

**Submission
No 203**

**INQUIRY INTO SOCIAL, PUBLIC AND AFFORDABLE
HOUSING**

Organisation: Illawarra Forum Inc

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Via email: socialhousing@parliament.nsw.gov.au

Submission to NSW Legislative Council Select Committee on Social Public and Affordable Housing

The Illawarra Forum operates across the regions of Wollongong, Shellharbour, Kiama and Nowra. We welcome the opportunity to contribute to the NSW government's inquiry into social, public and affordable housing, as the issue of safe, affordable and secure housing affects the service delivery of most of our member organisations.

This submission has been prepared following consultations with Illawarra Forum members.

About the Illawarra Forum

The Illawarra Forum, established in 1990, is the peak body working for community services and organisations in the Illawarra and the Shoalhaven. It supports community organisations, promotes expertise and innovation in community development, fosters industry development and provides advocacy for social justice. The Illawarra Forum is an independent organisation governed by a committee of management elected annually by the membership.

The Forum represents the non-government community services industry in the Illawarra and Shoalhaven, which consists of approximately 300 organisations. The Illawarra Forum works closely with numerous organisations which provide support to vulnerable people across the region including:

- Social housing providers;
- Homelessness services;
- Home and community care services;
- People with disability;
- Individuals and families with multiple layers of social and financial disadvantage;
- Victims of domestic violence and sexual assault ;
- Youth work programs;
- Community health services, including mental health and drug/alcohol services;
- Community legal centre services; and
- Community development and community capacity building programs.

The Illawarra and Shoalhaven regions are areas of particular vulnerability and social and locational disadvantage, with levels of unemployment above the national average and high youth unemployment. The region suffers with a vulnerable economy, dependent for much of its history on two key industries; steel manufacturing and coal mining, which have been in a state of decline for some time. In addition, newly arrived and refugee families, and local Aboriginal communities contribute to the complexity of housing need in the Illawarra and Shoalhaven. This regional disadvantage has impacted on affordable, secure and safe housing.

The Illawarra region has in the past provided outstanding examples of social housing planning, whereby public housing development has been intermixed with private housing¹. This earlier practice has avoided the creation of 'ghettoes of disadvantage', and has provided access to amenities such as beaches, transport and shopping centres for tenants.

Through our role as the Voice, Influence and Leader of the community services industry, the Illawarra Forum has worked to improve housing security and availability in the region. Activities include an Issues Paper on Homelessness (Illawarra Forum, 2012), a Fact Sheet on Social Housing (Illawarra Forum, 2009), the establishment of a Social Housing Forum through the South East/Illawarra Tenant Participation Resource Service, and training for generalist NGOs on housing strategies.

Comments on issues arising from the Legislative Council Select Committee Inquiry, Terms of Reference

1. Data collection: housing and indicators of social disadvantage

The Illawarra Forum considers that systematic collation and analysis of unpublished data held by the NSW Government² would give a clearer picture of the level of need, and assist in the development of more efficient programs.

In order for the Select Committee to examine the interconnections between disadvantage and housing requirements, data collection needs to capture met and unmet need, and include information on:

- those who are eligible for Housing NSW (HNSW) housing,
- those who are ineligible but are not in secure, safe and affordable housing including those in caravan parks, living in violent relationships who do not leave due to housing instability (ABS Personal Safety Survey data),
- people with disability living with carers such as elderly parents,
- the working poor,
- people living in overcrowded, unsafe or substandard housing,
- homelessness,
- private rental market data,
- Commonwealth Department of Social Services rental assistance applications,
- Staying Home Leaving Violence (SHLV),
- group homes,
- housing need from specialist services such as
 - criminal justice,
 - child protection,

¹ For example, the suburbs of Bulli, Woonona and Corrimal in northern Wollongong.

² For example, in Housing NSW, Homelessness Action Plan (HAP), Staying Home Leaving Violence (SHLV), and community and supported accommodation programs.

- addiction,
- mental health,
- Aged Care,
- Aboriginal Community Controlled Health,
- Domestic violence including Women’s Domestic Violence Court Assistance Scheme,
- Education departments (such as school completion rates).

In addition, as it stands, the SEIFA index does not address *relative* disadvantage, so that pockets of disadvantage in relatively affluent areas are hidden. Yet these areas may be better able to provide the mix of residents that support sustainable community life (e.g. 2518 postcode).

Recommendation 1

The Illawarra Forum recommends that the NSW government develop an evidence base to underpin integrated policy development across the areas of social policy that intersect with housing. This should commence with a complete picture of housing need based on data from all sources that work in areas impacted by housing.

2. Housing design and tenant wellbeing

The Illawarra Forum supports the development of housing designs that promote flexible living arrangements and supports community cohesion. Precedents exist in other jurisdictions, such as Victoria and the UK, where community needs are at the forefront of planning and design. The Port Phillip Housing Association in Melbourne, for example, provides a model for low cost social housing development that promotes quality of life and safety through community networks.

Recommendation 2

The Illawarra Forum recommends the examination of Best Practice models which encourage flexible housing design and sustainable communities, including those in Victoria and the UK.

3. Comments on the *Making the Best Use of Public Housing (2013) Recommendations*

The Illawarra Forum is generally supportive of the findings and recommendations in *‘Making the Best Use of Public Housing’* that relate to the need for greater accountability, efficiency and consistency in the administration of public housing across the two key departments. The report highlights the difficulties that have arisen from short term policy development.

We agree that enhanced monitoring of departmental outcomes and processes may identify inefficiencies, which when rectified may lead to reduced costs, enabling funds to be redirected to the development and maintenance of housing stock.

The Illawarra Forum also supports the Auditor’s recommendations regarding the need for greater consistency in policy across the two housing-related departments. Inconsistent approaches have led to administrative inefficiencies, duplications or cross-purpose decision making; which reduced funding available for housing provision.

The report notes that across NSW there is a significant proportion of eligible applicants for public housing, and growing numbers of these applicants require single-person housing. This trend, when coupled with increasing under-occupation of large public housing dwellings has led to recommended relocation of tenants.

However, the Illawarra Forum is concerned by the Auditor's recommendations that relate to housing relocation as a solution. Some of the Report's recommendations, particularly in regard to relocation, will cause personal hardship and would not necessarily lead to long term economic gains. We recommend a critical analysis of trends by LGA, recognising local and regional factors that affect community need. We also recommend the development of community-focussed solutions.

The Illawarra Forum also emphasises the economic and social advantages of keeping people in their own communities of support. The volunteer service and support provision provided by friends and families is often significant. The benefits are many and include examples such as access to transport, support for women and children escaping abuse, childcare and school holiday care, monitoring of people living with mental illness.

Should incentives and disincentives for relocation be introduced as recommended in the Auditor's Report, locally centred boundaries must be considered to take into account the broader economic advantages and the social and psychological wellbeing of people. For these reasons, a mix of housing types within communities should be developed so that those identified as under-occupying larger houses are able to move to smaller houses without losing their communities of support.

The Illawarra Forum does not support the use of disincentives to address resistance to relocation. The reasons tenants do not want to move are many and varied, and require a range of strategies. For example, monetary assistance could be available to tenants to enable them to move, or smaller dwellings could be developed in the same area. This would have the social benefit of increasing the mix of tenancies in public housing locations, enhancing development of community life and sustainable communities.

It is for these reasons that we caution against relocation practices that at face value might seem cost-effective. Policies and practices should not lead to a transferring of costs to the aging and disability, child protection, family support, health or mental health sectors, nor should they be enforced in a way that undermines client agency and wellbeing. A holistic, system-based approach that encompasses the range of expenditure streams affected by housing policy is required.

Recommendation 3

The Illawarra Forum recommends that the social and economic costs of forced relocations be investigated before strategies to relocate residents are implemented.

4. Reform options

Integrated Planning for Housing and Community Needs

Safe, secure housing is predicated on effective policy and practice across a range of sectors and policy areas, such as mental health care and crisis support, policing and justice, transport and community safety. Vulnerable residents including the elderly, women, people with disabilities and carers are at risk in social housing estates unless there are wrap-around

integrated policies across departments. Integrated policies help ensure that factors impacting on safety are identified and managed across policy areas and funding streams.

In the Illawarra region, for example, funding policies for mental health crisis and support have impacted negatively on the safety of people living in social housing, caravan parks and areas where there are lower rents. Critical incidents occur when people with mental illnesses have acute episodes, and their neighbours are unable to respond in any other way than by involving police which can exacerbate neighbourhood tensions in communities already under strain.

Similarly, the housing needs of young people could be better met through collaborative early intervention strategies across housing, homelessness services, education, income support, police and child protection agencies. Early intervention can be far cheaper and more effective than waiting for crises to develop.

An integrated, planned and goal-driven approach to addressing the affordable housing needs of the community would enable more efficient, cost-effective and coordinated strategy development across a range of policy areas. Examples abound of ad-hoc strategies which are developed in isolation and still cannot address the housing needs of vulnerable group. For example, the HAP program, Staying Home Leaving Violence, general allocation policies and supported accommodation services which have been developed to address the short-term and longer-term housing needs of women experiencing domestic violence. An overarching and integrated approach could have resulted in the development of more coordinated, targeted, and efficient strategies.

Coordination of Commonwealth and State service systems and policies would also streamline the way complex housing issues are addressed. For example, housing policies in NSW must be coordinated with the NDIS is needed to ensure that no one falls through the gaps with the winding down of the NSW Housing Disability Action Plan at the end of 2013. Similarly, income support policies do not address the housing needs of vulnerable young people.

Cross jurisdictional coordination must pivot around housing-related policy and individual housing needs. The Wintringham organisation in Victoria provides an excellent model of such a service, which integrates aged care, housing and other support needs of older people.³ This is a great example of how funding streams can be utilised to deliver coordinated aged, disability and housing services.

The Illawarra Forum recommends housing policy formulated on an evidence base which is supported by data collection, as noted above, and appropriate research into Best Practice in meeting housing needs.

Recommendation 4

The Illawarra Forum recommends coordination of housing-related responses to complex needs across Commonwealth and NSW government jurisdictions, and integration of housing strategies across policy areas. Housing policies should be founded on an evidence base built from understanding community needs through better data collection, and examination of Best Practice in other jurisdictions.

³ <http://www.wintringham.org.au/>

Flexibility in Housing Options

There are numerous innovative approaches to improving access to safe, secure and affordable housing. For example:

- rent-control regulations in some US cities
- subsidies and incentives for private landlords
- not-for-profit housing companies (social enterprises)⁴
- housing models which encourage community-building and quality of life⁵
- best practice models for community housing organisation and collaboration⁶

Recommendation 5

The Illawarra Forum recommends examining innovations in other jurisdictions, to enable creative problem-solving outside of the boundaries of existing policy and housing model frameworks.

Client-focussed integrated service delivery

Current NSW housing pathways are not only fragmented, but are driven by the needs of the system rather than the user. The limitations caused by inefficient and outdated Information Technology systems drive responses in a way that is inconsistent with needs of people in need of affordable housing in the Illawarra. We cannot condone housing policy which is based on compromises arising from IT issues.

A planned approach which develops housing responses based on the needs of clients, rather than the system, would lead to greater efficiency, better use of existing stock and resources, and would more effectively meet the needs of vulnerable people. For example, a client-driven approach to the housing needs of an older couple, one of whom has a disability, might lead to a suite of interventions across agencies, such as HACC services, NDIS funded interventions and social and respite support services. The couple then may not need to move from their home and lose their community networks thus avoiding negative social and economic effects. In many situations, an integrated case-management approach is required, which would also enable better utilisation of services available in HNSW, and across other community-based housing providers.

The place of community based housing in a client-led system cannot be underestimated. The Illawarra has several established community housing organisations, providing innovative and responsive services. The Illawarra Forum would encourage an increase of user-focused holistic housing providers, which can work with partners to provide a wraparound response to a range of client needs. This type of response is already provided in the community

⁴ See, for example, Community Housing Ltd in Victoria (www.chl.org.au/)

⁵ Examples of these can be found in Victoria. An example of a private initiative is the UK-based Places for People (www.placesforpeople.co.uk/)

⁶ For example, the Scottish Federation of Housing Associations (www.sfha.co.uk), or the Community Housing federations of NSW (www.communityhousing.org.au/) and Victoria (www.chfv.org.au).

housing sector, better integration with HNSW housing pathways will ensure a client-led outcome.

Recommendation 6

The Illawarra Forum recommends the development of client-led strategies to enhance responsiveness, coordination and efficiency in housing policy and practice.

A Broad View of the notion of affordable housing

The Illawarra Forum supports a broad range of appropriate government-led interventions to increase access to affordable housing in the Illawarra region. Affordable housing encompasses more than that provided by HNSW. In the Illawarra, community housing organisations (CHOs) have played an important role in addressing the needs of people vulnerable to housing insecurity. They have proven to be reliable and successful providers, integrating both tenancy management and housing stock maintenance.

CHOs are often able to respond to community and local needs more flexibly than a government department. Many of these organisations cater for particular vulnerability or need groups, such as women, young people or older people. This means that they can provide the kind of 'wrap around' client-centred service that address individual needs and issues. These individualised supports, together with early intervention strategies can improve sustainability of tenancy and community stability and well-being.

Recommendation 7

The Illawarra Forum recommends that community housing organisations be better supported and integrated into the housing system and enabled to provide the client-led housing response.

The shortfall of housing stock – the elephant in the room

The shortfall in housing stock available for eligible public housing clients has been at crisis point for many years, perhaps decades, and the recent Auditors' analysis indicates this will only worsen (NSW Auditor 2013). Given the sheer numbers of people in vulnerable housing situations who are in need of affordable, safe and secure housing but do not meet HNSW's stringent eligibility criteria, it is clear that the urgency cannot be addressed within the existing frameworks. Public housing should be considered as public infrastructure, and a sustainable funding model designed accordingly. Viewing housing stock as public infrastructure would also enable access to existing pockets of funding including Waratah Bonds.

Mixed-use dwellings and old housing stock: Changing demographics.

The Illawarra Forum suggests that the Inquiry examine innovative uses of transferred properties for redevelopment as mixed use dwellings.

Demographic characteristics of vulnerable and needy groups have changed substantially over the past few decades, and the need for affordable housing now extends beyond traditional family groups to a range of individual and family situations (NSW Auditor 2013). With this in mind, the Forum recommends that the costs of maintaining old housing stock be assessed against the construction of new purpose-built housing on a location-by-location

basis. In some areas of the Illawarra, it may be cheaper to knockdown single dwellings and rebuild medium density or higher density dwellings, than to maintain, repair and retrofit. Cost effectiveness would be augmented if a new development could fit multiple tenant types. Thus, for example, a large dwelling that houses four people but is past its life expectancy could be replaced with a medium-density development that houses a mix of tenancies on the same block. There have been successful precedents in several areas of the Illawarra, for example small housing developments in the beach suburbs of the northern Illawarra which already provide models of more effective use of government-owned land. Social housing has been integrated into suburbs such as Thirroul, Woonona and Bulli; and the substantial infrastructure in these areas has ensured the tenant populations are easily absorbed into communities. We recommend the government further promote such developments, and change its current policy of selling off social housing property in these and other suburbs along the coastal fringe.

Recommendation 8

The Illawarra Forum recommends that rather than sell old, large government-owned dwellings, this stock be redeveloped to build higher density small community complexes on the land holdings, with mixed tenancies to support sustainable communities.

Innovative financing policies

Any program to address housing needs must to be supported by sustainable funding mechanisms. Research is needed into innovative policies and practices for financing social housing, exploring successful initiatives in Australia and elsewhere. Approaches worthy of investigation include:

- providing tax offsets for people investing in social housing – either as developers or landlords,
- offering negative gearing incentives to landlords who provide affordable housing,
- social benefit bonds,
- Infrastructure bonds, such as the NSW Waratah Bonds,
- enabling aggregator capital funding for Community Housing organisations (CHOs), using wholesale social finance⁷.

Partnership with the Commonwealth will be required for many of these innovative solutions to be implemented.

The Illawarra Forum also notes the huge potential untapped value of the equity contained in housing stock owned by the government. We believe this equity could be utilised to address constraining resource issues. The value of existing holdings could readily underwrite borrowings to fund new building on government-owned land, or new land and dwelling developments. Rental payments by tenants to Housing NSW could then be used to service these loans.

⁷ The UK-based Housing Finance Corporation Ltd (www.thfcorp.com) is one successful example.

Recommendation 9

The Illawarra Forum recommends that innovative financing of growth in the housing sector be explored, including those strategies which require working in partnership with the Commonwealth. Strategies include tax policy innovations to promote ownership of social housing property by private individuals, social finance and using the equity in existing government housing holdings to borrow for new developments.

Conclusion

The above recommendations would enable the development of a housing pathway systems which:

- Is
 - Evidence based,
 - Coordinated, and
 - Locally responsive;
- Uses a variety of options across government, community and government-supported private dwellings; and
- Is client led.

Such a system would benefit the development of community wellbeing and safety, not just in the Illawarra region, but across NSW.

Thank you for the opportunity to comment on social, public and affordable housing. We would be happy to discuss our comments or recommendations in more detail if required.

We agree to our submission being made publicly available.

Nicky Sloan
CEO
Illawarra Forum Inc

Summary of Recommendations

Recommendation 1

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Recommendation 2

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REFERENCES

Illawarra Forum Inc. (2009), *Social Housing – The Facts*, Illawarra Forum

Illawarra Forum (2012), *Homelessness in the Illawarra*, Issues Paper 2012, Illawarra Forum Inc.

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