government funded programs as required. We are also flexible and nimble, ready to quickly assess and deliver new opportunities as well as respond to changes in the operating environment.

About The Housing Trust

The Illawarra Community Housing Trust Ltd (hereafter 'ICHT') was formed in 1983 to help alleviate homelessness by providing housing to tenants on low and very low incomes.

ICHT is a not-for profit company limited by guarantee and a registered public benevolent institution that is governed by a skills-based board of directors.

ICHT is registered as a 'tier 1' community housing provider by the NSW Registrar of Community Housing.

ICHT employs around 40 staff based in Wollongong and manages approximately 1,000 tenancies in the Illawarra region of NSW (Wollongong, Shellharbour, and Kiama LGAs). Our annual turnover is around \$13M and we manage approximately \$50M in property assets.

Our core business

ICHT's core business is tenancy and asset management in community housing.

ICHT partners with a range of locally-based social support services to help sustain tenants in their homes. We do this by placing tenants at the centre of our business and by focusing on excellence in customer service.

In addition to our core business in housing management, ICHT:

- manages a high volume crisis accommodation service for homeless people in partnership with HousingNSW (known as ‘Paddys Place’)
- manages an ‘outsourced maintenance’ contract for 89 crisis accommodation properties on behalf of HousingNSW

Tenant profile

THT manages around 1,000 individual tenancies, housing just over 2,000 people.

Approximately 53% of our tenants are over the age of 50 and 75% of our tenants have been housed with us for two years or more. ICHT tenancies include households with a total of about 600 children (under the age of 18 years).

More than 11% of our tenancies are Aboriginal households.

More than 90% of our tenants receive a government benefit as their primary source of income. This includes about 37% of tenants who receive a Disability Support Pension and 20% of tenants who receive an aged pension as their primary income source.

Most of our tenants are eligible for and do claim Commonwealth Rent Assistance. ICHT claims 100% of this amount from tenants in accordance with the NSW Government’s *Community Housing Rent Policy*.

A large number of our tenants experience mental illness.

Property portfolio

Our property portfolio comprises homes that are:

- owned by or have been vested to ICHT
- owned by the NSW Government but managed by ICHT under a head-lease to HousingNSW (capital properties)
- rented privately with funding support via the NSW Government’s community housing leasehold program

About 37% (365 homes) of ICHT’s property portfolio comprises assets (capital properties) that are owned by the NSW Government but where the tenancies are managed by ICHT.

A further 36% (356 homes) of ICHT’s property portfolio comprises assets that have been or are in the process of being vested to ICHT by the NSW Government.

ICHT is presently constructing a new 71 unit development at Shellharbour, comprising both social and affordable housing with funding from the NSW Government. This project demonstrates our commitment to working with government to increase the supply of social and affordable housing.

We are also seeking a private partner to joint-venture on a new development project at Dapto.

Tenant satisfaction

ICHT tenants have a very good story to tell.

Many efficiencies in social housing are achieved when tenants are highly satisfied with their housing provider: they take greater pride in their home, have little reason to complain, maintain their tenancy agreement (including rent and property care), and support their neighbors.

ICHT surveys our tenants annually to gauge their satisfaction with our services. ICHT tenants have reported very high levels of satisfaction with the services provided by ICHT for the years 2013 and 2014. The headline indicators are summarized below:

Indicator (Satisfied or Very Satisfied)	2013 (%)	2014 (%) ¹
Overall service	90	94
Upholding tenant rights	88	94
Condition of home	86	89
Communication by staff	88	92
Respecting culture & background	80	92
Repairs & maintenance	75	86
Involving tenants	75	85

Reporting and benchmarking

ICHT implements effective and efficient core housing services that are underpinned by a commitment to service excellence.

ICHT has robust reporting systems in place and values benchmarking of our services against both the public and community housing sectors. Our reporting and benchmarking systems allow us to drive improvements in tenancy management.

We welcome the new National Registration Standards and are open to further benchmarking across the sector to drive operational performance in housing services.

Sensitively allocating homes to those in greatest need

One key to ICHT’s success in community housing is our commitment to quality allocation decisions when a property becomes vacant.

While ICHT’s allocation process remains focused on those in greatest need, it also seeks to make a strong match between the person, their family, and their future home.

Robust allocations decision-making has a significant impact on the efficient delivery of housing services, through:

- promoting more sustainable tenancies and less turnover in properties
- fewer complaints and neighborhood disputes
- fewer vacant days as a result of unsuccessful tenancies

Targeted housing programs

¹ Response rate of 40% (national registration benchmark is 25%)

ICHT has established several 'special housing programs' that are for target client groups. Some examples include:

- an Aboriginal elders village at Primbee, and a minimum allocation target for Aboriginal households
- a dedicated number of properties for persons with a mental illness, allocated and managed in partnership with community mental health providers
- dedicated seniors-only and disability-only properties/complexes
- housing for young people in partnership with Southern Youth & Family Services

Most of our special housing programs include a component of social support from an external service/agency to help tenants sustain their tenancies.

These programs have been formed help to address 'access barriers' for clients who might otherwise not engage with social housing agencies or remain in a state of homelessness drawing on other resources in the housing sector.

Stable housing for these clients is often the first step to addressing a range of other support and/or welfare needs, including family and health issues, training, and employment.

Tenant participation

ICHT has a genuine commitment to tenant participation to learn from our primary customers and improve the way the our tenancy management systems operate.

Our tenant participation plan is well resourced and includes:

- a tenant advisory forum to help shape policy and generate new ideas
- regular site meetings with tenants to discuss issues with their homes
- projects at tenant's homes (eg community gardens)
- events to celebrate major community events (eg seniors week, reconciliation week)
- participation in other community events

Efficiencies in service delivery are gained by being proactive, understanding your customers' needs, and adapting to new situations. We are committed to increasing tenant involvement in decision making about their homes, and a deep commitment to asking people about what they need from us to support a successful tenancy.

Sustaining tenancies

Failed tenancies generate significant inefficiencies and costs in social housing.

These inefficiencies and costs include for example: lost revenue (eg arrears/vacants), property repairs/maintenance, increased pressure on homeless & welfare services, family breakdown, and so on.

ICHT views its role as a community housing provider to take every reasonable step to help tenants sustain their tenancy.

We have established an internal *Sustaining Tenancies Program* for vulnerable tenants and those whose tenancies may be at risk. Tenants in the program are assigned a 'housing case manager' who work with them on a *Tenancy Action Plan*.

ICHT routinely draws on its strong relationships with locally based social and community support services to implement these plans. We have informal and formal partnerships with a wide range of agencies.

ICHT relies heavily on well-funded and effective social & community services to assist tenants in sustaining their tenancy in the community. These key service areas include:

- mental health
- family support
- financial & budgeting support
- aged care & disability services (including home care)
- alcohol & drug service

Where these services are weakened, ineffective, or unable to assist tenants due to their program guidelines, this directly affects ICHT's ability to sustain tenancies. At present, ICHT is experiencing some difficulties in the availability of:

- long term family support programs (other than crisis interventions)
- high needs mental health community support programs

Arrears management

ICHT routinely achieves a rent arrears benchmark of approximately 0.5% of all rental revenue (sector benchmark of 2%). Our efficiencies are achieved through robust & systemic monitoring of rental accounts, early intervention to address problems before they escalate, linking tenants to financial management & budgeting support, and effective use of the NSW Civil & Administrative Tribunal (NCAT).

Property (Asset) and Tenant Liaison

ICHT undertakes a comprehensive asset inspection of all properties at least once every 5 years. ICHT undertakes a liaison home visit to all tenants once a year (see tenant liaison below).

Tenant liaison

We visit our tenants' homes at least once a year. Many of our tenants receive more regular visits to help manage or monitor the tenancy (either 3 or 6 monthly).

As a housing provider, ICHT is often the one constant in a tenant's life and at times we play a 'safety net' role for tenants' wellbeing.

Our tenant liaison program is a critical factor in our tenancy management. It ensures that we stay connected to our tenants, the properties they live in, and are able to offer support or early intervention before a problem escalates and becomes more difficult (or costly) to resolve.

Kiama Property Transfer

ICHT successfully implemented a whole of area transfer in partnership with HousingNSW for the Kiama LGA in 2012-14.

As part of the transfer, ICHT project-managed significant property upgrades to 58 government-owned assets in Kiama, supporting local businesses and improving both the functionality and amenity of tenants' homes.

Vacancy rates

ICHT's vacancy rates are well within public and community housing sector benchmarks. The number of unoccupied days per vacant property averaged 6.73 days for the 12 months to May 2014.

This means that ICHT is extremely efficient in re-letting vacant properties. This monthly average is inclusive of all maintenance and upgrades required when a property is vacant (including for eg. replacement kitchens and bathrooms where required).

The benefits to the organization in terms of efficiencies include: minimizing rent lost due to vacancies / unlettable properties, reduction in the risk of vandalism when properties are vacant, strong utilization rates of the ICHT portfolio.

ICHT achieves these efficiencies through: early & proactive communication with tenants who are leaving the service, quality relationships with preferred local trades/businesses, and strong project management & coordination of vacants (maintenance and allocation).

Future redevelopment opportunities

ICHT sees a future opportunity to partner with the NSW Land & Housing Corporation to identify future redevelopment opportunities in appropriate locations, and to undertake small-scale redevelopments of government-owned assets.

This would have the benefit of:

- more efficient use of limited government land resources (increasing densities in appropriate locations)
- increasing the supply of social and affordable housing
- housing more people in need