
Chapter 1 Background to the Inquiry

Establishment of the inquiry

- 1.1 The inquiry into Community Housing was initially referred to the Committee by the then Minister for Housing, the Hon Andrew Refshauge MP on 27 September 2001. The Committee widely advertised a call for submissions, including Sydney metropolitan, rural and regional newspapers and the Federation of Housing Associations' newsletter. Specific stakeholders were also invited to make submissions.
- 1.2 The original terms of reference required us to provide a final report to the Legislative Council no later than 7 November 2002. As a result of the workload created by other inquiries, particularly the Inquiry into Child Protection Services, the Committee requested an extension to the reporting date in September 2002, which Minister Refshauge agreed to. When Parliament was dissolved in early February 2003 in preparation for the March 2003 State election, the Committee had not been able to complete the inquiry.
- 1.3 Following the election, the Social Issues Committee was re-established, with a membership increased to six (instead of five). Three new members of the Legislative Council joined the Committee: the Hon Robyn Parker MLC (Deputy Chair), the Hon Catherine Cusack MLC and the Hon Kayee Griffin MLC. A new Minister for Housing was also appointed after the election: the Hon Carl Scully MP.
- 1.4 Following the re-establishment of the Committee, the Legislative Council resolved to re-refer the inquiry into Community Housing to the Committee. This occurred in June 2003. All submissions and evidence were carried forward, and submissions were updated by correspondence where required.

Conduct of the inquiry

- 1.5 In response to the call for submissions, the Committee received 54 submissions to the inquiry. Submissions were provided by major stakeholders and government agencies including the Department of Housing (for the Office of Community Housing), the National Community Housing Forum, the NSW Federation of Housing Associations Inc, the Association to Resource Co-Operative Housing, the Housing Appeals Committee, the Local Government and Shires Associations, Churches Community Housing Inc, Shelter NSW, the 'Tenants' Union of NSW and NCOSS. Submissions were also received from a number of individuals. The full list of submissions and authors appears at Appendix 1.
- 1.6 There have been four days of hearings with a total of 28 witnesses from 13 different organisations/groups. Representatives from the Department of Housing and the Office of Community Housing appeared twice - once in the early stages of the inquiry to present an overview of the issues facing the community housing sector and then in November 2002 to discuss issues relating to regulation of community housing. Appendix 2 contains a list of witnesses and hearings.

- 1.7 In order to gain ‘on the ground’ experience of community housing and to talk to tenants, staff and providers the Committee conducted four site visits. Three of these were in the Sydney metropolitan area – to St George Community Housing Co-Op on 13 February 2002, to Hume Community Housing on 21 May 2002, and on 19 August 2003 to Emoh Ruo Cooperative Housing in Erskineville and the Tamil Senior Citizens Housing Cooperative in Enfield. A visit to Anglicare’s community housing tenancies in Maclean, Iluka and Yamba was undertaken on 21 August 2003, as well as a meeting with representatives of the North Coast Community Housing Association. On each occasion, Committee Members met with CEOs, staff and residents of the community housing projects. See Appendix 3 for details of the site visits.

Report structure

- 1.8 Following the introduction, an examination of the role of community housing is undertaken in **Chapter 2**. This chapter also covers the terms of reference requiring the Committee to report on the effectiveness of community housing in meeting clients’ housing needs and their non-housing needs through links with government and non-government support services. In Chapter 2 the Committee has made a recommendation on the need for a cohesive and comprehensive policy framework to support and promote community housing as an alternative provider of affordable social housing. Many of the recommendations made throughout the remainder of the report deal with specific issues that should be included in the new strategic policy.
- 1.9 **Chapter 3** addresses the terms of reference relating to models of community housing provision in rural, regional and metropolitan areas and in other jurisdictions, and assesses the relative merits of large and small community housing organisations.
- 1.10 In **Chapter 4**, the governance of community housing is examined and assessed, including current management and operational policies. The adequacy of training and support in achieving effective governance is also covered.
- 1.11 The subject of **Chapter 5** is the accountability of community housing. In particular, it considers the adequacy of current reporting and regulatory frameworks and examines means by which they can be improved.
- 1.12 Finally, we look to the future of community housing. The Committee has a firm belief in the importance of community housing in the provision of affordable housing. In **Chapter 6** we examine means by which the capacity of the community housing sector can be expanded.

Chapter 2 Role of community housing

The demand for social housing

2.1 This inquiry occurs at a time of considerable debate on housing affordability, particularly in metropolitan and regional centres. Housing affordability in the major population areas is at an all time low.¹ Community housing, and the social housing system in general, are increasingly important partners in the provision of affordable housing options. In the paper, *Directions for Housing Assistance beyond 2000*, the NSW Department of Housing identified the trends which impact on the increasing demand for social housing and housing assistance programs. These include:

- continued population growth focused on Sydney
- further population decline in rural areas
- continued increase in the number of small households
- declining rates of home purchase
- diminishing affordability in the private rental market
- declining stock of low cost rental housing
- changing nature of labour markets
- growing evidence of increased social and economic polarisation.²

2.2 The Affordable Housing National Research Consortium (AHNRC) notes that unless significant changes are made to housing policy the number of ‘stressed households’ - that is households spending more than 30% of their income on housing - will reach one million by the year 2020.³ The Australian Housing and Urban Research Institute has estimated that the demand for additional dwellings for New South Wales and the ACT is predicted to be 335,000 between 2002 and 2011, of which 68% will be in Sydney. They also anticipate that 25,000 of these additional dwellings will be public rental properties, with a national demand for public rental properties expected to be 71,600.⁴ The anticipated population growth

¹ Shelter NSW, Submission to Senate Community Affairs References Committee, Inquiry into Poverty and Financial Hardship, March 2003, p9

² NSW Department of Housing, Background paper, *Directions for Housing Assistance Beyond 2000*, September 1999, Chapter 4

³ *Affordable Housing in Australia: Pressing Need, Effective Solution*, AHNRC, September 2001, cited in Submission 28, National Community Housing Forum, p4

⁴ Australian Housing and Urban Research Institute, Australian National University, *Medium and Long-Term Projection of Housing Needs in Australia: Final Narrative Report*, authored by Peter McDonald, June 2003, p30

further exacerbates demand for affordable housing by encouraging rising housing prices, particularly in Sydney. Housing costs in Sydney have risen by an astonishing 40% over the last 5 years, far outstripping increases in average weekly earnings. In addition, rents have been rising from between 2% to 14.7% annually in Sydney and regional areas.⁵

- 2.3** We received a number of submissions from people affected by the cost of housing in New South Wales. They told of their struggle, and the struggle of family members, with the price of home ownership and private rental accommodation. According to NCOSS the impact of the private rental market on disadvantaged people is profound, particularly in relation to the percentage of income used for rent, the lack of security and the potential loss of social networks:

For people with complex needs such as major illness or disability, living in the private rental market is clearly a nightmare – limited access, difficulties in negotiating leases, lack of appropriately modified stock and so forth ...⁶

- 2.4** Research conducted by the Affordable Housing National Research Consortium (AHNRC) demonstrates that the Australian private rental market fails low income tenants and that the New South Wales markets fails them ‘spectacularly’.⁷ According to other evidence to our inquiry, one indicator of the housing affordability crisis is the rise in the number of relocatable homes and people living permanently in caravan park accommodation.⁸

- 2.5** Shelter NSW, the peak body representing the interests of social housing tenants, suggests there is a housing crisis facing low income and disadvantaged people and particularly those living or seeking to live in the Sydney area. Policy and Liaison Officer, Mr Harvey Volke, told the Committee that the crisis has a number of dimensions, including:

...critical levels of unmet need for social housing, market failure in the private rental and home purchaser market, a high proportion of outmoded social housing stock, which is increasingly unsuitable for existing and prospective tenants, the increasingly complex needs of social housing consumers and the crisis in financing social housing arising from the declining role of the Commonwealth-State Housing Agreement ...⁹

- 2.6** Witnesses expressed the view that the categorisation of housing models into home ownership, private rental and public housing is no longer appropriate to address the diverse range of people’s housing needs. This is particularly true for lower income and disadvantaged people. According to Shelter NSW, governments at all levels have so far failed to address the problems of affordable housing. For instance, in a recent Housing Directions Statement they argue that the Commonwealth Rent Assistance program has yet

⁵ Shelter NSW, Housing Directions Statement, State Election 2003, p6

⁶ Ms Ros Bragg, Deputy Director, Policy, Evidence, NCOSS, 16 April 2002, pp15-16

⁷ Affordable Housing National Research Consortium, *Affordable Housing in Australia: pressing need, Effective Solution*, September 2001

⁸ Submission 11, Mr F C Crook, pp3-4

⁹ Mr Harvey Volke, Policy and Liaison Officer, Shelter NSW Inc, Evidence, 16 April 2002, p2

to deliver housing affordability to social security beneficiaries and pensioners in the most populated areas.¹⁰

- 2.7 The vast majority of witnesses to this inquiry suggested that the ‘whole cake’ of social housing, and the community housing sector in particular, needs to grow substantially if we are to seriously address the issue of the unavailability of affordable housing. The AHNRC suggests that substantial investment would be required to address the lack of access to affordable housing across Australia:

To meet the needs of the 227,000 housing stressed households in the lower income bracket through the direct construction of new affordable dwellings would require capital of some \$27 billion. If we bear in mind that the number of those households has increased in the five years since 1996 and will, in all likelihood, continue to move upwards in the years ahead, then the dimensions of the issue begin to strike home.¹¹

- 2.8 In this report we have focused primarily on the needs and concerns of the community housing sector. The evidence to this inquiry was overwhelmingly in support of community housing as a flexible and innovative model for the provision of accommodation and support services. In emphasising the importance of community housing in this State, we do not mean to suggest that other forms of social housing are less deserving of support. We note that there is very often a tension between different forms of social housing to the extent that they are competing for government funding and support from the non-government sector. We have focussed on community housing, and where appropriate, other social housing programs as directed by our terms of reference.

What is community housing¹² and who provides it in NSW?

- 2.9 Community housing provision varies across Australian States and Territories, with New South Wales having the largest community housing sector in Australia. All jurisdictions have recognised the role of community housing as a major provider of housing, particularly for people with support or other needs. Community housing is one of three provider mechanisms used by the Department of Housing to deliver housing assistance in New South Wales. The others are public housing and housing for Aboriginal and Torres Strait Islander people through the NSW Aboriginal Housing Office.¹³ Community housing is the provision of secure, subsidised, affordable rental housing to people on low to moderate

¹⁰ Shelter NSW, Housing Directions Statement, State Election 2003, p5

¹¹ Affordable Housing National Research Consortium, September 2001, p16

¹² In this report, unless otherwise stated, we use the term ‘community housing’ to refer to housing provided by housing associations, co-operative housing and housing partnerships provided by churches, local government and others. Where issues differ for the different categories of community housing, a distinction will be made, for example in relation to the management arrangements for co-operative housing.

¹³ Aboriginal housing, including Aboriginal community housing is specifically excluded from our Terms of Reference

incomes, and people with particular needs. In the majority of cases, community housing tenants are also required to be eligible for public housing.

2.10 Community housing is distinguished by the fact that tenants have the opportunity to participate in the management of their housing. Most community housing takes an holistic approach to service delivery encompassing accommodation as well as services to support human and community development. Significantly, community housing provides accommodation and support services on a local level by responding to the needs of particular communities. Like other forms of social housing, community housing has a critical role in providing for social cohesion. As the then Director General of the Department of Housing stressed, there is a fundamental relationship between access to a decent home and building good health outcomes, good education outcomes and the capacity for people to get jobs.¹⁴ Community housing has been important for a number of groups in society, and in particular people on low to moderate incomes, people with disability, people from culturally and linguistically diverse backgrounds, older people and single parent families.

2.11 A key component of the community housing model is the development of a partnership approach to the provision of client-focused social housing. According to one of the peak community housing organisations, community housing at its best:

...responds to local needs and facilitates tenants' participation which in turn, fosters a sense of ownership in their community.¹⁵

2.12 A community housing provider explained:

The prime aim of the organization is to provide accommodation to its clients that is appropriate, affordable and meets their needs.¹⁶

2.13 The evidence to the inquiry stressed that the basis of effective communities is the availability of appropriate housing. Getting housing right is a vital part of sustainable and active communities. We received numerous submissions from providers across the State describing the role that community housing plays in engaging people to participate in the delivery of their housing and community services. In our investigations for this inquiry, the Committee experienced the array of community housing projects that exist across metropolitan, regional and rural New South Wales. The Tamil Senior Citizens Housing Co-operative and the manner in which this small community operated their housing arrangements to establish a vibrant and active housing project struck us as a particularly successful example of community housing.¹⁷ Similarly, during our visit to the mid north

¹⁴ Mr Andrew Cappie-Wood, then Director General, Department of Housing, Evidence, 12 February 2002, p18

¹⁵ Submission 27, Churches Community Housing Inc., p4

¹⁶ Submission 21, Shoalhaven Community Housing Scheme, p6

¹⁷ Site visit, Tamil Senior Citizens Housing Co-operative, 19 August 2003

coast¹⁸ and to several large community housing associations in Sydney¹⁹, we spoke to many tenants about their experiences. Many tenants told us they wanted to be able to live independently, but have access to support from the housing provider when required. It is our observation and the experience of tenants that support from providers is most successful when it is locally responsive and capable of flexibility.

2.14 The provision of community housing in New South Wales began in the early 1980s with the introduction of the Community Tenancy Scheme in 1982 and the Local Government and Community Housing Program in 1984. When community housing began it was seen as a temporary, transitional arrangement for people waiting for public housing. In the 1980s and early 1990s, community housing gradually developed, with the most rapid growth occurring over the last 5 to 10 years. Nationally, the community housing sector has grown from 10,000 units to over 28,000 units in the past decade, with the majority of the growth occurring in the last five years.²⁰ A key initiative for New South Wales was the development in 1996 of the *Community Housing Strategy*.²¹ This strategy provided the template for the current size, structure and role of the community housing sector and in particular recommended the establishment of the Office of Community Housing in the then Ministry of Housing, Planning and Urban Affairs.

2.15 The role of the Office has changed over the years, and today it is responsible for the Statewide and regional administration of the community housing sector. Specific responsibilities include to:

- negotiate, administer and allocate resources for the community housing sector
- develop policy frameworks and business rules
- plan new community housing provision
- oversee the accreditation and performance monitoring of community housing providers
- develop and monitor asset management strategies
- deliver training and information to providers.

¹⁸ Site visit, Anglicare Grafton Diocese, Housing projects in Maclean, Iluka and Yamba, 21 August 2003

¹⁹ Site visits, St George Community Housing Cooperative, 13 February 2002; Hume Community Housing, 21 May 2002

²⁰ National Community Housing Forum, *Viability and Community Housing*, Discussion Series, Paper No.5, November 2001, p5

²¹ Preceding the development of the Strategy was the 1992 Mant report with recommendations for the role and management of community housing and two government reports: the 1994 *Community Housing Infrastructure Report* and the 1995 *Housing Policy Green Paper*. For more information, see Submission 54, Department of Housing, p7

2.16 The Department of Housing allocates resources to over 400 organisations throughout New South Wales to provide community housing. These organisations manage properties either owned by the NSW Land and Housing Corporation (the Department's title holding entity), or head leased from the private rental sector or other government agencies. Close to half (42%) of community housing properties are leased from the private rental market. As of June 2002, there were 11,800 properties under community housing provider management.²² According to the National Community Housing Forum, between 1996 and 2001, community housing units have increased by more than 13,000 across the country – an increase of 76%. Community housing in New South Wales grew at an even greater rate – 109% – in the same period.²³ Despite this recent growth, community housing makes up only about 8.4% of the social housing system in New South Wales, with more than 21,000 people living in long term community housing.²⁴

Other housing assistance in NSW

2.17 Public housing is the principal model for supported accommodation in this State and is an important reference point for understanding the community housing sector.²⁵ There is currently provision of public housing for approximately 130,000 households. Public housing properties are owned by the NSW Land and Housing Corporation and managed by employees of the NSW Department of Housing. To be eligible for public housing, applicants must comply with eligibility criteria before they can be placed on the housing register. Eligibility criteria include household income, citizenship, age and assets. Once approved, an applicant is placed on the waiting list, and given a number, with priority given to people deemed to be most in need. Factors that would qualify a person for priority housing include homelessness, sub-standard living arrangements or living in a household where there is risk of abuse. Unsuccessful applicants can appeal the Department's decision through the Residential Tribunal or the Housing Appeals Committee.

2.18 It is generally understood that, due to the great number of applicants for public housing, particularly in many high demand areas, it is unlikely that a person applying now will ever receive public housing unless they are on the priority housing list. In this context, community housing plays an important role in the provision of accommodation within the social housing system. Community housing in New South Wales presents an alternative to public housing by providing a range of accommodation options and support services.

2.19 Other forms of government housing assistance include Rentstart, temporary emergency assistance and the Supported Accommodation Assistance Program (SAAP). SAAP is administered by the NSW Department of Community Services and is discussed later in this chapter.

²² Department of Housing, Annual Report 2001-2002, p13

²³ Submission 28, National Community Housing Forum, p4

²⁴ Department of Housing, Annual Report 2001-2002, p5

²⁵ For information on the similarities and differences between public and community housing, see Appendix 4 - Table from Submission 54, Department of Housing, pp19, 20, 21

The social housing operating framework

- 2.20** In New South Wales, community and public housing are subject to the same operating framework. This framework provides for the strategic planning and policy directions for social housing in New South Wales. The framework consists of the *Housing Act 2001* and the Commonwealth State Housing Agreement (CSHA). The *Residential Tenancies Act 1987* and the Residential Tenancies (Residential Premises) Regulation 1995, as well as the relevant departmental policies, guide the relationship between government and its tenants in both public and community housing.
- 2.21** The CSHA is the primary source of funding for rental housing assistance in New South Wales. It is re-negotiated periodically and determines the objectives for housing assistance in this State. The most recent Agreement expired in June 2003. In April 2003 the Commonwealth circulated a draft Multilateral CSHA for 2003/04 – 2007/08. The CSHA was signed by State and Territory and Federal Ministers and formally gazetted in July 2003. According to correspondence from the NSW Department of Housing the agreement for the first time includes indexation for the four years from 2004/05 but the 1% ‘efficiency dividend’ will remain and GST compensation will be discontinued:
- Because of this, Commonwealth funding for NSW falls by \$26 million between 2002/03 and 2003/04. Even with indexation, funding for NSW will still be \$10 million less in nominal terms in 2007/2008 than it was in 2002/2003.²⁶
- 2.22** In the 2003-04 Budget the New South Wales government announced a total expenditure of \$642.9 million on housing assistance, funded by \$467.6 million from the Consolidated Fund, consisting of \$295.5 million from the Commonwealth and \$172.1 million from the State, and \$175.3 million from internal sources of the Department of Housing. The expenditure on housing will be applied to the three broad areas: asset management for existing dwellings, housing supply and other housing assistance for people on low incomes. The Housing Supply Program will provide \$103.7 million to community housing to acquire 266 new dwellings as well as provide subsidies for existing leases and the lease of a further 40 dwellings from the private market.²⁷
- 2.23** The Office of Community Housing (OCH) manages the allocation of resources to not for profit housing providers through seven main funding programs including the Community Housing Assistance Program, Community Housing Leasing Program, Boarding Housing Program and the Crisis Accommodation Program (CAP). The Community Housing Assistance Program, introduced in 1999/2000 consolidated all resources for the growth of long term housing and also established yearly targets for the provision of general and supported community housing. In recent years, the nature of housing assistance under the Community Housing Assistance Program has changed from property purchase to

²⁶ Correspondence from Ms Carol Mills, Executive Director, Housing Systems, NSW Department of Housing, 14 July 2003

²⁷ Budget Estimates 2003 - 2004, Budget Paper No.3 – Volume 2, pp17-8, 17-9

redevelopment. In 1999/2000 the Office of Community Housing contracted Resitech²⁸ to undertake a large redevelopment program. The Community Housing Leasing Program (CHLP) funds community housing organisations providing long term housing to lease properties from the private rental market or head lease NSW Land and Housing Corporation properties. Leasing subsidies enable properties to be leased from the private rental market and sublet to tenants at an affordable rent. Organisations funded under this program provide quarterly reports to the OCH on their housing management activities.

2.24 The Boarding Housing Program is delivered in partnership with the Departments of Ageing, Disability and Home Care and Health, and provides long term community housing for people with high support needs living in boarding houses. By December 2001, 173 people with a disability and high support needs were accommodated through this program.²⁹ According to the NSW Department of Housing, the Crisis Accommodation Program (CAP) priorities have changed over recent years with a greater emphasis on providing exit housing and new services for homeless people with complex needs.³⁰ Supported crisis accommodation is also provided under the Supported Accommodation Assistance Program administered by the Department of Community Services. The issue of crisis, transitional and exit housing is discussed further in Chapter 6.

2.25 A relatively recent program is the Community Housing Leasinghold Program. According to the Department of Housing, the program's funding methodology has the potential to increase efficiencies in the delivery of community housing with a number of large providers having reached or being close to financing their housing management costs through rental income from capital properties.³¹

2.26 According to the National Community Housing Forum (NCHF), the role of community housing cannot be properly understood simply by focusing on the CSHA funded projects, as substantial community housing is funded by other government departments and by local government:

It is only by considering the full spectrum of such community managed housing that its contribution to meeting the full spectrum of needs can be understood. For example, 13% of CSHA funded stock was targeted to older people in 1998, while 62% of non-CSHA funded stock was.³²

2.27 The NSW Federation of Housing Associations pointed out that while the terms of reference direct the Committee to consider the role of the government funded community housing sector, community housing also attracts funding from the non-government sector.

²⁸ Resitech is a commercialised service agency of the Department of Housing which provides programs, projects and asset management and professional services, see Submission 54, Department of Housing, p41

²⁹ Submission 54, Department of Housing, p30

³⁰ *ibid.*

³¹ Submission 54, Department of Housing, p64

³² NCHF & AIHW, *Community Housing mapping project on Findings*, June 1999 (Chart 16) in Submission 28, National Community Housing Forum, p13

The Federation explains that while some housing associations manage properties funded by government, many others provide housing and support services with funding from various government and non-government sources:

All housing associations are government funded, but not all of their activities are government funded.³³

- 2.28** Churches Community Housing Inc. make a similar point, arguing that many church organisations and agencies provide accommodation services including aged self care, youth crisis and for people with addictions or fleeing domestic violence:

All of these examples are part of the community housing sector, whether they receive government assistance or not. Churches have been providing community housing long before it was officially recognised as a sector.³⁴

- 2.29** Improving the integration between different funding and administrative sources for community housing was one of eight priorities of the *Strategic Framework for Community Housing in Australia*.³⁵ While some progress has been made in forging closer partnerships, for example between the Department of Ageing, Disability and Home Care and the Office of Community Housing, structural integration continues to be a significant issue for the sector.

- 2.30** A major issue for witnesses to this inquiry was consideration of ways to increase the range of options for financing the social housing system with a view to capacity building. This issue is discussed in Chapter 6.

The need for a strategic plan for community housing

- 2.31** In conducting this inquiry the Committee has become conscious of a lack of overarching direction and coordinated strategy for the development and provision of community housing in New South Wales. While there is a central guiding policy document for the Office of Community Housing (the 1996 *Community Housing Strategy*), there are problems with this document as a means of giving direction to community housing, including its age. Evidence to the inquiry suggests that the Office of Community Housing has taken a piecemeal approach rather than a strategic one. It should be noted that the Office of Community Housing has produced a Business Plan for 2003/04 to 2005/06 to guide them in the provision of community housing programs, however the Committee understands that this plan is not intended to be an overarching directions strategy document.

- 2.32** The Federation of Housing Associations commented on the current policy arrangements:

There are some existing strategies in place. There is the Department of Housing's corporate strategy. That is an agreement with the Commonwealth under the

³³ Submission 34, NSW Federation of Housing Associations, p23

³⁴ Submission 27, Churches Community Housing, p2

³⁵ National Community Housing Forum, *A Strategic Framework for Community Housing in Australia 1999-2003*, August 1999, p31

Commonwealth-State Housing agreement. There is a community housing strategy. The current one dates back to 1996. There have been a couple of attempts to review that strategy but nothing actually published. So as far as we are concerned we are operating on what is now a six-year-old strategy. While there are a lot of things in the strategy that are still relevant about directions, the targets and things are way out of date because there has been massive change in the sector since then.³⁶

- 2.33** Many witnesses felt that the sector would benefit significantly from the development of an updated strategic policy framework to reflect the changing roles and responsibilities of the community housing sector and the social housing system as a whole. In evidence to the inquiry, Ms Ros Bragg, Deputy Director, Policy of NCOSS argued that the development of an overall State housing strategy should be a priority for this State:

We would like to see a commitment to an overall State housing strategy... We would like to see a State housing strategy that deals with community housing, public housing, SAAP, mechanisms for engaging the private rental market, planning rules and regulations, and stamp duty—a whole range of issues that impact on affordability and the availability of appropriate housing.³⁷

- 2.34** Representatives from the Local Government and Shires Associations of New South Wales also supported the need for a strategy that recognises, supports and enhances the role of all players in the community housing sector, including the role of local government:

I think we need a framework which takes into account both public and community housing that can exist and better complement one another because sometimes they are at loggerheads. It needs to be more complementary between public housing and community housing. I also think that some of the work we do at housing, like we did on a rural and remote strategy, we are yet to see where that is. I think it may have been eaten by silverfish somewhere, but nothing has ever come out of that. It was a long and tedious job and if you are going to engage local government, I think we need to see some outcomes. You have put a lot of time into a lot of strategies. We are always there to participate, but we would like to see some evidence of those strategies being used.³⁸

- 2.35** It is apparent to the Committee that what is needed is a cohesive and comprehensive strategic policy framework to support and promote community housing as an alternative provider of affordable social housing. The policy should provide a logical plan of action for administering, governing and supporting the community housing sector. In particular it should address the future goals and directions for community housing and the strategies to achieve these goals. The policy document should provide a thorough guide to the roles and responsibilities of community housing in this State, and should recognise all players within the community housing sector including the Department of Housing and Office of Community Housing, housing associations, churches, co-operatives, local government and

³⁶ Ms Eleri Morgan-Thomas, Executive Director, New South Wales Federation of Housing Associations, Evidence, 12 February 2002, p35

³⁷ Ms Ros Bragg, Deputy Director, Policy, NCOSS, 16 April 2002, Evidence, p22

³⁸ Ms Phyllis Miller, Vice-President, Local Government and Shires Associations of New South Wales, and Chairperson, Housing Reference Group, Evidence, 16 April 2002, p34

other relevant government and non-government support services. The policy must be a comprehensive guide to appropriate community housing provision for rural, regional and metropolitan areas.

2.36 While the Committee understands the large amount of work involved in developing such a comprehensive policy document, we believe this to be a matter of priority and suggest a period of no more than two years for consultation, drafting and implementation. A process of review and updating should occur after each five year period. The recommendations in our report flag specific issues that we consider should be addressed or included in the new strategic policy framework.

2.37 As this inquiry has been limited to the investigation of community housing, we are unable to adequately address aspects of the strategy relevant to other components of the social housing sector. However, the Committee suggests that, ideally, the strategic policy document should be incorporated into an overall State housing strategy. While the terms of reference precluded us from considering the issues surrounding Aboriginal community housing, it is clear to the Committee that an overall State housing strategy would also include Aboriginal community housing.

Recommendation 1

That the Department of Housing as a matter of priority develop a comprehensive Five Year Strategic Policy Framework by 2005 to guide the future development of community housing in New South Wales.

This policy framework document should:

- be developed in consultation with the sector
 - incorporate the roles and responsibilities of community housing as well as other aspects of the social housing system
 - be reviewed and updated after each five year period
 - ideally be incorporated into an overall State housing strategy.
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Tenants of community housing

2.38 There are over 10,000 properties under community housing management with over 21,000 people in long term community housing.³⁹ There are a further 21,000 people on community housing waiting lists. Community housing provides accommodation to a range of people, mostly vulnerable or at risk, including:

³⁹ Long term community housing is considered by the Department of Housing to be 10 years or more in duration, Mr Cappie-Wood, Director General, Department of Housing, Evidence, 12 February 2002, p16

- people on very low, low and moderate incomes⁴⁰
- women and children at risk of harm and abuse⁴¹
- elderly people
- young people not able to live in the family home
- people from culturally diverse backgrounds⁴²
- people with a disability⁴³
- people with a mental illness.

2.39 According to a number of submissions from small to medium community housing providers, there is a growing complexity in the needs of clients. One organisation providing supported accommodation for young women between the ages of 12 and 25 years who are either pregnant or have children under 5 years and are homeless or at risk of homelessness explained that:

Over the past three years there has been a noticeable increase in complexity of needs, particularly around drug/alcohol use and mental health issues.⁴⁴

Community housing providers

2.40 The *Community Housing Strategy* outlines four major categories of community housing providers – housing associations, housing partnerships, housing co-operatives and crisis accommodation.

Housing associations

2.41 Housing associations are an umbrella organisation that act as a “social housing landlord” for tenants. Most of them view themselves as generalist housing providers with the capacity to specialise as required by local needs and opportunities. There are 45 housing associations

⁴⁰ For over 85% of community housing households, government pensions or benefits are the primary source of income, Submission 54, NSW Department of Housing, p22

⁴¹ 40% of community housing household members are children under 18 years of age, Submission 54, Department of Housing, p24

⁴² 25% of residents over 15 years of age were born overseas in a non-English speaking country, compared with 22% of the total NSW population, Submission 54, Department of Housing, p24

⁴³ Over 10% of long term community housing residents have a disability, in Submission 54, Department of Housing, p24

⁴⁴ Submission 15, Northern Region Young Women’s Accommodation Project, p1

in New South Wales, with the largest housing association managing 900 properties and the smallest around 30 properties. They manage approximately 10,000 properties, and more than 80% of the community housing stock in this State. Housing associations provide assistance to people who meet the Department of Housing's eligibility criteria. They are required to apply the same basic eligibility criteria as public housing and prioritise their applicants on the basis of housing need. The majority of housing association clients are people on low incomes, with 73% of households with an income under \$400 per week and 85% of tenants on a pension or benefit.⁴⁵

- 2.42** While most associations have a mix of clients, some housing associations have particular specialities. For example, St George Community Housing provides special programs and supports for people with a mental illness. The associations are managed by a committee or board that includes community members, tenants and other representatives. The organisation employs staff to manage the day to day running of the organisation and provide the necessary support, advice and information to tenants. Associations are funded on a recurrent basis to manage leasehold and capital properties through the Community Housing Leasing Program (CHLP). According to the Department, it is expected that from 2002/03, some of the larger associations with a high ratio of capital to leasehold properties will be able to fund their operations entirely from the rent collected on the capital properties managed by the association.⁴⁶ The resourcing agency for housing associations is the NSW Federation of Housing Associations.

Housing co-operatives

- 2.43** Housing co-operatives are based on the model of self-management where members select tenants to manage and maintain the housing. Generally, housing co-operatives do not employ staff, but are managed by tenant volunteers who form a board or committee. Because they are self-managed by tenants, most are small to medium in size.
- 2.44** In 2001, co-operative housing in New South Wales comprised 4-5%, approximately 350 properties, of the State's community housing. Co-operatives are located both in single dwellings as well as in separate houses within one suburb or area. The NSW Land and Housing Corporation provides properties to lease to the co-operative at a nominal rent, and these properties are sub-let to individual members of the co-operative. Housing co-operatives do not receive recurrent funding from the Office of Community Housing. Costs associated with the maintenance of the properties are covered by the rents. In recognition of the need to be viable, one-third of tenants in each co-op are permitted to have incomes higher than public and community housing eligibility. There are a range of tenants living in co-operatives including 38% NESB clients, 10% ATSI and 10% people with a disability.
- 2.45** Co-operatives are accountable under the *Co-operatives Act*, the *Fair Trading Act* and the *Tenancies Act*. The Association to Resource Co-operative Housing is the peak body for co-operative community housing projects.

⁴⁵ Ms Eleri Morgan-Thomas, Executive Director, NSW Federation of Housing Associations, Evidence, 12 February 2002, p44. While not specified in evidence, the Committee understands that the figure \$400 is gross not net income.

⁴⁶ Submission 54, Department of Housing, p10

Housing partnerships

- 2.46** Housing partnerships account for 5% of all long-term community housing and provide housing assistance in partnership with a range of organisations including churches, charitable bodies and local government. A total of 80 organisations have received funding under the Housing Partnership Program. The Department provides funds for the purchase or construction of properties, and not for recurrent purposes such as staff costs and maintenance. While partnership organisations often have expertise in community service provision they usually do not have housing expertise as their core business.
- 2.47** Churches make up the majority of partnership organisations. Churches Community Housing (CCH), part of the NSW Ecumenical Council, was established in 1996 to encourage and resource church participation in government funded community housing. Thirty six different religious organisations manage 423 government funded community housing properties. Churches Community Housing explain their arrangement as:
- A public church partnership delivering community housing services in an arrangement between a government department/agency and a church/church agency, where each contributes resources to the creation of a service which delivers community housing.⁴⁷
- 2.48** Local government is also involved in the provision of community housing partnerships. Twenty five local government authorities are directly involved in government funded community housing provision managing a total of 127 properties, mainly in rural areas. According to the Local Government and Shires Associations of NSW, councils across New South Wales provide self care units, hostels and nursing homes for elderly people and purpose build dwellings to meet the needs of women and children, young people and people with disabilities.⁴⁸ In addition to being a community housing provider, local government also provides a range of supports to local community housing providers and schemes, including involvement of councillors on management committees, community grants and the use of council-owned housing.

Crisis accommodation

- 2.49** The social housing system supports approximately 8,000 individual users of crisis accommodation. Through the Crisis Accommodation Program (CAP) and the CSHA, short and medium transitional accommodation is provided for people who are homeless and in crisis. Recurrent funding by State and Commonwealth governments for organisations providing support services for tenants in crisis accommodation is also provided via the Supported Accommodation Assistance Program (SAAP), administered by the Department of Community Services (DoCS). SAAP aims to ensure people who are homeless or are at risk of homelessness have access to secure accommodation and the necessary support. In 2000, the Commonwealth and State governments signed bilateral agreements for funding SAAP IV over the period 2000-2005. According to NCOSS the key goals for the NSW Government under SAAP IV are:

⁴⁷ Supplementary submission 27, Churches Community Housing Inc., p5

⁴⁸ Submission 19, Local Government and Shires Associations of NSW, p2

-
- improved services for Aboriginal people
 - improved linkages with a range of other agencies
 - promoting innovative service delivery
 - stronger commitment to people with complex needs.⁴⁹

Effectiveness in meeting the needs of clients

2.50 A central tenet of community housing is to provide appropriate housing and support services designed to meet the specific needs of clients. According to the evidence to the inquiry, social housing has seen an increasing proportion of tenants with medium to high support needs. While this may be the case, some participants in the inquiry expressed the opinion that community housing is not only about providing housing for people with complex needs, but is also a flexible and generalist sector that can accommodate a broad range of tenants. This section considers the effectiveness of the current system in addressing the *housing* needs of community housing tenants, as well as the wider impact of community housing on tenants' health, social participation and general wellbeing.

2.51 The first community housing customer satisfaction survey was conducted in 2000/01 as part of the 1999-2003 CSHA National Housing Data Agreement performance framework. The survey found that over 80% of community housing tenants were satisfied with the overall service they received. This compared with the 70% level of satisfaction for public housing. Only Tasmania had a higher overall satisfaction rating than New South Wales.

2.52 In addition to overall satisfaction, the survey sought comment on the condition of the home, its location, maintenance and non-maintenance services, availability of information, treatment by staff, extent to which the organisation provides support and referrals and the tenants' involvement in decision making. Interestingly, the survey showed that tenants highlighted treatment by staff as the aspect most influential in determining overall satisfaction:

The most influential parameter is the treatment by organisation staff followed by the staff's knowledge of policies and procedures. In other words, the local and responsive management style of community housing is more influential than the home itself (both location and condition) when considering the satisfaction of community housing tenants.⁵⁰

2.53 Other than staff responsiveness, tenant participation in decision-making rated highly. Tenants' satisfaction was linked to the degree to which they felt consulted and included in the running and decision-making aspects of the organisation. In relation to tenant involvement, the highest levels of involvement and satisfaction came from tenants of co-operative housing. Eighty-six per cent of co-operative tenants attended meetings, social events and other activities organised by the co-operative. This compared with 17% of

⁴⁹ Submission 50, NCOSS, p5

⁵⁰ Submission 28, National Community Housing Forum, p17

tenants in housing associations with 78% saying they had little or no involvement with the association. The Department noted that in the case of larger housing associations opportunities for tenant participation in the management of their organisation is limited.⁵¹

2.54 The Office of Community Housing, through the Department's Tenant Participation Program, is currently working to make available a wider range of tenant participation options for community housing tenants. OCH has established a steering committee with representatives from the sector to consider the future direction for tenant participation for community housing. The steering committee engaged an independent consultant who is expected to report back to the committee within the next several months. The Tenants' Union of NSW is supportive of tenant participation, but believes that it must not be a mandatory condition of access to community housing, and that procedures must be in place to ensure that those tenants on boards of management do not have access to confidential information on, or undue influence over, other tenants.⁵²

2.55 The 2001 survey found that many tenants derive additional non-shelter benefits from living in community housing. According to the National Community Housing Forum:

Over half (52%) felt that their quality of life had improved *a lot*. ... Some related to housing security generally – 'feel more settled' (90%), 'enjoy better health' (71%) ... But perhaps the most significant were the outcomes that relate to the newly important public policy goals of social and economic participation – 'grow in confidence' (77%), 'start education and training' (57%), 'better job situation' (44%).⁵³

2.56 Shelter New South Wales also conducted a tenant satisfaction survey in 2002. The survey was sent to both community housing association tenants and co-operative housing tenants. The overall response from tenants was positive, with the following results:

- 70% 'like where they live a lot', while a further 19% 'like where they live' (an overall satisfaction of 89%)
- 87% said their lives had changed for the better since they moved into community housing. The three most commonly cited reasons were, in order of frequency, improved financial circumstances, security of tenure, better environment to raise children
- 94% said there had been no serious dispute with their housing association or co-operative.⁵⁴

2.57 For the last five years the Productivity Commission has been collecting national data on the performance of community housing. Their latest publication on housing, *Report on*

⁵¹ Submission 54, Department of Housing, p43

⁵² Submission 49, Tenants' Union of NSW Co-op Ltd, p10

⁵³ Submission 28, National Community Housing Forum, p17

⁵⁴ Submission 47, Shelter NSW Inc, p16

Government Services 2003 provides information on the performance of community housing in each State of Australia using key performance indicators under the headings of effectiveness and efficiency. The effectiveness of the community housing sector is measured in two ways: firstly through measuring the match of rental dwellings to household size. The Report shows that the proportion of community housing households with overcrowding at 30 June 2002 was 1.7% in New South Wales, compared with 1.3 % in Australia as a whole.⁵⁵ Secondly, effectiveness (in terms of affordability) is determined by calculating the proportion of household income remaining after paying rent. The 2003 report shows that this was 74.2% in New South Wales, compared to an average of 71.9% in Australia overall.⁵⁶

- 2.58** Efficiency of the community housing sector is also measured in two ways, the first being the rent arrears indicator. The rent arrears indicator is the rent collected as a proportion of that charged: in 2001 this was 92.5% in New South Wales, and 95.5% in Australia overall.⁵⁷ The second measure of efficiency of the community housing sector is the level of community housing occupied. The proportion of community housing stock occupied by tenants at 30 June 2002 was 98.2% in New South Wales, compared to 96.5% nationally.⁵⁸
- 2.59** The Productivity Commission also included other statistics relating to tenant satisfaction in community housing. The proportion of tenants rating location aspects as important and meeting their needs as at 2002 was 85.5% in New South Wales, and 85.4% as an average in all of Australia.⁵⁹ The Commission also reported that the proportion of tenants rating amenity aspects as important and meeting their needs in 2002 was 78.5% in New South Wales, and 82.4% nationally.⁶⁰
- 2.60** According to the Department of Community Services, the community housing sector has been effective in providing long term housing for homeless people. In 1999/2000 650 SAAP clients left SAAP services for community housing. The Youth Accommodation Association also argue that the SAAP program and the options of public and community housing have played an important and effective role in breaking the cycle of youth homelessness. For this reason, YAA argues that the sector must continue to target young people and is concerned that recent OCH surveys indicate the number of young people successfully applying for community housing is falling.⁶¹
- 2.61** Research conducted by the Australian Housing and Urban Research Institute (AHURI) also found that community housing has had a positive impact on strengthening

⁵⁵ Productivity Commission, *Report on Government Services 2003*, Table 16A.16

⁵⁶ Productivity Commission, *Report on Government Services 2003*, Table 16A.25

⁵⁷ Productivity Commission, *Report on Government Services 2003*, Table 16A.22

⁵⁸ Productivity Commission, *Report on Government Services 2003*, Table 16A.23

⁵⁹ Productivity Commission, *Report on Government Services 2003*, Table 16A.17

⁶⁰ Productivity Commission, *Report on Government Services 2003*, Table 16A.18

⁶¹ Submission 52, Youth Accommodation Association of NSW, pp1-2

communities. Their 2001 report highlighted that community housing had the capacity to find locally driven and flexible solutions, respond to changing circumstances and provide a social mix to break up concentrations of disadvantage.⁶² Additional research into the non-shelter needs of community housing tenants is currently underway through the AHURI research program. AHURI has conducted separate surveys on the housing needs of recently arrived migrants, sole parents and people with mental illness.⁶³

- 2.62** Many housing associations now conduct their own internal tenant satisfaction surveys.⁶⁴ They use these surveys to assist them in improving service delivery with an aim to better meet the needs of clients. In 1999 stakeholders established the National Awards for Excellence in Service to Tenants and Communities as one way to encourage best practice and celebrate community housing projects achieving excellence. Organisations are judged on their capacity to provide sustained benefits to tenants and the local community, tenant satisfaction, effective referral and support links, involvement with the local community and active promotion of social housing.

Areas of dissatisfaction

Maintenance

- 2.63** According to both the National Community Housing Tenant Satisfaction Survey and the Shelter NSW survey, the area of repairs rated the highest in relation to tenant dissatisfaction. According to the former, 65% of respondents expressed satisfaction with the time it took for their maintenance problem to be fixed, while 32% expressed dissatisfaction (compared with the national average for dissatisfaction of 27%). The Shelter NSW survey also asked tenants about the disadvantages of their current community housing. While the two main responses were 'no answer' or 'none', the following responses included 'lack of facilities or maintenance' (10.7%), 'other' (10.2%), and 'community housing too small' (9.6%).⁶⁵ The Commonwealth Department of Family and Community Services in their 2002 National Social Housing Survey found 57% of New South Wales community housing tenants were satisfied with maintenance services, compared with the national average of 64%.⁶⁶
- 2.64** In their evidence, the Department acknowledged that if there was one major area of dissatisfaction, "it was about maintenance, which is a common problem for all housing

⁶² AHURI Research Project, *How does Community Housing Help Strengthen Communities*, in Submission 48, ARCH, p34

⁶³ For more information, see www.ahuri.edu.au

⁶⁴ Submission 31, Wentworth Area Community Housing, p3

⁶⁵ Submission 47, Shelter NSW Inc, Appendix 2, Question 34

⁶⁶ Commonwealth Department of Family and Community Services, National Social Housing Survey, May 2002, section 4

managers”.⁶⁷ The Federation of Housing Associations also agreed that New South Wales has performed slightly worse than the national community housing average on maintenance. In evidence to the Committee they explained what they believe to be the reasons for this:

We think that is because half of our stock is leased on the private rental market it is much harder to manage the maintenance of the private rental properties because that is the responsibility of the owner. ... We have a lot less control over the maintenance of the stuff we rent on the private market.⁶⁸

2.65 The Committee understands that aside from major maintenance issues or housing upgrades and redevelopment, long term housing providers are responsible for maintaining properties, including contracting tradespersons to undertake maintenance work. In New South Wales, while the responsibility remains with the provider, “services must be purchased from the monopoly government agency.”⁶⁹ Major maintenance work is carried out though Resitech, an arm of the Department of Housing.

2.66 Some witnesses expressed concern about the arrangements for responsibilities for asset management under the current legal and financial provisions for community housing. The Department of Housing has recently completed a condition audit of all community housing properties and is negotiating with providers on asset plans to bring stock to a maintained state. The Department believes that it is essential to protect the total asset investment and supports the introduction of a whole sector maintenance fund rather than the current arrangements:

Under the current system organisations with small capital portfolios are unable to generate necessary funds for future maintenance liabilities and remain reliant on recurrent assistance from Government while large organisations can build a surplus from their stock.⁷⁰

2.67 While the housing associations take on many of the responsibilities of landlords, including maintenance, property and public liability insurance and local government and water rates, the FHA claims associations have little control or ability to negotiate on their own behalf with local contractors. In addition, the FHA suggests that for major maintenance and development proposals involving Resitech, the Office of Community Housing and the housing association, housing associations are often excluded from major decisions.⁷¹

2.68 A major recent initiative in South Australia, ComHouse, is addressing the issue of the provision of maintenance service in community housing. ComHouse is a non-government, non-profit entity whose primary objective is to supply maintenance services required by the

⁶⁷ Ms Carol Mills, Deputy Director General, Corporate Strategy, Department of Housing, Evidence, 12 February, 2002, p7

⁶⁸ Morgan-Thomas, Evidence, 12 February 2002, p44

⁶⁹ Submission 28, National Community Housing Forum, Supplementary Submission, p5

⁷⁰ Submission 54, Department of Housing, p65

⁷¹ Submission 34, NSW Federation of Housing Associations, p35

funding agreements between South Australian Community Housing Authority and community housing organisations.⁷² ComHouse's asset base consists of contributions from participating providers, 2.9% of rental income on each property.⁷³ According to evidence to our inquiry, there are important benefits of such a fund:

The advantages are high quality services, lower administrative costs, more systematic asset management and providing for the maintenance liability off the budget.⁷⁴

2.69 The Department of Housing believes that ComHouse is an interesting model for New South Wales to consider.

This [maintenance funding] has been a significant issue for us in New South Wales where you have a number of really small providers that do not have much capacity to generate income to save for the maintenance. One of our lessons from long-term public housing is that if you do not allocate sufficient funds on an annual basis for maintenance you soon build up a big liability. We have been looking at ways in which both the large and small can have access to appropriate maintenance. So it is a model in South Australia worth examining.⁷⁵

Housing in head leased properties

2.70 The Tenants' Union, through the Tenants Advice and Advocacy Services (TAAS), found that there were a number of concerns raised by tenant advocates regarding evictions, repairs and respecting the privacy of tenants, particularly in relation to rental properties head leased from the private market.⁷⁶ According to the Tenants' Union, community housing providers often place the wishes of the landlord above the needs of the tenant. They also suggest that there is some discrimination by providers seeking to provide 'good' tenants for a head leased property. The Union argues that this is a problem in rural areas where the use of black-list databases listing tenants who are said to have breached residential tenancy agreements is more common:

With the informal databases that occur in rural areas and the shortage of capital stock, the most vulnerable tenants are unlikely to access community housing.⁷⁷

2.71 Other witnesses told the Committee that there was less satisfaction with head leased accommodation due to concerns about the security of tenure. The Department acknowledged this issue was a concern for some people:

⁷² Submission 28, National Community Housing Forum, p30

⁷³ Submission 54, Department of Housing, p57

⁷⁴ Submission 54, Department of Housing, p57

⁷⁵ Mills evidence, Department of Housing, 12 February 2002, p8

⁷⁶ Submission 54, Department of Housing, p64

⁷⁷ Submission 49, Tenants' Union of NSW Co-op Ltd, p7

The perception that living in a capital property is more secure than living in a leasehold property because it is a reality that leases change. If you live in a capital property you know that that is your home whereas a leasehold property is certainly your home but it is a home that might change over time.⁷⁸

- 2.72** The organisation providing individual advocacy to people with disability, People with Disabilities (NSW) Inc, also expressed concern about what they believe is a growing reliance on private sector rental arrangements. This reliance, they say, provides limited capacity for community housing associations to provide accessible stock. They suggest that the flexible service delivery framework being implemented by the NSW Attorney General's Department could be adapted to provide a model for use in the community housing sector:

This would enable community housing agencies to appropriately meet the various service needs of their Tenants, Staff and Board Members with disability.⁷⁹

Structures for tenant participation

- 2.73** Shelter NSW told the Committee that while there are relatively high levels of tenant participation in community housing, there are no structures to ensure that this is effective across the sector. According to Shelter, this causes difficulties when advocacy services seek to consult community housing tenants on broad issues such as changes to legislation, policy and funding. In addition, Shelter suggests that tenants do not always have the necessary management skills to allow them to be effective advocates, and they believe that the government and providers should develop formal tenant participation infrastructure and training for community housing tenants.⁸⁰ In evidence to the Committee, the Department acknowledged the concerns over tenant participation on boards of management.

As the range of skills required grows, we have found some tension about the level of representation directly on boards and whether members who are not tenants can represent tenants' interests. The skilling and future direction work must take account of those sorts of issues.⁸¹

- 2.74** Organisations such as the Association to Resource Co-operative Housing (ARCH) suggested that their tenants are sometimes dissatisfied with the responsiveness of management. According to ARCH, the capacity of co-operative housing to provide responsive and efficient housing is affected by factors such as the lack of participation in management by tenant members due to increased administration and accountability requirements.⁸² ARCH argues that co-operatives have little legal redress against members

⁷⁸ Ms Alison Wannan, Acting Executive Director, Office of Community Housing, Evidence, 12 February 2002, p16

⁷⁹ Submission 43, People with Disabilities (NSW) Inc, p4

⁸⁰ Submission 47, Shelter NSW Inc, p21

⁸¹ Mills, Evidence, 12 February 2002, p13

⁸² Submission 48, ARCH, p41

who do not participate in management. The current relationship between tenants and their co-operatives is governed by the *Residential Tenancies Act* and disputes are resolved through the Residential Tenancies Tribunal. According to ARCH, there needs to be better co-ordination between different legislation and policies guiding the delivery of co-operative housing. In their submission they recommend that the New South Wales Government look to legislative change that better supports the landlord/tenant relationship within housing co-operatives and that consideration be given to the development of a regulatory framework that reconciles differences in conflicting legislation.⁸³ The regulatory framework of community housing is addressed in Chapter 5.

Adequacy of surveys

- 2.75** In addition to concerns with the current operation of community housing, the Committee is aware that there has been some criticism of the surveys conducted to date, based on the limited capacity to compare the findings. Some witnesses felt that the tenants participating in the survey may be responding to the choice between the housing they have and no housing at all. In this context, they argue, tenants may rate their current housing situation highly. Witnesses also acknowledged, however, that comparisons are made with the private rental market, “which fails miserably for people on low incomes.”⁸⁴

The Committee view

- 2.76** As mentioned above, the Office of Community Housing is working, through the Department’s Tenant Participation Program, to make available a wider range of tenant participation options to community housing tenants.⁸⁵ As stated earlier, OCH has established a steering committee to consider options for improving tenant participation in community housing accommodation. The Committee encourages the Office of Community Housing to ensure that suggestions and recommendations made by the steering committee that aim to improve tenant participation are implemented in a timely manner.
- 2.77** In relation to the major issue of tenant dissatisfaction with maintenance, the Committee believes the government should investigate ways to improve responsiveness to tenant requests for repairs. In particular, the Committee recommends that the Department address the concerns of the NSW Federation of Housing Associations and others that the private rental market is not responding in a timely manner to maintenance requests. In addition, consideration should be given to ensuring appropriate consultation and decision-making procedures are in place for major maintenance and development proposals involving Resitech, the Office of Community Housing and housing associations. The Committee believes there is value in considering models for sector-based umbrella

⁸³ Submission 48, ARCH, p44

⁸⁴ Ms Annette Wade, Co-ordinator, Tenants Union of New South Wales, Evidence, 16 April 2002, p51

⁸⁵ Submission 54, Department of Housing, p43

management arrangements such as the South Australian ComHouse model as a way of addressing the delivery of maintenance services to community housing properties.

- 2.78** The Tenants' Union of NSW expressed other concerns in relation to tenants accommodated by private rental properties including difficulties with evictions, repairs and the rights of privacy of tenants. The Committee believes that the Department should undertake additional research on the private rental market's involvement in community housing. The Committee believes this to be a significant issue given that 42% of community housing stock is head leased from the private rental market. In particular, this research should consider the appropriate roles and responsibilities of private rental properties in the community housing context, and the effectiveness of the relationship between the private rental market and community housing providers.

Recommendation 2

That the Office of Community Housing ensure that suggestions and recommendations made by the steering committee established to consider options for tenant participation are implemented in a timely manner. In particular, the Office of Community Housing should give consideration to:

- a comprehensive training program for tenants
- ways to ensure confidentiality for all community housing tenants
- the establishment of formal tenant participation infrastructure.

Recommendation 3

That the Department of Housing review the current arrangements for asset management, maintenance and development of community housing properties, and in particular:

- ensure appropriate consultation between Resitech, the Office of Community Housing and housing associations
 - consider establishing a sector-based umbrella management arrangement, such as the South Australian ComHouse, model as a way of addressing the delivery of maintenance services to community housing properties.
-

Recommendation 4

That the Department of Housing undertake research or commission independent research into the appropriate roles and responsibilities of the private rental market in the community housing context, and in particular consider:

- responses to requests for maintenance and repairs
 - the effectiveness of the relationship between the Department and housing providers, and the private rental market
 - tenants' rights to privacy in the private rental market
 - concerns for tenants in rural and regional New South Wales
 - concerns for tenants with a disability.
-

Links between community housing providers and government and non-government support services

2.79 As we have outlined in this chapter, an increasing number of community housing residents have high to very high support needs. In this climate, the linkages between community housing providers and government and non-government support services are critically important. The partnerships and linkages to support services involve three different aspects of the community housing system: the Office of Community Housing, community housing providers and government and non-government support services.

2.80 Ms Carol Mills from the Department of Housing told the inquiry that linkages with support services are a distinctive feature of community housing:

Another distinguishing characteristic of community housing—and one that we are encouraging and growing right through the housing system, but one that has been a feature all along—is that a very strong tension in community housing is to be in a partnering arrangement, to draw on the strengths of the local community. There are, therefore, a lot of formal and informal relationships and links at the local level between the housing providers and other support providers in the community.⁸⁶

2.81 In the last ten years, the Office of Community Housing (OCH) has developed a number of supported community housing initiatives involving partnership arrangements with government and non-government agencies. Under the recently established initiative, Partnership in Community Housing Program, OCH seeks to develop joint community housing projects with other agencies. A number of partnerships already exist between OCH and government agencies. For example, the partnership between the Office of Community Housing and the Department of Community Services (DoCS) through the Crisis Accommodation Program provides for clients who have long term housing needs and short term support needs. In this program, support is progressively withdrawn as clients are able to manage independently. DoCS is also responsible for providing support

⁸⁶ Ms Carol Mills, Deputy Director General, Corporate Strategy, Department of Housing, 12 February 2002, p5

to over 25,500 clients through the Supported Accommodation Assistance Program (SAAP).⁸⁷ DoCS explained the importance of its relationship with the community housing sector as:

...especially significant for DoCS because community housing organisations are seen as having the capacity to organise partnerships with other community support services to assist and sustain tenancies. This makes them appropriate housing providers for clients with high and complex needs.⁸⁸

2.82 The Office of Community Housing has also recently established a partnership with the Centre for Mental Health and several Area Health Services. In this partnership model, community housing providers supply housing services in the Central Coast and Campbelltown areas with NSW Health funding clinical services. In addition, support services will be provided by non-government mental health organisations.⁸⁹

2.83 In addition to the linkages between the Office of Community Housing and government and non-government support services, a number of housing associations have negotiated their own arrangements with local support providers. In their submission, the NSW Federation of Housing Associations outlines five types of links between housing associations and government and non-government support services:

- informal contact
- meetings between agencies
- representation on boards of management
- community consultations
- partnerships through support agreement.⁹⁰

2.84 Most commonly housing associations are generalist housing providers and while they support their tenants in a range of different ways, they do not usually provide direct specialist support. Most associations receive assistance from, and form partnerships with, external agencies. Some of the non-government agencies include Aboriginal land councils, disability support services, women and family support services, church support services and migrant and refugee services. Housing associations also have links with a range of government services including local councils and the NSW Departments of Community Services, Health, Ageing, Disability and Home Care and Juvenile Justice.

⁸⁷ Submission 53, NSW Department of Community Services, p2. The issue of crisis accommodation and SAAP will be discussed further in Chapter 6.

⁸⁸ Submission 53, Department of Community Services, p4

⁸⁹ This model is currently on trial and if successful will be considered for expansion, in Submission 54, Department of Housing, p34

⁹⁰ Submission 34, NSW Federation of Housing Associations, pp123-124

2.85 The Federation of Housing Associations told us of the importance of regular interagency meetings with government and non-government agencies involved in providing housing and support services. The meetings provide an opportunity to share knowledge about community needs and issues and to keep up to date on the services being provided by other organisations and changes in demand for local services. The meetings also play an important role in facilitating referrals for housing association tenants with particular support needs. However, according to the Federation, while numerous government agencies are members of interagencies, their attendance is variable.⁹¹

2.86 A number of submissions explained the links they had established with other local services. In the metropolitan area there are numerous housing associations such as Wentworth Area Community Housing (WACH). WACH has 13 partnerships with other agencies including disability services, youth and women's refuges and mental health services. Each of these partnerships has established a Service Agreement "to ensure that the roles and responsibilities of each partner are clearly understood and the aim of the partnership is effectively achieved."⁹² According to the NSW Federation of Housing Associations, the move to formal support agreements 'reflects a maturing of the sector'.⁹³ In addition to stipulating roles and responsibilities, housing agreements cover issues such as the service objectives, tenant selection and evaluation processes, conflict resolutions measures and confidentiality agreements.

2.87 In rural communities, links and partnerships with other services can result in a greater level of co-ordination in the delivery of housing and other services to community housing tenants. One such service, Deniliquin Community Tenancy Scheme Inc,⁹⁴ recently formed an informal housing alliance with two other housing providers, Vinnies Reconnect and Vinnies Emergency Accommodation:

In the spirit of collaboration that exists in many rural communities, the three organisations have recently moved into shared offices in a centrally located building. This co-location allows support to flow automatically between the organisations with appropriate referrals easily accessed.⁹⁵

2.88 Another regional community housing provider, the Narrabri Community Tenancy Scheme, explained the importance of linkages to support services:

Good linkages with support services assist tenants to achieve housing outcomes and ensure that tenants needs are met. Regular contact with the support services together with written support agreements assists the tenant, Scheme and support agency to all work together in achieving positive goals.⁹⁶

⁹¹ Submission 34, NSW Federation of Housing Associations, p126

⁹² Submission 31, Wentworth Area Community Housing, p6

⁹³ Submission 34, NSW Federation of Housing Associations, p128

⁹⁴ Now known as Homes Out West

⁹⁵ Submission 29, Homes Out West, p9

⁹⁶ Submission 16, Narrabri Community Tenancy Scheme, p20

2.89 According to evidence to the inquiry, community housing associations have been very effective in organising supports for high needs clients. According to DoCS this is due to their level of staff resources:

Information has been provided to DoCS that the average property portfolios of community housing association officers is much lower than those of DOH Client Service Officers although there are wide variations across the community sector. ... (This) lower property portfolio ratio allows them more opportunity to both interact with clients and to work with other community agencies to develop support packages for clients at risk.⁹⁷

2.90 A number of housing co-operatives also provide support for tenants. As ARCH explains, co-operatives are made up of resident members who are both tenants and social housing landlords. Unlike other community housing providers, there is no professional infrastructure, and therefore:

...the capacity to take on tenants with very high levels of additional infrastructure support needs must always be carefully assessed by the members.⁹⁸

2.91 Due to the nature of co-operatives, many of the linkages between housing co-operatives and community support services are informal. ARCH explained that a majority of co-operatives also play a key support role to tenants in crisis, with members providing support for tenants suffering “illness, psychiatric breakdowns, addictions or other forms of dysfunction”:⁹⁹

A key advantage is that members have maintained their independence, avoided crisis centres, hospitals, nursing homes and institutions because the co-operative community becomes a key support environment, with clear economic spin offs to government and the community.¹⁰⁰

2.92 A small number of co-operatives have established links with support services, such as services for people with physical disabilities and services for culturally and linguistically diverse groups. The Committee visited the Tamil Senior Citizens Housing Co-operative who explained that links with local services, such as the Tamil Senior Citizens and local Migrant Resource Centre, had contributed to their capacity to operate as a successful and independent co-operative.¹⁰¹

⁹⁷ Submission 53, Department of Community Services, p7

⁹⁸ Submission 48, ARCH, p60

⁹⁹ *ibid.*

¹⁰⁰ *ibid.*, p61

¹⁰¹ Site visit, Tamil Senior Citizens Housing Co-operative, 19 August 2003

Concerns with the linkages between community housing and support services

2.93 The Committee is aware of the tension that exists in the expectation that a housing system, often conceptualised as a 'bricks and mortar' system, should be providing a broad range of social, cultural and economic support services. However, as evidence to the inquiry demonstrates, this relationship between housing and support is the very thing that distinguishes community housing. Very often, it is access to the necessary support that ensures a tenancy can be successfully maintained. This is all the more important, the evidence demonstrates, as the percentage of community housing tenants with complex needs increases.

2.94 According to NCOSS, there is an increasing need for support services across the board in social housing. They argue that the areas of greatest need for support are access to mental health services, drug and alcohol detoxification and specialist counselling services for women and children. According to Ms Catherine Mahony, Senior Policy Officer with NCOSS, there is a particular need for culturally appropriate services, particularly for Aboriginal women accessing SAAP services:

When you look at particular groups you see that trauma victims, often with limited English language skills, require specialist counselling and will require ongoing support for a number of years. Women who have been sexually abused, who have experienced domestic violence or who have been incarcerated in the correctional system require specialised support services. A number of these women are Aboriginal women who make up a high proportion of the clients. As I mentioned earlier, 21 per cent of SAAP clients are Aboriginal women. There is a need not only for those services; there is a need for culturally appropriate services for Aboriginal women.¹⁰²

2.95 Ms Patricia Martin, Deputy President of the NSW Federation of Housing Associations and Chairperson of the Hume Community Housing Association, told the Committee of Hume's major concern with support service arrangements:

It usually comes through requests from support organisations who require housing. For example, we have houses that are related to the Drug Court and to Health. What happens is that they are support people who do not have any experience in managing the houses. It is usually approached either through the Office of Community Housing through the Department of Health to us to form a partnership whereby we manage and the support agency supplies the support. It requires probably lengthy discussion in that a formal agreement has to be formulated and signed. Probably the biggest problem is the Office of Community Housing identifies houses, we get them online and it takes a long period of time for the support agency to put people in the house. It is obvious that you are losing rental money on that property whilst you are waiting for the support agency. That is probably one of the most frustrating things that we find.¹⁰³

¹⁰² Ms Catherine Mahony, Senior Policy Officer, NCOSS, Evidence, 16 April 2003, p18

¹⁰³ Ms Patricia Martin, Deputy President, NSW Federation of Housing Associations, 12 February 2002, p51

2.96 The Committee understands that where formal agreements are signed, housing associations are able to apply for financial support to assist with staff loading. According to the Federation of Housing Associations, there is a reluctance of government and non-government support agencies to sign formal agreements with housing associations as well as a reluctance of key government agencies to sign joint guarantees of service to assist housing associations develop links with agencies at the local level.¹⁰⁴

2.97 Shelter NSW also has some concerns with the way housing and support services are linked. In the survey conducted by Shelter, 21% of respondents said that their housing provider provided support or linked them with a support service while 38% were not aware of what their housing provider did, or whether they could link them with another service. In addition, 67% said they found the support service themselves, with no help from the housing association:¹⁰⁵

... one of the things that is interesting about this survey is that it appears to us, and it was confirmed by feedback from our members in the supported accommodation program networks, that there is probably room for better linkages because the same client group is housed in community housing as in public housing, with similar sorts of needs.

In that survey it was very clear that most tenants in community housing were not aware that their community housing organisations could provide them with referral to other support agencies or what have you.¹⁰⁶

2.98 Shelter NSW expressed a particular concern with the current linkages between community housing and support services and people receiving support through the Supported Accommodation Assistance Program (SAAP):

One of the concerns from the SAAP program of community organisations is that there needs to be better links and better more formal links. ... Generally speaking, community housing organisations that you are speaking about here provide the housing and then link people to support services to provide support. One of the things that SAAP bodies say is that with the medium-term accommodation in particular there is probably a need for the SAAP organisations to continue to provide that rather than to transfer that sort of housing to community housing. So, the support and the accommodation are interrelated service provisions. That is a particularly big concern for them in the medium term. It is horses for courses, and one of the advantages about local organisations is that they can address the issue of horses for courses easier than a large centralised bureaucracy.¹⁰⁷

2.99 In their evidence to the Committee, Churches Community Housing argued that best practice requires that the management and support services be separated, as they are two very different functions. Mr Derek Yule, Executive Officer, Churches Community Housing

¹⁰⁴ Submission 34, NSW Federation of Housing Associations, p134

¹⁰⁵ Ms Blunden, Policy Officer, Shelter NSW, 16 April 2002, p9

¹⁰⁶ Ms Mary Perkins, Executive Officer, Shelter NSW, Evidence, 16 April 2003, p11

¹⁰⁷ *ibid.*

Inc told the Committee that while churches have traditionally provided both management and support services:

It is very difficult to provide the support and then have to come in in some way and say that the tenant is not doing the right thing by getting behind in their rent. The problem that has faced some churches—not all—is that there is a need to separate management and support services. Most of them have now agreed to that or are in the process of doing it.¹⁰⁸

2.100 According to Mr Yule, experience shows that outcomes for tenants are significantly improved where management and support structures are separate.¹⁰⁹ Mr Yule told the Committee that the issue of the separation is being addressed, with most churches having completed or in the process of separating management structures from support services:

One of the ways we are doing it in Sydney is to establish a housing association that particularly targets the management of church properties. We are in the process of setting that up... That has been an issue for churches because they have traditionally performed those roles. In most cases it has been okay. As you have said, they are fairly large organisations and most of them have a property department and a separate support department, and within the organisation it has been quite distinct and separate. But it can present a problem.¹¹⁰

2.101 A number of witnesses and submissions also raised concerns about the funding arrangements for support programs. According to Churches Community Housing, the sector's most significant source of funding, the Community Housing Assistance Program does not fund the costs of support provision.¹¹¹ NCOSS told the Committee that there is only limited funding available to enable SAAP services to adequately meet the growing demand for out-reach support to clients living in community housing, particularly for complex needs clients.¹¹² In addition, housing associations told us that are not funded for the time it takes to develop and maintain support partnerships.¹¹³ According to the Department of Community Services, the promotion of initiatives such as the Partnerships in Community Housing Program would encourage a greater rate of uptake by agencies.¹¹⁴

2.102 Other witnesses expressed concern about the access to support services for people with complex needs and people living in regional areas. According to NCOSS there is currently limited access to specialised medium to long term supported accommodation options for

¹⁰⁸ Mr Derek Yule, Executive Officer, New South Wales Churches Community Housing Inc, Evidence, 16 April 2002, p41

¹⁰⁹ *ibid*, p42

¹¹⁰ Mr Derek Yule, Executive Officer, New South Wales Churches Community Housing Inc, Evidence, 16 April 2002, p41

¹¹¹ Submission 34, NSW Federation of Housing Associations, p133

¹¹² Submission 50, NCOSS, p13

¹¹³ Submission 34, NSW Federation of Housing Associations, p133

¹¹⁴ Submission 53, Department of Community Services, p10

clients with complex needs.¹¹⁵ One regional community housing provider told the Committee of the difficulty in rural and regional communities to access support services, particularly for drug and alcohol counsellors and mental health services.¹¹⁶

2.103 The Tenants' Union of NSW suggested that community housing providers should be mindful not to work outside their area of expertise but engage local support services. They argue that providers are landlords and need to be careful that they do not blur the responsibilities between landlord and support services.¹¹⁷ The Department of Community Services warned that any that reduction of staffing resources of community housing providers would impact on their capacity to build effective and innovative links with appropriate and necessary support services.¹¹⁸ The Federation were concerned about the limited capacity of housing providers to ensure tenants accept the offered support, as tenants have the right to refuse support without losing their tenancy under the *Residential Tenancies Act*.¹¹⁹

The Committee view

2.104 The Committee understands the importance of support services to community housing tenants. These support services, including health and community services and family support, provide everything from crisis interventions to long-term support. Support services assist people with complex needs and importantly, assist people to maintain a tenancy in the social housing sector. The Committee believes that community housing's distinguishing feature is its capacity to be locally responsive and responsible – making it much more than a 'bricks and mortar' system. As evidence overwhelmingly showed, it is the access to appropriate support services that can make the housing arrangement viable. In the words of one witness, "services are the most important thing in housing."¹²⁰

2.105 The Department is currently developing a Supported Housing Strategy to guide the delivery of both public and community housing assistance for people with support needs. The Committee understands that two programs are currently being trialed as a part of this Strategy. The Committee supports the establishment of the Supported Housing Strategy as crucial to ensuring an integrated, co-ordinated and consistent approach to the provision of assistance for people with support needs. We believe it should be integrated with the Five Year Strategic Policy Framework proposed in Recommendation 1.

¹¹⁵ Submission 50, NCOSS, p14

¹¹⁶ Submission 29, Homes Out West, p10

¹¹⁷ Submission 49, Tenants' Union of NSW, p20

¹¹⁸ Submission 53, NSW Department of Community Services, p8

¹¹⁹ Submission 34, NSW Federation of Housing Associations, p135

¹²⁰ Ms Phyllis Miller, Vice-President, Local Government and Shires Associations of New South Wales, Evidence, 16 April 2002, p27

- 2.106** The Committee considers that the Supported Housing Strategy should, at a minimum, address the concerns of the sector as outlined above, as well as consider ways to ensure that regular inter-agency meetings are attended by relevant government representatives. Our Committee is acutely aware of the value of interagency collaboration, from our travels into metropolitan and regional New South Wales for our recent inquiry into child protection services.¹²¹
- 2.107** The Committee believes that formal agreements between housing providers, tenants and support services are an important way to ensure the effective and professional delivery of support to community housing tenants. The Department of Housing told the Committee that while this has only been occurring over the past three to four years, it has gained increasing acceptance “because it helps people define their relative roles in providing a service.”¹²² The Committee believes that all support arrangements should be accompanied by a formal agreement signed by all parties involved, including the community housing provider, government and non government support services and the tenant.
- 2.108** The Committee is aware of the problems with SAAP services, and in particular their use as medium to longer term accommodation rather than, as intended, an emergency accommodation service. In addition, other evidence has called for an overall housing strategy to ensure greater co-ordination within the sector, for example between housing and support services. These issues are dealt with in Chapter 6.

¹²¹ For more information see Legislative Council Standing Committee on Social Issues, *Care and Support. Final Report on Child Protection Services*, Report 29, December 2002, p16

¹²² Wannan, Evidence, 12 February 2002, p11

Recommendation 5

That the Department ensure that the Supported Housing Strategy is integrated with the Five Year Strategic Policy Framework, and disseminated to relevant government and non-government agencies. The following issues should be considered in the development and implementation of the Strategy:

- measures to ensure attendance of government services at regular inter-agency meetings
- reasons why some community housing tenancies fail with consideration of early identification of need and referral to support services
- separation of housing management structures and support service structures
- access to support services in rural and regional New South Wales
- liaison with the relevant government agencies in relation to funding for support services, particularly in mental health services, drug and alcohol detoxification, specialist counselling services for women and children and culturally appropriate services
- adequate links and formal agreements with Supported Accommodation Assistance Program (SAAP)
- adequacy and appropriateness of involvement of community housing providers in assisting with referral to and provision of support services.

Recommendation 6

That, in relation to support arrangements, the Government promote the use of formal agreements signed by all parties involved, including the community housing provider, government and non government support services and the tenant.
