

**Submission
No 42**

TENANCY MANAGEMENT IN SOCIAL HOUSING

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evolve
HOUSING

Community minded, Community driven

Submission to NSW Legislative Assembly Public
Accounts Committee Inquiry

Tenancy Management in Social Housing

August 2014

INTRODUCTION

Evolve Housing welcomes the opportunity to contribute to the Public Accounts Committee inquiry into tenancy management in social housing.

Social housing has received a significant degree of scrutiny in recent months as a challenging area of public policy. Evolve Housing is mindful of the ongoing inquiry by the Legislative Council Select Committee into social, public and affordable housing, as well as the inquiry into affordable housing conducted by the Senate Standing Committee on Economics.

Evolve Housing has a strong track record of delivery on behalf of its tenants and strives to make a major contribution to the relief of housing stress in Australia.

Homelessness and housing stress are rapidly growing problems in Australia with over 105,000 people homeless. This includes over 16,000 children who are homeless.

Evolve Housing's submission will address all of the terms of reference set by the inquiry. We argue that an adequate framework for assessing and measuring cost effectiveness does not currently exist. The recent Australian Housing and Urban Research Institute Positioning Paper 'Assessing management costs and tenant outcomes in social housing: developing a framework', has drawn attention to this gap in social housing policy.

Therefore, whilst addressing the first three terms of reference, the submission places particular emphasis on the fourth term of reference relating to "possible measures to improve tenancy management services". We believe we offer a number of robust recommendations to the Committee in order to address some significant issues in the management of social housing.

These recommendations provide a holistic set of policy proposals to move the sector forward with confidence; in the long-term interest, and benefit, of our disadvantaged and vulnerable residents. We consider these recommendations to also be in the long-term interest of the NSW Government, and thus the NSW tax-payer.

We would welcome the opportunity to supplement any of the information provided in this submission at a public hearing or at the Committee's convenience.

Yours sincerely,

A black rectangular box redacting the signature of Andrea Galloway.

Andrea Galloway
CEO

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ABOUT EVOLVE HOUSING

Evolve Housing is a Global Mark accredited, Tier 1 nationally registered community housing provider (CHP) that owns or manages over 2,700 properties across 23 Local Government Areas and houses over 6,500 people in New South Wales who were homeless or in housing stress.

Evolve Housing strategically manages these properties to increase the number of homes and improve the amenity over time while expanding our service offering through partnering and community engagement. Partnering with the housing sector, Evolve Housing works to deliver person-centred and sustainable housing to areas of high need such as social housing, the disability sector and affordable housing.

In addition to the provision of sustainable housing which meets the needs of the residents and improves their quality of life, Evolve Housing is also committed to a strategy of addressing the issues behind homelessness including social inclusion, employment and access. We have a matrix of service provider relationships to help our residents with everything from training and development for employment through to counselling and life skills.

We passionately believe that absolutely everyone has the fundamental right to a home. A home is so much more than shelter; it needs to be safe, secure and provide the opportunity through a supported network for a person to rebuild their life and begin their 'Journey Home'. Our 'Journey Home' is set out in the graphic at [Annexure A](#) to this submission.

The 'Journey Home' continuum – developed by Evolve Housing – aims to strengthen economic independence and social participation of residents to build strong communities and resilience. A stable and secure home environment creates the space for residents to develop skills and independence to move along the 'Journey Home' continuum and reduce the level of government subsidy and intervention required.

This involves targeted assistance and support provided by Evolve Housing and its partners with the positive social dividend of less reliance on government subsidy and a greater number of self-reliant independent citizens participating in the workforce and the community.

Since July 2012, Evolve Housing has increased its assets from \$75.38m to approximately \$206.3m, which includes the value of 250 NSW Housing properties transferred in the current financial year - valued at approximately \$90m. We have worked to reduce our dependence on government funds through a Fee for Service established in September 2013. The revenue generated from this fee is channelled back into our core business of providing more housing to the communities we serve, as well as targeted services. This has allowed Evolve Housing to increase revenue and portfolio size, expand service offerings, enhance networks with other CHPs and support services, and expand into property and construction management.

This progress has resulted in increased housing supply, better educated committees, financial institutions and private developers, and enhanced support for some of the most vulnerable people in NSW.

TOR 1: COST EFFECTIVENESS OF COMMUNITY HOUSING

NSW has the largest social housing system in Australia, with its clients reflecting the complex demographic profile of the state spread across a vast geography. Management and in some cases ownership of social housing properties was, until recently, increasingly transferred from the public to the community housing sector.

The shift to the community housing sector has largely been in recognition that the policy outcomes sought by government, relative to the unmet need, are best pursued by CHPs given the flexibility available to providers who are localised and networked into other relevant services.

However, despite the previous pursuit by government of transfer of ownership or management to CHPs, a comprehensive accountability and cost effectiveness framework has not yet been developed. As noted by AHURI's Positioning Paper:

Outsourcing the management of social housing to CHPs (agencies, outside direct state control) is giving rise to growing government demands for provider accountability in terms of service costs and benefits. Equally, the community housing industry needs credible quantitative evidence to underpin claims of superior efficiency and effectiveness.

Given the lack of such a framework, it is difficult to comment in detail on the cost effectiveness, or otherwise, of current tenancy management arrangements in a holistic sense.

However, there are some obvious advantages available to CHPs relative to public housing bodies, such as Housing NSW. The availability of Commonwealth Rental Assistance (CRA) to tenants in the community housing sector enables CHPs to access a source of funds that would not otherwise be available to a state-run provider. CRA is available through Centrelink as a regular contribution towards the rent for low income earners. The amount payable depends on the personal circumstances of the person applying.

Community housing tenants can often claim CRA, which in our experience is an effective and efficient subsidy that CHPs can use to target support to those most in need. It is important to note that public housing tenants cannot presently claim CRA. As a result, CHPs can manage and maintain social housing portfolios at sustainable levels and generate surplus cash reserves for further investment, whereas the public housing sector operates on the basis that losses will inevitably be incurred.

CHP revenues, including CRA, have many applications. There are obvious management and maintenance costs that they sustain, but there are also key community strengthening applications for surplus reserves that distinguish the CHP value proposition. In relation to Evolve Housing, we offer a range of services designed to strengthen communities, including educational and employment assistance, physical exercise grants, language support to improve English skills for people from culturally and linguistically diverse backgrounds, and money management courses.

Turning from revenues to cost savings, CHPs do not pay GST, stamp duty, or land tax. Nor do they pay council rates in some local government areas. These benefits bolster the CHP value proposition and, in our experience, open doors to partnerships with the private sector.

TOR 2: EFFECTIVENESS OF SUPPORT SERVICES IN SOCIAL HOUSING

Evolve Housing offers a range of support services to tenants in social housing by partnering with community organisations that provide targeted programs and support. Given the profile of residents, these services form an important part of the holistic support required to assist our residents, to improve their economic independence, and to increase social participation.

Evolve Housing partners with a range of support service providers and offers a suite of programs tailored to the needs of our residents. Our support partners are set out in [Annexure B](#).

Our residents include some of the most disadvantaged with complex support needs. We firmly believe that access to enhanced services increases the likelihood of tenants being able to secure stable employment and continue on a pathway toward greater independence and out of the social housing setting.

The AHURI Positioning Paper identifies the gap in a qualitative framework to assess the effectiveness of these services. However, Evolve Housing engages the NSW Federation of Housing Associations to conduct an annual Tenant Satisfaction Survey, which provides management with an indication of residents' views on a range of services provided.

The results have been used to improve Evolve Housing's business for the benefit of residents. The 2013 Tenant Satisfaction Survey identified that Evolve Housing had a combined satisfaction rating of 83% (percentage of 'satisfied' and 'very satisfied' categories).

Supported tenancies: We establish such tenancies with specific support partners with a view to targeting high needs or identified at-risk social housing tenants, including youth, special needs individuals, victims of domestic violence and the aged. Currently, we are in the process of merging with Western Housing for Youth, an organisation committed to the provision of tailored youth support programming, so we can bolster our experience and expertise in this area.

CASE STUDIES: MORE THAN JUST A COMMUNITY HOUSING PROVIDER

JODIE

Jodie is a single mother of two pre-adolescent children and has a disability which saw her hospitalised for a number of years. Jodie was a little reluctant to engage with services, so Evolve worked to establish a rapport with Jodie.

After establishing a rapport, Evolve Housing assisted Jodie and her children. This included ongoing medical and educational support.

Jodie now looks forward to a more stable life for herself and her children and is working toward getting a driver's licence and buying a good car.

BETTY

Betty does not have any remaining family members and has lived alone since her husband passed away. Betty is frail and has emphysema. Her wish is to stay in her home in Marayong until she passes.

Betty's health deteriorated dramatically 2 years ago. Evolve Housing has co-ordinated efforts to get high care level support for Betty in her home. This included modification work undertaken when Betty was in respite care for a number of months.

GLENDA

Glenda is a single mother of two young children who left a violent relationship with the children's father. She was provided housing by Evolve and was assisted in obtaining a transfer to a three bedroom property in a more suitable neighbourhood.

When the father of Glenda's children re-entered her life, Evolve Housing helped Glenda remove him from their lives after the violence started again.

Glenda is now considering moving to a rural environment similar to the rural environment in which she grew up in her native Chile.



TOR 3: OUTCOMES FOR TENANTS FROM CURRENT TENANCY MANAGEMENT

Evolve Housing's mission is to provide a secure and stable environment, such that residents will have the necessary support to reach their full economic and social potential. It is our goal to assist residents who wish to move from social housing toward greater independence.

A number of CHPs, including Evolve Housing, offer a range of support services and programs to tenants including:

1. Community Engagement Programs: The aim of these programs is to foster involvement and ownership of 'community', connect community members, inform CHP services and, most importantly, enable residents to realise their personal potential. Programs are generally offered in partnership with local government areas or community service providers that specialise in training or provide some other social service.

Some Evolve Housing specific examples include skills training, accreditation certification, residents' councils, counselling services, single parent workshops, structured financial assistance and hygiene packs. For Evolve Housing, the focus is on equipping our residents with the skills they need if they choose to undertake a journey to self-sufficiency and we therefore put in place tailored programs to encourage and facilitate movement of tenants across the spectrum of supported tenancies. See Annexure A 'The Journey Home'.

2. Mix of social and affordable: The larger CHPs actively encourage the integration of very low, low and moderate income earners by tenancing new developments with a mix of social and affordable residents. This prevents 'ghettoism', breaks the cycle of inter-generational poverty and creates socially stable and financially viable properties that mirror the composition of the broader community.

3. More lenient tenancies: CHPs do not want to see residents of affordable housing transition back to social housing. We want to see the opposite. Some CHPs, such as Evolve Housing, offer incentives to move people from social to affordable housing. By way of example, if an Evolve Housing affordable tenant residing in a property we own loses his or her job, we will reduce the rent payable to social housing rates and allow the individual 12 months to regain employment.

4. Development of state-of-the-art disability housing: CHPs are able to combine their surplus revenue streams, project management and development expertise with community links and partnerships with support providers, to develop innovative disability housing facilities, combining customised facilities, assistive technology and accessible, in-house support. These facilities are managed by expert property managers, and tenanted by residents with disabilities who are nominated by the partner support provider.



Case study for tenant outcomes: Evolve Housing and Northcott partnered together to deliver the Merv Wright House in North Parramatta. Merv Wright House comprises five fully functional units equipped with assistive technology, in which residents with disabilities are supported to live independently with 24/7 care, including specialised support from Evolve Housing's partner, Northcott.

The units have been awarded the Platinum Liveable Housing standard and were designed to be operated independently by people with severe disabilities and be adapted to suit individual needs. The complex is easily accessible and open and was envisaged with community integration in mind. Grandview also includes a day carer's quarters and a unit that is leased at a discounted, affordable rate in exchange for the tenant providing emergency care during the night when necessary.

Evolve Housing is now partnering with Northcott again to deliver disability support facilities in Mt Hutton. Evolve Housing and Northcott are therefore realising their goal of making Merv Wright House the first of many successful partnerships between the two organisations.

TOR 4: IMPROVEMENT OF TENANCY MANAGEMENT SERVICES

With the mounting cost of housing generally, particular pressures on supply in the Sydney market and tighter government housing budgets, better management of tenancies in social and affordable housing services is critical. Evolve Housing believes a substantial increase in the number of housing units can be effected across NSW simply by reforming management practices and by re-gearing the regulatory regime governing the social and affordable housing sectors, and subsequently reinvesting saved revenues in development.

CHPs, in particular, have demonstrated leadership in innovation and adaptability, providing not only more cost effective solutions in the expenditure of public funds, but also in connecting tenants with support services and networks that allow the broader social context of housing stress to be addressed. CHPs have offered a model in recent years which has encouraged the transition of tenants out of social housing settings and toward greater independence, a goal which must be achieved if present backlogs of demand for social housing are to be cleared.

ISSUES FOR ATTENTION IN TENANCY MANAGEMENT

Despite an impressive record of meeting the housing needs of the people of NSW, the state's social housing system – and the welfare safety net to which it is linked – is experiencing serious underlying structural problems. We believe comprehensive improvement of the social housing system is impossible without addressing these issues:

1. Social housing meets the basic human need of stable accommodation: Once provided a tenancy, there is little incentive for a tenant to leave social housing. Such housing is secure, affordable and provided on a long-term basis. Many tenants say they only want stability and that social housing meets this need.

2. Tenants pay a maximum of market rent: Social housing tenants pay a maximum of market rent, regardless of increases to their income. Moreover, if a tenant is working and loses his or her job, rent is automatically reduced. This helps perpetuate the mentality that accommodation that should be regarded as a refuge in a storm has in fact become the final destination.

3. Welfare benefits are more attractive than paid work: Benefits may provide a tenant with a higher disposable income than wages. The increase in casual and episodic work also means that an income from paid work may be less stable than welfare benefits.

4. Tenants can avoid declaring occupants and income: Central to providing an effective housing social service is ensuring that it is used according to equitable principles and by those most in need. However, weaknesses in the accountability mechanisms, such as under-occupancy, undeclared occupancies and undeclared income, pose challenges to the effective management of social housing tenancies and the viability of their funding model.

5. Clients lose their spot on the waiting list upon accepting affordable housing: If a client on the social housing waiting list accepts an affordable property, that client relinquishes his or her spot on the waiting list. The short term gain of receiving affordable housing may therefore be unattractive compared to the long-term security of a social tenancy, despite the perk of being housed sooner in a newly built property. Indeed, if a client experiences financial hardship that client may lose their affordable tenancy and need to open a new application for social housing at the bottom of the waiting list.

6. Affordable tenancies are shorter and less secure: Tenants are generally offered 12 month tenancies which will be rolled over if they satisfy their tenancy agreement; however this is still less attractive than long term social housing. An affordable tenant also has fewer rights and can be evicted more easily than a social tenant.

7. 12 month reviews mean an income increase equates to tenancy termination: Social housing tenants can choose to pay market rent rather than declare their income increases. As a result, tenants on comparatively high incomes can retain a stable social lease. In contrast, tenants in affordable properties must remain eligible and their income must not increase beyond a fixed amount if they wish to retain their tenancies.

8. Proliferation of an entitlement mentality: Many families have been living in social housing for generations, and encouraging tenants to move out of that environment requires breaking an ingrained dependence. Many children grow up with few role models who work full-time or live without welfare assistance. This has created a culture of entitlement and expectation, which in turn generates deeply entrenched resistance to change.

9. Exploitation of 'the system': Many tenants know loopholes in 'the system' that can be exploited for personal gain. A number of examples include claiming children have moved out by providing an inaccurate statutory declaration and obtaining cash employment in addition to benefits.

10. CHPs have limited stock: CHPs have smaller pools of housing stock, compared to Housing NSW, which has one of the largest public housing holdings in the world. This reduces their ability to manage individual issues with tailored responses.

RECOMMENDATIONS FOR IMPROVEMENT

Evolve Housing has set high benchmarks for the operation of social housing assets. Our development of best-practice models is, however, not unique across the CHP sector. Generally-speaking, the sector has been successful in demonstrating leadership and innovation on a number of fronts. The lessons learned there need to be applied more broadly. The challenge now facing government in this state is how to identify the best use of those innovative practices and make them benchmarks for the entire social housing system. The related challenge is to change the dynamics in social housing such that tenants are tending to move out of public housing and into either affordable housing or the private market.

For Evolve Housing, the focus is on the individual journey to self-sufficiency and we put in place tailored programs to encourage and facilitate movement of tenants across the spectrum of supported tenancies.

In that spirit, we make the following recommendations to this inquiry.

Encourage the development of more social and affordable housing: The transfer of public housing stock to CHPs (either through vesting or long-term leasing) has been a policy objective of Australian governments for some time. This follows the large scale shift of state housing assets into the not-for-profit sector in the Netherlands, UK and USA in the 1990s and 2000s.

More than half of all the transfers of Australian public housing stock until 2012 have occurred in NSW (some 14,300 dwellings). Since then large scale transfer to CHPs has occurred in other Australian jurisdictions pursuant to refined and updated social housing policies. Australian Research by the Australian Housing and Urban Research Institute (AHURI) suggests that these transfers have been important in maximising revenue to housing suppliers and in leveraging private investment in the supply of new housing (and to a lesser extent in enhancing governance and contestability, and in improving operational efficiency and services to tenants). An important factor in improving outcomes is the ability of CHPs to attract Commonwealth Rent Assistance, which is not available to public housing tenants.

Evolve Housing believes that the continuation of these transfers will allow CHPs to leverage income streams to develop more affordable and social housing. More social and affordable properties are needed to reduce numbers on the social housing waiting list, and affordable housing is an attractive option to those on the social housing waiting list who are experiencing difficulties renting in the private market. There have been many highly successful exercises in vesting properties in CHPs in NSW, but we also acknowledge that other attempts have been less successful. At this juncture we believe a greater measure of accountability and empiricism is needed to drive this programme in the future, lest the benefits of a diverse and multi-tiered housing system are lost.

In its May 2014 paper "Assessing management costs and tenant outcomes in social housing: developing a framework", AHURI proposes a new conceptual framework for classifying 'housing management' activities and exploring their relationship to service outcomes. We believe such research offers a valuable basis for setting new benchmarks for the performance of asset transfers in the future, but it is also necessary for such benchmarks to be rigorously enforced, even if this entails the reversal of asset transfers to non-performing housing providers.

Recommendation 1: That the NSW Government establish new benchmarks for the performance of social housing asset transfers to CHPs, as a priority. The AHURI paper “Assessing management costs and tenant outcomes in social housing: developing a framework” of May 2014 can be the starting point for formulating these benchmarks. In our view, any framework should be applied across the entire spectrum of social housing to ensure consistency in the measurement of outcomes.

Recommendation 2: That, once these benchmarks are established, the programme of asset transfers to CHPs in NSW should resume, with the identification of clear performance milestones for CHPs benefitting from such transfers.

Recommendation 3: That the NSW Government rigorously enforce these benchmarks, even to the point of reversing transfers to CHPs which fail to meet key performance milestones.

Incentivising tenants to move from social housing:

Requiring more social housing tenants to pay rents closer to market rent makes affordable housing options more attractive, as tenants of affordable housing still receive a discount on market rent, but their properties are built new. This approach, which has the effect of increasing government rental yield, will also increase state revenues, which can in turn be directed towards maintenance, repair and development.

At present the capacity of social housing tenants to pay market rents is underreported, for a number of reasons. Most often, this is because housing providers have limited access to reliable information about the financial means of prospective or existing tenants.

CHPs need increased access to personal financial information to inform decisions regarding need based tenant selection. CHPs need access to taxation records, bank balances and visa information for all tenants and potential tenants. CHPs also need to know if social housing tenants have property overseas or take lengthy leave of absences from their tenancies.

Undisclosed occupants, assets and income in social housing tenancies results in the loss of rental income for CHPs. Similarly, unfairness arises if social housing tenants take lengthy leave of absences from their tenancies to go overseas and when individuals with assets overseas acquire social housing properties. More significantly, however, these challenges mean that people who need social housing miss out because accommodation is being tenanted by persons who do not in fact meet eligibility criteria.

Our anecdotal experience bears out the proposition that significant numbers of tenants in social housing in NSW are either ineligible for subsidised accommodation or should be paying more of their (understated) income for this privilege. Our fear is that the neediest miss out because some less needy individuals have significant undeclared income or assets. In a system of limited capacity to meet demand, this situation is unconscionable.

Under present arrangements social housing tenants can, after initially qualifying for social housing, choose to pay market rent rather than disclose income. Whilst this greater income is beneficial to CHPs, the prevalence of this occurrence means that tenants may remain in social housing when they are financially independent, and the flexibility to accommodate new, needier clients is diminished. This challenge goes to the very heart of the mission of social housing.

We appreciate that there are privacy concerns that arise in this regard, but we consider that these can be effectively managed through regulatory controls and open communication with tenants and potential tenants.

Recommendation 4: That the *Housing Act 2001* be amended to allow social housing providers to require tenants and potential tenants to disclose personal financial information, such as taxation records, bank balances and visa information, where a housing provider reasonably believes it is necessary to ascertain the eligibility of the tenant for a housing benefit. In the event that tenants exceed eligible income thresholds or refuse to disclose, a housing provider should be entitled to evict.

Incentivising tenants to move to affordable housing:

Tenants in social housing (or on the social housing waiting list) who accept an affordable housing offer lose their priority in those regimes, even though the affordable tenancy they are taking up may not be an enduring arrangement. The short term gain of receiving affordable housing may be unattractive compared to the long-term security of a social tenancy, despite being housed sooner in a newly built property. A client who experiences financial hardship may lose their affordable tenancy and need to open a new application for social housing at the bottom of the waiting list. This anomaly can be avoided if the tenant retains their place on the social housing waiting list for a period of time in case, for example, they lose their affordable property through losing a job.

Recommendation 5: That Housing NSW implement a grace period for applicants on the social housing waiting list (or previous tenants) who accept tenancy of an affordable property, allowing them to return to social housing (or the social housing waiting list) within that grace period in specified circumstances.

Grant CHPs authority to collect social rental bonds in full before lodgement to the Rental Bond Board: CHPs are permitted under the *Housing Act 2001* to collect bonds from social housing tenants; however, they can only collect a maximum of 2 weeks rent at the rate actually paid by the tenant for this purpose. This policy was designed to allow for tenants having a limited capacity to pay a full 4 weeks' bond (the requirement for general tenants) up front. It would be highly unusual for the amount typically paid at present by social housing tenants to exceed \$200.

A \$200 bond does not come even remotely close to covering typical cleaning costs or, in many instances, damage to property costs. Even allowing for a social tenant's limited ability to meet such costs, the reduced bond produces little incentive to honour obligations in the tenancy agreement. Equally it denies complying tenants the benefit of a decent nest-egg when their tenancy concludes.

This problem could be alleviated if bonds were collected from social tenants in small weekly increments, pursuant to agreement with the tenant, and lodged by the CHP with the Rental Bond Board when the full amount has been collected. This would afford tenants a transferrable and refundable bond to use in respect of other properties when and if their tenancies end. It would also ensure that the cost of property damage is covered to some extent and encourage personal responsibility.

Recommendation 6: That the *Housing Act 2001* be amended to allow CHPs to collect incrementally, in terms agreed between the CHP and the tenant, rental bonds equal to 4 weeks' worth of market rent before lodgement with the Rental Bond Board.

Tenant records and data sharing within the social housing sector: The lack of a coordinated system to share tenancy history and data between CHPs in the social housing sector means that CHPs generally have no knowledge of previous tenancy issues. This is particularly problematic in circumstances where individuals with substantial arrears or property damage histories are offered new tenancies and then reoffend. Unfortunately, and in light of the rules pertaining to the Pathways waiting list and privacy legislation, information can only be shared with a view to improving service provision and if consent is given by tenants.

We accordingly suggest that tenant records, including prior debt accrued, evidence of mistreating properties and other relevant information submitted by Housing NSW, should be registered and accessible in the 'HOMES' system by CHPs. Information of this nature regarding private market tenants is already available in the TICA Database.

The legislation should make clear that CHPs could not use such data to discriminate against tenants, but rather to inform tenant support and engagement services. Such arrangements would enable CHPs to prepare for problem tenancies and ensure that they are supporting those tenancies with increased services, engagement, monitoring and education. Tenants would need to be advised in advance of the uses to which their tenancy history could be put. In this way, CHPs would ultimately be able to sustain more successful tenancies and reduce costs associated with tenancy defaults.

Recommendation 7: That the *Housing Act 2001* be amended to allow CHPs to access, directly or indirectly, specific tenant information held in the 'HOMES' system, including prior debt accrued, rental default and evidence of mistreating properties. This information would be available only to inform tenant support and engagement services, not to exclude possible tenants. Penalties should apply for misuse of that information in the hands of CHPs.

Cancellation of rental payments: Social tenants often enter into arrangements for the automatic deduction of their rent from welfare entitlements, through Centrepay deductions. Even if a tenant has agreed to automatic Centrepay deductions, they are entitled at any time to reduce or cancel the rent and non-rent payments being deducted from their Centrelink benefits. Some tenants do this to address cash-flow problems, but this often results in them falling into arrears and debt, and can ultimately lead to tenancies being terminated.

Cancelling rent payments in a personal financial crisis is rarely in either the tenant's or the social housing system's interests. The default position should therefore be that cancellation should not be possible without mutual agreement. This would substantially reduce the incidence of rental arrears and the risk of eviction. It would also afford both tenants and CHPs financial certainty and security.

There is also an operational discrepancy when tenants request cancellation or reduction of Centrepay deductions, in that some Centrepay officers allow tenants to immediately stop their deductions, whereas others refer tenants back to their tenancy providers. Tighter consistency regarding the cancellation of rental payments is required.

Recommendation 8: That, where a tenant's rent is automatically deducted from their Centrelink benefits or Commonwealth Rent Assistance, the consent of their housing provider be required before the payment is reduced or cancelled. The housing provider's consent must not be unreasonably withheld.

Recommendation 9: That Centrelink be asked to apply consistency in the operation of Centrepay deductions.

Encourage integration of support services with accommodation: No tenancy should be regarded as simply a business transaction. In social housing, other personal, economic, social or psychological issues often overlay a tenant's need for subsidised accommodation.

Housing providers must be encouraged to identify and relate to the "whole person" that is their tenant. It is vital that support programmes are available to link to other issues in that tenant's life, issues which – if unaddressed – may prevent them transitioning out of social housing and toward greater independence.

Supported tenancy programmes offered by specialist non-housing agencies can address individual need on a case-by-case basis, leaving property and tenancy matters to CHPs.

By way of example, Evolve Housing is merging with Western Housing for Youth to offer 'Evolve Housing for Youth'. Doing so recognises the impact early intervention can have on breaking the cycle of homelessness and worklessness. Young people experiencing homelessness face a hard time finding somewhere safe and secure to live. They find it even more difficult to maintain support, connect with their community and participate in education, training and employment. They commonly disengage from education and vocational training soon after experiencing homelessness.

Recommendation 10: That the NSW Government actively support CHPs and other social housing providers to develop operational partnerships with specialist support service providers, even to the point of making such partnerships a condition of funding for housing services.



Training & development @ Access to employment @ Maintenance & Upgrades
Mixed Tenancies @ Efficiencies @ Social Return

ANNEXURE B: Evolve Housing Support Partners

Alice's Cottages

Anglicare

Australian Arabic Communities Council

Australian Red Cross

Bonnies Women's Refuge

Canterbury Youth Services

CatholicCare

CatholicCare Aged

Cerebral Palsy Alliance

Community Restorative Centre Inc

CRC Justice Support

Disability Services Australia

Erin's

Holroyd Youth Services

Independent Community Living Australia

Islamic Council

Lifetime Care and Support Authority

Mackillop Family Services

Marian Centre

Marist Youth Care

Mary's Place

Mission Australia

Muslim Womens' Association

Nepean Youth Accommodation Services

NESH

New Horizon Enterprises

Pam's Place

Richmond Fellowship

Royal Sydney Rehabilitation Centre

Salvation Army

Salvation Army First

St Michael's House

Uniting Care Burnside

Uniting Care Mental Health HASI Services

Wesley Supported Accommodation Services

Western Housing For Youth

Westmead Hospital