

**Submission
No 2**

TENANCY MANAGEMENT IN SOCIAL HOUSING

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Date Received: 8/08/2014

NSW Parliament Legislative Assembly Public Accounts Committee Inquiry into Tenancy Management in Social Housing

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City of Sydney Submission

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Executive Summary

Format of the City of Sydney Submission

The City of Sydney submission to the Inquiry into Tenancy Management in Social Housing contains a number of recommendations across a range of areas. These include and are detailed by section:

1. The cost effectiveness of current tenancy management arrangements in public housing; particularly compared to private and community housing sectors;
2. The range and effectiveness of support services provided to tenants in social housing;
3. Outcomes for tenants from current tenancy arrangements; and
4. Possible measures to improve tenancy management services.

1. Introduction

The City of Sydney commends the NSW Government for this initiative and providing the opportunity for stakeholders to participate in this inquiry.

The City of Sydney (“the City”) has 8,500 social housing tenancies within the local government area, with large public housing precincts located in Surry Hills, Redfern, Waterloo, Glebe, Erskineville and Woolloomooloo as well as expanding community housing providers.

The City’s objectives for social housing communities reflect the complexity and diversity of a changing social housing population. The City is committed to ensuring that the levels of tenancy management, maintenance, amenity, safety and services available to social housing residents are equal to those afforded to private housing and other residents.

The City does not view social housing residents differently to privately housed neighbours, however, it must be recognised that many public housing residents live in properties that are not maintained adequately. Public housing tenants often complain at community meetings regularly hosted by the City across the local government area that they rarely experience prompt, accountable and effective tenancy services.

Investment in maintenance and capital improvement within existing social housing precincts is urgently needed in the inner city. The City understands, from its regular engagement with the community, that current and historic underinvestment has resulted in: -

- Adverse impacts on the health, wellbeing and other social outcomes for tenants;
- Rising tensions between social housing tenants and the wider community, exacerbated by the poor maintenance of estates highlighting the distinction between public housing and surrounding – increasingly gentrified – neighbourhoods; and
- Growing uncertainty among public housing tenants over loss of inner city tenancies, and concern that ongoing underinvestment in repairs and maintenance in some precincts is connected with plans to divest of properties.

The current situation is acute. As is well documented in the recent NSW Auditor-General’s 2013 performance audit of the sector, rental income from public housing is insufficient to fund the costs of the maintenance and capital improvement that is now required, following ongoing underinvestment. New South Wales Auditor-General, 2013, *Making the best use of public housing: Performance Audit*, Audit Office of New South Wales.

2. The cost effectiveness of current tenancy management arrangements in public housing, particularly compared to private and community housing sectors

Since the 'Inquiry into the Department of Housing Report' was commissioned by the NSW Department of Housing (HNSW) in 1992, significant changes have occurred to the way HNSW has managed its tenancies. Multi-skilled client service teams were formed to manage a geographic area which included applicant assessments, as well as all aspects of tenancy management, such as repairs, maintenance, payment of rent and addressing any social issues or support needs.

The structure of client service teams over the past 20 years has essentially remained although key changes continue to challenge sustainable and effective tenancy management. In the past, a senior technical officer worked with tenancy management staff to locally respond to repairs, maintenance issues and other major projects whereas now the maintenance work is performed by the Land and Housing Corporation (LAHC). The issue for the tenants' is the long waiting time when they ring the Housing NSW Contact Centre to seek assistance from LAHC for repairs rather than having a local officer who can respond to their requests immediately.

The retention of senior specialist positions to case manage tenants' complex needs has also been essential as many tenants' suffer from a range of psycho social issues. The creation of Anti-Social Behaviour positions in 2008 has helped HNSW teams respond to tenancy management issues in communities and buildings. These positions cover too large a geographic area and are reliant on NSW Civil and Administrative Tribunal processes and legislative changes to be effective. A reduction in client service visits has also created a reactionary way of resolving problems which is further exacerbated when Housing staff no longer have the opportunity to attend weekly training sessions which impacts on the ongoing professionalization of workers in this sector.

In areas where tenancy management is supported by community development positions in programs such as the 'Tenant Participation Resource Service' and the 'Housing Communities Programs,' (which have recently been re-funded for a further 2 years), tenancy management practices have improved. Additionally, there are a number of examples that show that tenancy management issues are significantly reduced when there is a community centre or space for a functional tenants' association to provide a range of services.

3. The range and effectiveness of support services provided to tenants in social housing

Currently, public housing estates are primarily managed through division of asset and tenancy management, the responsibilities of which are divided between agencies – LAHC and Housing NSW respectively. A case management approach to high-needs tenants does not adequately address whole of community wellbeing, which could be better supported through improved community engagement and community capacity building programs on behalf of state government. More work is needed in this area to support the potential for social and economic development among public housing residents, offering the potential for improved outcomes and routes out of poverty and dependence on benefits.

More immediately, the NSW LAHC and Housing NSW have the potential to be a strong advocate for the communities they accommodate and to promote the contribution of their residents to neighbourhoods, emphasising public housing as an asset to the whole community and addressing stigmatisation of residents.

It is recommended that: -

- **The NSW Government develops and implements specific strategies to support community connection to place, including through providing opportunities for residents to contribute to how their environment is designed, improved and maintained.**
- **The NSW Government develops and implements strategies to provide local area health services through access to unused spaces in public housing precincts, to enable them to take primary healthcare to the community.**
- **The NSW Government develops and implements strategies to improve service delivery to social housing tenants, including through investing in community development workers and undertaking inductions for new residents.**
- **The NSW Government, in collaboration with other levels of government, invests in further exploration and piloting of models (both through direct development and funding of third party providers), such as the Common Ground housing first model, which have demonstrated innovative and effective responses to integrating housing supply and service provision to achieve positive social and economic outcomes.**

4. Outcomes for tenants from current tenancy arrangements

Tenancy management has been delivered by the state government for almost 70 years. There has been a significant stock transfer to community housing leaving public housing stock currently at 117,000. This stock is ageing which creates higher maintenance and refurbishment costs.

Poor management and maintenance of public housing precincts in inner Sydney has resulted in the growing physical distinctiveness of these precincts in relation to surrounding gentrified communities. The demarcation between public and private housing visibly and socially divides the City's neighbourhoods and communities. This issue needs to be urgently addressed through investment in estate renewal.

Aside from improved maintenance of public housing precincts, mixed tenure renewal models are central to addressing this issue. Not only do these models offer improved financial viability, through cross-subsiding public housing through private housing sales, they also reduce the physical and associated social (and, to a degree, socio-economic) barriers between public and private housing communities. This model is well demonstrated in the UK and across parts of Sydney as having provided improved outcomes with regard to social connectedness of social and private housing residents. High land value estates in the inner city offer great potential to successfully implement such models.

The City supports mixed tenure renewal models on the basis that clear arrangements are in place to relocate existing social housing tenants nearby, and where possible that new dwellings are built before tenants are moved. The City understands the need to refurbish and renew social and affordable housing stock. However, there should be no overall loss of stock within the local government area to preserve the existing quantum of social and affordable housing stock and ensure sufficient housing diversity.

5. Possible measures to improve tenancy management service

There is no definitive evidence based research or evaluation to date that clearly suggests that tenancy management costs or effectiveness is significantly better with community housing providers. Whilst stock numbers of community housing provider's will continue to increase if stock transfer remains on the agenda, at this stage, numbers are still small and income is also enhanced as community housing providers can access federal rental assistance which is not available to public housing authorities. Currently, private real estate agents receive a 5-7% fee for tenancy management on behalf of a landlord. For example, a \$400 per week rental would yield \$20 - \$28.

It is noted, however, that not-for-profit community housing providers operate on the basis of a social as well as economic remit – a point which fundamentally differentiates them from private sector property managers. As such, it is suggested that this sector would be a more suitable choice for the outsourcing of tenancy services over time. It is also pointed out that expansion of tenancy management services would be a key mechanism to enable the growth of the community housing provider sector, which will be important to enabling future social and affordable housing supply.

It is recommended that: -

- **Staff recruitment, training and support of Housing NSW frontline staff should become a priority, including identifying skill deficits and needs within each client service team.**
- **Tenancy and case management across FACS should also be delivered in priority areas due to the increase in the tenant population who are either relying on statutory incomes such as the disability support pension; are being housed with mental health and drug and alcohol issues; or are seeking social housing post release.**

Housing design approaches and service integration are also necessary to support tenant livelihoods and wellbeing. Good design does not necessary cost more. In recognition of these issues, the NSW Government has the potential to take a leadership role in facilitating high quality social and affordable housing through urban design, architectural, accessibility and environmental sustainability standards, applied directly and indirectly. This should include universal housing standards and provisions to support ageing in place. Improved housing design may be facilitated by NSW Government through measures including: -

- Providing leadership directly through applying best practice in public housing design and sustainability, through public housing development and renewal schemes; and
- Developing design best practice guidelines for affordable rental housing, to be applied by the community and private sectors, similar to the Design Guidelines associated with State Environmental Planning Policy No 65 – *Design Quality of Residential Flat Development*.

The City of Sydney is concerned about the effective implementation of good practice Crime Prevention Through Environmental Design (CPTED) principles in public housing precincts in the city. In some situations the City has taken direct action to address issues on a public housing estate in the interest of the tenant community. For example, aligned with recognised CPTED good practice, the City of Sydney has actively worked in partnership with NSW Land and Housing Corporation (LAHC) to address a lack of sharps waste management through the provision of special bins in public or shared areas of public housing precincts.

This key safety issue to manage the impacts of injecting drug use would reasonably be expected to be the role of the management authority, LAHC. The City supports a service provision model that requires LAHC to take increased responsibility for managing its community sharps programs and other estate maintenance issues.

6. Conclusion

The City of Sydney supports tenant management systems and processes that are focussed on the effective delivery of services for a changing demographic tenant population.

The City of Sydney believes that enhanced, broad external support services for tenants that are pro-active and effective creates strong and resilient communities and empowered residents.