

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

Organisation: Central NSW Councils

Date received: 28/02/2014

Inquiry into Social, Public and Affordable housing

SUBMISSION

February 2014



Centroc's Mission is to be recognised as the lead organisation advocating on agreed regional positions and priorities for Central NSW whilst providing a forum for facilitating regional co-operation and sharing of knowledge, expertise and resources; effectively nurturing sustainable investment and infrastructure development.

www.centroc.com.au

28 February 2014

Reference kk:vp 021428

Enquiries:

The Hon Paul Green MLC
Committee Chair
Social, Public and Affordable Housing
Legislative Council Parliament House Macquarie Street
Sydney NSW 2000.

Dear Mr Green,

Re: Social Public and Affordable Housing

Centroc is a large and long standing voluntary association of councils of varying sizes ranging from populations of around 2500 to populations of close to 40,000. It has received national recognition for its work in delivering measurable benefits to the members it serves. This recognition includes commentary and awards at the State and National levels for example the Productivity Commission and most recently the Minister for Local Government for NSW, The Hon Don Page. Most importantly, it is valued by its members.



Central NSW Councils (Centroc) comprises the Local Government Areas of Bathurst, Blayney, Boorowa, Cabonne, Cowra, Forbes, Lachlan, Lithgow, Oberon, Orange, Parkes, Upper Lachlan, Weddin, Young and Central Tablelands Water.

It has two objectives, one around advocacy and the other around supporting members operations.

The Centroc Board is made up of the 30 Mayors, elected representatives and General Managers of its member Councils who determine priority for the region. These priorities are then progressed via sponsoring Councils.

For more advice on Centroc programming and priorities, please go to our website at www.centroc.com.au/publications

Centroc understands the terms of reference as;

1. That the Select Committee inquire into and report on demand for social, public and affordable housing and in particular:

- (a) Projections of future social, public and affordable housing supply and demand to 2020*
- (b) Data regarding the link between the lack of appropriate social, public and affordable housing in New South Wales and indicators of social disadvantage*
- (c) Housing design approaches and social service integration necessary to support*

- tenant livelihoods and wellbeing
- (d) Maintenance and capital improvement costs and delivery requirements
 - (e) Criteria for selecting and prioritising residential areas for affordable and social housing development
 - (f) The role of residential parks
 - (g) Recommendations on State reform options that may increase social, public and affordable housing supply, improve social service integration and encourage more effective management of existing stock including, but not limited to:
 - (i) policy initiatives and legislative change
 - (ii) planning law changes and reform
 - (iii) social benefit bonds
 - (iv) market mechanisms and incentives
 - (v) ongoing funding partnerships with the Federal Government such as the National Affordable Housing Agreement
 - (vi) ageing in place, and
 - (h) Any other related matter.

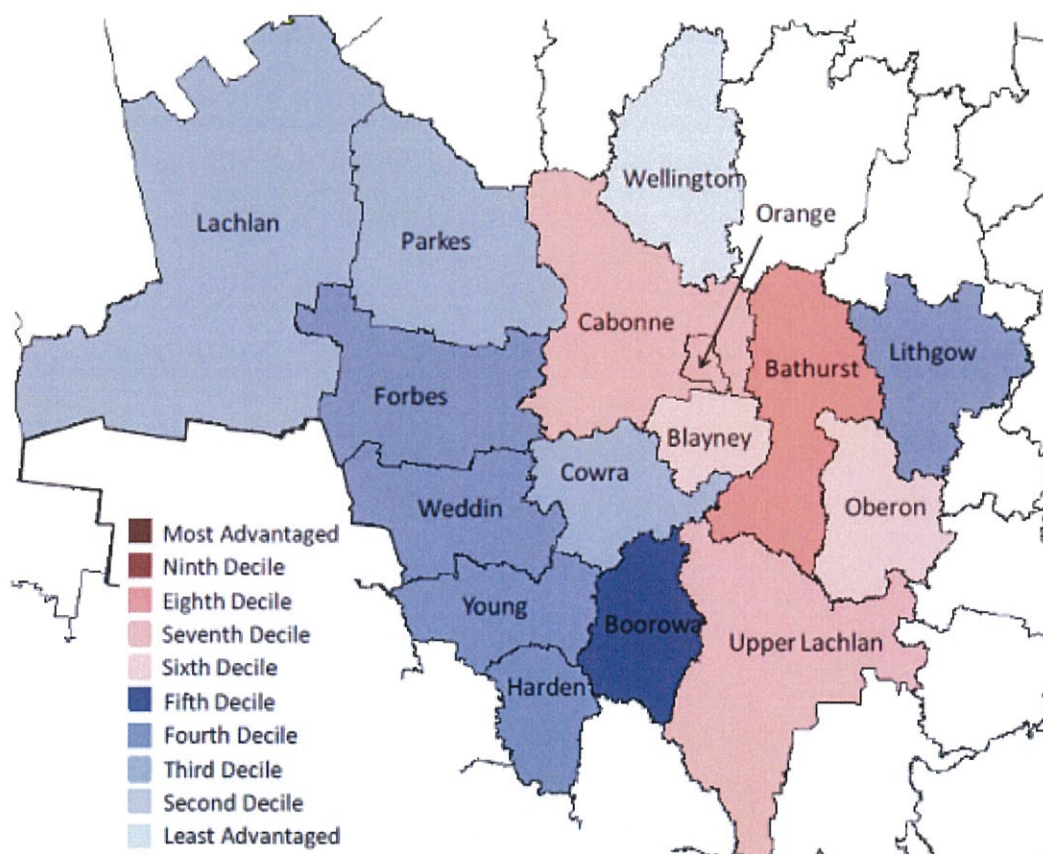
2. That, in conducting the Inquiry, the Committee note the recommendations of the 2013 report of the Audit Office of New South Wales entitled "Making the best use of Public Housing".

3. That the Committee report by 9 September 2014.

Central NSW faces significant challenges in affordable housing. While more publicity is received on issues in metropolitan areas, the situation is also of concern in regional NSW.

One third of people in our State live in regional areas. Household incomes tend to be lower, though property purchase and rental prices have increased markedly over the last decade. Jobs can be scarce, transport links weak and social housing in poor repair. Our region experiences more social and economic disadvantage than on the coast.

SEIFA scores for the region drawn from ABS data show that of the 14 Lgas of Centroc, 8 are ranked below the 5th decile. The figure below shows SEIFA deciles for the region.



All Australian community housing organisations are operating in a complex and changing policy environment. Tenants have increasingly challenging needs, housing is in short supply, and funding is becoming more competitively allocated. However, there are additional issues facing regional housing providers. These include:

1. While there is pressure from State Government to increase social and affordable housing delivery, in regional areas there are fewer scale economies for development, delivery costs are higher, and it is harder to secure debt and equity funding.
2. At times and depending on the location, it can be difficult to source affordable housing staff members in regional areas, particularly those with specialist skills in community housing, and with senior management experience.
3. Regional housing providers often provide housing services over large geographic areas, increasing the cost of delivery. There is often a need to open small regional offices, which are complex and expensive to operate.
4. Population movement have challenged existing social services both in terms of demand for service as well as the variety and complexity of services needed. Gaps in service provision are harder and more costly to address in areas with a dispersed population.
5. Population growth is always been accompanied by a similar rise in the number of jobs. Many of the newer local jobs in the agricultural and service sector are low paid.
6. There are many smaller towns and villages in Central NSW with poorer public transport links than larger centres. Lower income people living in areas of high social disadvantage may not be able to easily and affordably travel to parts of the region where there are jobs.
7. The geographic spread of people requiring care, and the time and cost of travelling to reach them, is a major barrier for delivering outreach health care services. The more remote the LGA the greater the problem. A current issue is around supported care not being eligible for some health transport services. Further investigation about this issues is being undertaken by Centroc working with State Ministers.
8. Regional areas have a higher proportion of older people, and this is projected to be a fast growing cohort in the future.
9. In some of our LGAs there is a significant Indigenous population in many regional centres. For a variety of reasons around social disadvantage, it is difficult for many Indigenous people to compete at the lower end of the housing markets.
10. In fast growing resource-boom Local Government areas not only has there been price pressure and an evaporation of accommodation typically used for tourism and business purposes, but people have been forced to rely on non-standard forms of accommodation such as garages or caravans on private property.

The welfare benefits system often acts as a deterrent to families moving to employment and out of social housing, and this needs reform. Furthermore issues such as planning, land supply and taxation have major impacts on social housing demand though are often treated as being non-housing issues.

A growing concern in this region is resourcing and integration of State agencies and State agencies working with Local Government. Accordingly, Centroc support the trialling of place based strategies and can provide advice on members willing to participate in this space.

More public money is not necessarily the answer though this is not to say that new money well spent would not be welcomed. In the first instance, better use of existing funds and assets, and a careful leveraging of private and philanthropic finance is called for.

Watching the evolution of State agencies in this region, it is Central NSW Council's experience that State service delivery has become increasingly 'siloed', with little communication and coordination between Departments. The recent boundary alignment between and agency alignment through moving Housing NSW into FACS is a good first step into breaking down barriers, and this region commends the State for its activity in this space.

Central NSW Councils recommend the NSW Government develop an affordable and social housing policy that has input in the very least by, and ownership by, all Departments. This may, for example, better coordinate the work of Housing NSW, the Department of Planning and Infrastructure and Urban Growth NSW.

Further, this co-ordinated approach needs to give consideration to participation with strong community based organisations that can work in partnership to deliver Government's policy objectives. Local people often know best what the issues are where they live, and what solutions are needed and will work. Clearly there is a role here for Integrated Planning and Reporting and this region is keen to work with the Department of Premier and Cabinet on how State agencies can better engage in and profit from this in depth strategic work managed by Local Government.

Finally, sustainable regional economies drive economic growth, helping to achieve 'NSW 2021' policy goals. Vibrant towns in this region stand a chance of meeting the NSW Government's Decentralisation Taskforce objectives, and taking some strain from metropolitan Sydney.

Coherent policy and collaborative, place based action that recognises that there are differences required in rollout to regional NSW is required and Central NSW Councils would welcome the opportunity to engage in developing this policy.

Once again, thank you for providing this opportunity to give thought to this issue. For further advice in regards to this submission please contact the Centroc Executive Officer, Ms Jennifer Bennett on 0428 690 935.

Yours sincerely,

Cr Ken Keith
Chair
Central NSW Councils (Centroc)