

Select Committee on Social, Public and Affordable Housing

Social, public and affordable housing

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Summary of key issues

Lack of social and affordable housing

In the current housing market many individuals and families are struggling to access appropriate housing. First home buyers are finding it difficult to break into the housing market, and lower income households are having trouble finding affordable rental properties close to work. The pressures occurring across the housing spectrum are compounding the ever growing demand for social housing, with the social housing wait list anticipated to balloon to 86,000 by 2016. Not only are lower income households turning to social housing as a result of being priced out of the market; vulnerable and disadvantaged people are also finding it increasingly difficult to access shelter due to tightening eligibility policies for social housing. The complexity of these issues is apparent, with evidence suggesting that New South Wales is experiencing a social housing crisis, with insufficient social housing properties to match the level of current and future need.

Transfers to community housing providers

In exploring the future of social housing in New South Wales, the committee received evidence supporting the need to transfer the management of more public housing properties to community housing providers via long term leases. Participants from the community housing sector contended that long term lease transfers would allow community housing providers to raise more private finance from assets and income, thereby enabling them to build additional social and affordable housing dwellings. Given the challenges in the housing system, with increasing demand for and insufficient supply of social housing, this option offers much hope in regenerating and expanding the social housing system.

In addition to accelerating growth of the social housing sector, evidence also indicated that transfers would benefit tenants, due to the holistic and integrated approach to service delivery taken by community housing providers, including their provision of 'wrap around' services, as discussed at the end of this section. Without additional government funding for new social housing stock, the committee believes increased transfers of public housing properties to the community housing sector via long term leases should be one of the key approaches taken to address the current housing crisis (Recommendation 21).

The future direction of social housing

To revitalise and grow the social housing sector, evidence highlighted the need for greater policy direction, leadership and engagement, particularly to address the challenges associated with an insufficient supply of social housing properties and housing unaffordability. In exploring the issue of leadership, a majority of the committee concluded that the NSW Government should consider appointing a Minister for Housing to help demonstrate leadership at this difficult time in the housing sector (Recommendation 34).

In addition to considering the appointment of a Minister for Housing, the committee supports greater sector input and engagement into government policy and decision making. It is vital that greater co-ordination and engagement occur, amongst government agencies, and between government and non-government organisations. This is particularly important given our recommendations to expand the community housing sector, and to enhance support for tenants by integrating services with housing. To foster greater engagement in the housing sector, a majority of the committee supports the

establishment of an advisory council to report to the relevant Minister for social, public and affordable housing, with this council helping to steer the future development of social, public and affordable housing.

In addition to improved leadership and co-ordination, many stakeholders called for a clear social housing policy, as recommended last year by the Auditor-General, but which is yet to be delivered. The committee believes that having a social housing policy in place will help to establish a clear vision and future direction for the social housing system. It will also help to clarify the role of social housing, and its place in helping tenants to transition towards other housing options, including renting in the private market and home ownership (Recommendation 33).

Enacting a social housing policy will also help the community housing sector to make and align their long term plans. This is important, given that community housing providers can play a greater role to facilitate the expansion of the social housing sector, discussed above.

Maintenance concerns in public housing

A key aspect of this inquiry was the condition of public housing properties, with maintenance problems plaguing the property portfolio of the Land and Housing Corporation and public housing tenants expressing strong dissatisfaction with the resolution of maintenance issues. The committee was alarmed by the concerns expressed during this inquiry about maintenance, particularly as many issues were threatening or impacting tenants' health, wellbeing and safety.

Whilst the committee acknowledges difficulties associated with maintaining older public housing properties, the evidence highlighted the need for improved responsiveness, transparency, accountability and efficiency in managing and preventing maintenance problems. Accordingly, the committee recommends an independent review of policies and systems related to maintenance of public housing properties, as outlined in Recommendation 17.

Given the deteriorating condition of many public housing properties, and the growing mismatch between dwelling and households sizes, the committee believes it is vitally important that the Land and Housing Corporation produce a long term asset management strategy, as recommended by the Auditor-General last year but which has yet to be finalised. In developing this strategy, the committee recognises the need for assessment of public housing properties, work currently being undertaken by the Corporation. Given this task will take some time, the committee recommends that the asset portfolio strategy be finalised by 1 September 2015 (Recommendation 18).

The committee acknowledges the difficult financial position of the Land and Housing Corporation, leading to maintenance work being delayed, thereby fuelling a significant backlog, and properties being sold to address funding shortfalls. The committee agrees with the Auditor-General's finding that this approach is unsustainable, and is concerned that there may be a gap in funding to address the maintenance backlog if sale proceeds are dedicated solely to the development of new social, public and affordable dwellings, as recommended above. Given this, the committee recommends that NSW Treasury publicly identify what funding is required to address the maintenance backlog (Recommendation 19)

Sale of public housing properties

As maintenance costs escalate, and the condition of many properties age and decline, the Land and Housing Corporation has decided to sell some public housing properties to raise additional funds for

the social housing system. This approach was highlighted in the Auditor-General's report as being financially unsustainable. It also attracted significant criticism during this inquiry, particularly in the context of increasing demand for social housing and the shortfall in supply.

During this inquiry, the NSW Government announced that they were selling the Sirius building in The Rocks and other Sydney Harbour foreshore properties. After hearing from government witnesses about this decision, the committee remained concerned about whether the sale proceeds would be used to address the maintenance backlog, rather than to fund new supply. Given the issues associated with the management of maintenance, coupled with concerns about the financial sustainability of selling assets to address funding shortfalls, the committee strongly believes that all of the proceeds must be dedicated to funding new social, public and affordable dwellings (Recommendation 2).

In addition to sale proceeds being dedicated to creating new supply, the committee also believes that the NSW Government has a responsibility, when selling multi-unit public assets, to ensure a portion of the dwellings on the site are allocated as social, public and affordable housing. This will help to minimise the loss of social housing and to promote integration of social housing with other forms of housing. In the committee's opinion, this can be achieved by stipulating in the contract for sale that a portion of the properties on the site be allocated as social, public and affordable housing, regardless of whether new construction occurs on the site, or renovation of existing properties (Recommendation 3).

Integrating services with housing

Evidence received during this inquiry highlighted the importance of a home, in providing stability, safety and security, and in promoting positive outcomes, such as improved health and social inclusion. Given the significance of a home in preventing and ameliorating disadvantage, the committee considered the issue of support for tenants, and whether more needed to be done in this area to ensure tenants non-housing needs are met, thereby helping them to sustain their tenancy and keep a roof over their head. In exploring this issue, the committee noted that many social housing tenants need additional support to address complex needs, such as drug and alcohol addiction, experience of domestic or family violence, mental health concerns, disability and lack of education and/or employment.

Many inquiry participants advocated the 'wrap around' service delivery approach to housing, with this approach integrating services with housing. In this regard, the committee observed the holistic approach taken by many community housing providers in supporting tenants, with many providers implementing programs that focus on tenants' non-housing needs, such as mental health courses and programs to build employment skills. By contrast, evidence demonstrated that the support provided by Housing NSW to public housing tenants is less co-ordinated, with inconsistencies occurring across the regions. Whilst Housing NSW may be constrained by limited resources and funding, the committee considered that public housing tenants needed enhanced support services, and that Housing NSW could learn from the service delivery approach provided by the community housing sector. The committee recommends that Housing NSW develop a strategy to enhance support for public housing tenants, focusing on the provision of holistic and localised services (Recommendation 20).

Many stakeholders also highlighted the success of particular housing models, including Common Ground and Youth Foyers, models that integrate housing with higher levels of support for tenants. The committee noted that this 'wrap around' service delivery approach to housing has great potential to reduce long term costs for the government, particularly in the areas of health and justice. Given these benefits, along with evidence demonstrating improved tenant outcomes with this type of approach, the

committee supports the expansion of innovative housing models that integrate services with housing (Recommendation 12).

Summary of recommendations

- Recommendation 1** **29**
 That the Department of Family and Community Services comprehensively review its housing related websites, in consultation with users, to improve transparency, accessibility and customer service outcomes.
- Recommendation 2** **66**
 That the NSW Government invest all proceeds from the sale of public housing properties in a dedicated fund for the purpose of creating new supply of social, public and affordable housing.
- Recommendation 3** **66**
 That the NSW Government, when selling multi-unit properties in the Sydney area, include in the contract for sale a requirement that at least 10 per cent of all dwellings on that site be allocated as social, public and affordable housing.
- Recommendation 4** **67**
 That Housing NSW ensure, where public housing properties are sold, priority is given to relocating tenants in their existing community, subject to consultation with the tenant.
- Recommendation 5** **67**
 That the Department of Family and Community Services review its policies and processes for managing vacancies to minimise the amount of time public housing properties are left vacant.
- Recommendation 6** **100**
 That the Department of Family and Community Services finalise the strategy for managing public housing estates, as recommended by the Auditor-General.
- Recommendation 7** **101**
 That the Department of Family and Community Services develop, as a priority, a strategy for improving access to social, public and affordable housing for vulnerable groups, including:
- women, including women with children
 - young people
 - people with a disability or mental illness
 - veterans
 - Aboriginal people
 - victims of domestic or family violence
 - asylum seekers, refugees and migrants
 - older people
 - key/essential workers.
- Recommendation 8** **101**
 That the NSW Government give priority to ensuring information is reviewed in relation to funding from the National Disability Insurance Agency to provide for housing for people with a disability.

- Recommendation 9** 101
That the needs of people with a disability are prioritised in the social housing reform goals of the Department of Family and Community Services.
- Recommendation 10** 102
That the Department of Family and Community Services immediately review its approach to placing priority social housing applicants in motels, hotels, residential parks and other forms of crisis accommodation, to ensure the accommodation is appropriate and safe.
- Recommendation 11** 102
That the Department of Family and Community Services ensure there is no loss of specialist homelessness services under the *Going Home, Staying Home* reforms.
- Recommendation 12** 102
That the Department of Family and Community Services expand its support for innovative housing models that integrate services with housing, such as Common Ground and Youth Foyer models.
- Recommendation 13** 125
That the Department of Family and Community Services investigate strategies to prevent applicants being removed from the social housing wait list if they do not update their details.
- Recommendation 14** 126
That Housing NSW suspend the vacant bedroom charge and examine more effective ways to ensure a greater match between households and dwelling size.
- Recommendation 15** 126
That Housing NSW review the eligibility criteria for recognition as a tenant, to prevent cases where applicants have been unsuccessful due to being granted a six month provisional lease.
- Recommendation 16** 127
That Housing NSW review their approach to managing tenants who cause damage to public housing properties, considering policies in other jurisdictions, including the Queensland Government's three strikes policy.
- Recommendation 17** 128
That the Department of Family and Community Services immediately commission an independent review of policies and systems related to maintenance of public housing properties, with a focus on:
- responsiveness to tenants' needs
 - value for money
 - use of local contractors
 - timely service delivery
 - quality assurance
 - cyclical and preventative maintenance
 - ICAC risk assessment
 - complaints handling systems.
- We recommend that the findings of this review inform consideration of future maintenance contracts.

- Recommendation 18** **129**
That the Land and Housing Corporation finalise the asset portfolio strategy, as recommended by the Auditor-General, by 1 September 2015.
- Recommendation 19** **129**
That NSW Treasury publicly identify what funding is required to address the maintenance backlog for public housing properties.
- Recommendation 20** **156**
That Housing NSW develop a strategy to enhance support for public housing tenants, focusing on the provision of holistic and localised services.
- Recommendation 21** **158**
That the NSW Government expedite the transfer of public housing properties to community housing providers via long term leases to:
- ensure future growth in the supply of social and affordable housing
 - promote the expansion of ‘wrap around’ services.
- That the NSW Government also review the target that the community housing sector comprise at least 35 per cent of all social housing and assess the performance of property title transfers and leveraging.
- Recommendation 22** **166**
That the NSW Government review residential parks legislation to ensure housing affordability is a relevant consideration that can be taken into account by the NSW Civil and Administrative Tribunal in matters relating to excessive fee increases.
- Recommendation 23** **166**
That the NSW Government investigate innovative models of ownership and/or management of residential parks, including barriers that may prevent community housing providers from managing residential parks.
- Recommendation 24** **182**
That the Department of Family and Community Services immediately develop guidelines for the design of social housing, addressing:
- accessibility and adaptability
 - sustainability and efficiency
 - crime prevention
 - integration with other forms of housing, including mixed tenure models.
- Recommendation 25** **182**
That the NSW Government, when selling a public housing property as part of the redevelopment of an estate, consider reducing the covenant that the owner has to live in the property.
- Recommendation 26** **183**
That the Department of Family and Community Services develop a strategy that identifies priority locations for new social housing development which are located close to employment opportunities, education, transport and ‘wrap around’ services.

- Recommendation 27** **194**
That the Department of Planning and Environment consider the extension of secondary dwellings in the State Environmental Planning Policy (Affordable Rental Housing) 2009 for rural areas and release a draft document for public exhibition.
- Recommendation 28** **202**
That the Department of Planning and Environment review the Affordable Housing Taskforce's terms of reference in light of the recommendations of this report, and publish on its website information on the taskforce's work to date.
- Recommendation 29** **203**
That the Department of Planning and Environment co-ordinate and manage a review of state planning policies, regional plans and local environment plans, to ensure that they promote growth of social, public and affordable housing.
- Recommendation 30** **203**
That the Department of Planning and Environment ensure each local council has considered having an affordable housing strategy in place, including affordable housing targets, by 1 September 2016, and further, that they develop critical pathways to enable local councils to achieve these targets.
- Recommendation 31** **203**
That the Department of Planning and Environment set affordable housing targets at the state and regional level.
- Recommendation 32** **204**
That the Department of Planning and Environment investigate planning mechanisms to promote growth in the supply of affordable housing, such as inclusionary zoning, voluntary planning agreements and developer levies.
- Recommendation 33** **230**
That the Department of Family and Community Services finalise the social housing policy, as recommended by the Auditor-General, by 1 March 2015, considering:
- the need for clearer definitions of key terms
 - lessons learnt from other jurisdictions to address the shortage of social housing
 - consultation with stakeholders
 - pressures in the broader housing system and the impact on social housing.
- Recommendation 34** **231**
That the NSW Government consider appointing a Minister for Housing, with responsibility for overseeing Housing NSW, the Aboriginal Housing Office and the Land and Housing Corporation.
- Recommendation 35** **231**
That the NSW Government consider establishing an advisory council to report to the responsible Minister for social, public and affordable housing, involving representatives from key government agencies, not-for-profit organisations, industry bodies and associations, academics and other housing experts.

- Recommendation 36** 232
That the NSW Government immediately write to the Australian Government to urge them to continue the National Rental Affordability Scheme beyond 2015.
- Recommendation 37** 232
That the NSW Government commission a report on the potential for income from the monies held by the Rental Bond Board to be reinvested in the social housing system in order to increase social, public and affordable housing.
- Recommendation 38** 232
That the NSW Government trial the use of mechanisms to promote growth in the supply of social and affordable housing and improved housing affordability, including social benefit bonds, and report on trial outcomes by 1 September 2016.
- Recommendation 39** 233
That the NSW Government consider recognising social housing as a form of infrastructure, to enable proceeds from Waratah Bonds to fund new supply of social, public and affordable housing.
- Recommendation 40** 233
That the NSW Government investigate and report on a shared equity scheme, learning from interstate models, in consultation with the Shared Equity Scheme Working Group.
- Recommendation 41** 233
That the NSW Government, through the responsible Minister, provide a reference to the Legislative Council Standing Committee on Social Issues to review the implementation of recommendations from this report, within two years from the date of government response.