

**Submission
No 101**

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

Organisation: Wentworth Community Housing

Date received: 28/02/2014

28 February 2014

The Director
Select Committee on Social, Public and Affordable Housing
Parliament House
Macquarie St
Sydney NSW 2000

Dear Sir/ Madam

Re: submission to the NSW Parliamentary Inquiry into Social, Public and Affordable Housing

Wentworth Community Housing is one of the largest and most experienced community housing providers in New South Wales. With 2,000 properties and tenancies spread across the outer western Sydney region, Wentworth is a leading provider of affordable and social housing solutions and tenancy support to over 4,000 families and individuals each year.

The NSW Federation of Housing Associations, the peak body for community housing providers has prepared a substantial submission to this inquiry. As a Federation member we support their submission, however, also provide this response to highlight some specific examples of Wentworth's contribution to affordable housing management and supply.

a) Projections of future social, public and affordable housing supply and demand to 2020

- It is well documented that NSW and specifically Sydney has a housing affordability crisis. With home purchase increasingly out of reach for many people, high rents in the private rental system and growing waiting list for public housing increasing numbers of people are living in housing stress.
- Community housing can be part of the solution. A recipient of the NSW government's Property Transfer Program (PTP) in 2010, Wentworth doubled in size in a short timeframe with over 1,000 public housing properties and tenancies transferred under management. The PTP was part of a government strategy to grow the community housing sector to become a viable and sustainable contributor to social and affordable housing provision. This rapid growth has enabled Wentworth to accumulate funds over time to contribute towards new housing projects.
- Wentworth currently has a development pipeline of up to 122 units of new social and affordable housing for delivery by June 2015 worth some \$36 million. Combining 10 percent Wentworth equity, 37 percent private finance and 53 percent government grant funding this funding strategy offers optimal use and leverage of government subsidies whilst ensuring these new housing projects are viable in the long term.

b) Data regarding the link between lack of appropriate social, public and affordable housing in NSW and indicators of social disadvantage

- Wentworth understands that safe, secure and affordable housing is the foundation to people's successful participation in the community and economy.

- Project 40 our leading homelessness project works with the most chronically homeless and rough sleepers in our community. A 'Quality of Life' survey conducted in April 2013 clearly identified the importance of secure and affordable housing in improving lives and addressing social disadvantage. Improvements to people's health, ability to sustain a tenancy and even employment prospects were achieved. Similar programs in the USA have clearly identified the significant savings to the health, criminal justice and welfare systems when a 'housing first' solution is employed. See attachment 1 – Quality of Life survey results.

c) Housing design approaches and social service integration necessary to support tenant livelihoods and wellbeing

- Wentworth is well connected to the local service system having formal partnerships with 30 different support agencies to provide 134 housing and support outcomes for people with complex needs including those with mental health, drug and alcohol and women escaping domestic violence. Wentworth recognises the link between housing and social service agencies is integral to creating sustainable and successful tenancies. See attachment 2 – case study
- Wentworth is currently participating in an innovative employment pilot project called 'Workfast' that attempts to better link people who are homeless or at risk of homelessness to employment outcomes. Working with local Job Service Agencies and Regional Development Australia this project is looking at how to better integrate these service systems which can all too easily work in isolation. The project is set to report on its findings in August 2014. See attachment 3 – Workfast project objectives.

d) Maintenance and capital improvement costs and delivery requirements

- Wentworth provides the full range of asset management services to the property portfolio it manages on behalf of government. Responsive, cyclical and planned maintenance delivered according to Asset Management Plans and regulated by government under the National Regulatory system ensure these services are provided in a cost effective manner to meet agreed performance targets.
- Wentworth's capacity and capability to deliver cost effective maintenance services is further demonstrated in the following:
 - Under the PTP Wentworth upgraded 1,000 properties to Housing NSW standard within an approved budget of \$10m.
 - Wentworth delivers repairs and property upgrade services to 146 properties for 44 support agencies across metropolitan Sydney under a contract with Community and Private Market Housing, Family and Community Services.
- Wentworth recognises that much of the stock under management is nearing the end of its 'life cycle' and the challenges and costs to maintain at these properties at asset standard will only increase. With limited control over the asset Wentworth will be constrained in how it can cost effectively maintain these properties to asset standard into the future.

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

- In 2009 the then Housing Ministers across the country committed to a community housing sector at 35% of all social housing stock by June 2014. Wentworth supports the continued effort to this target noting that community housing providers have some distinct advantages to generate and contribute to new housing supply. These include access to Commonwealth Rent

Assistance (CRA), ability to leverage debt financing and capacity to work in flexible and innovative ways with a range of partners.

- Wentworth seeks support for the continuation of the Property Transfer Program at scale as one mechanism to grow the sector. As mentioned previously Wentworth's experience of a large scale transfer has enabled the generation of increased income as tenants access CRA which is used to contribute to new property development projects.
- Wentworth seeks consideration of title transfer or other long term arrangements on existing properties under management to enable it to leverage the asset as a further way to contribute to new housing supply. Wentworth has undertaken portfolio planning of the properties under its management and has identified a range of sites suitable for redevelopment that can generate a yield of 4 (new properties) to 1.
- Wentworth also seeks support for the continuation of the National Rental Affordability Scheme (NRAS). NRAS is a key component of the funding model for each of Wentworth's new affordable housing projects, without which the number of units developed would be significantly reduced.

The community housing sector, if supported to grow, can provide a significant contribution to affordable housing supply and strengthening communities into the future.

I look forward to your consideration of the information contained in this letter to the NSW Parliamentary Inquiry into Social, Public and Affordable Housing.

If you require any further information please do not hesitate to contact me

Kind regards

Nick Sabel

CEO