

**Submission  
No 256**

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

**Organisation:** Gurraama-Li, Tamworth Murri Representative Body

**Date received:** 17/07/2014

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## **About Us**

Guurrama-Li was established as a representative body for the Tamworth Aboriginal Community under Aboriginal Affairs' then "Partnership Community Program" in December 2010 and received its endorsement from Aboriginal Affairs on behalf of the NSW Government in November 2011. The NSW Government has committed to listen and respond to local Aboriginal Representative Bodies on the basis of their assertion that "Aboriginal people know best the needs of their communities" that is now reflected in the NSW Aboriginal Affairs Plan, OCHRE. Since its establishment in 2010 Guurrama-Li's members have been carrying out ongoing consultation with the Tamworth Aboriginal Community so that we can record, act on and advocate for the priorities of our community.

## **Our Submission**

We make our response based on published statistics and our knowledge of the Tamworth and surrounding communities. In many cases we expect that the situation experienced within Tamworth will be generalisable to many other Aboriginal communities within NSW.

## **Projections of future social, public and affordable housing supply and demand**

Almost by definition, public and social housing tenants face a range of financial and social barriers that are known to their landlord organisations. These are defined by the criteria that people need to meet to access public and social housing and always include low financial means, often extending to a range of other associated factors including disability or chronic health issues, low levels of education, and limited employment options. Further associated issues include mental illness, drug and alcohol, personal and family violence, financial stress etc. Moreover, Aboriginal people face additional stressors related to cultural disconnection, chronic grief and loss, intergenerational trauma and the effects of racism both real and perceived.

In 2010, Housing NSW estimated that nearly 1/3 of NSW's Aboriginal population lived in social housing, compared to only 6% of non-Aboriginal households. It states that Housing NSW provides public housing to almost 10,000 households and manages a further 4,000 properties tenanted by Aboriginal households on behalf of the NSW Aboriginal Housing Office (AHO). As part of the same

report they recognise the critical role of secure housing in overcoming disadvantage and how it links to health, education, community safety and family violence<sup>1</sup>.

**Aboriginal people make up a large percentage of public and social housing tenants and these tenants face layers of disadvantage beyond other social housing tenants. An understanding of Aboriginal culture and community is essential to appropriate management and breaking cycles of disadvantage.**

Following the 2006 Census a report detailing population projections for Indigenous populations in NSW over a 15 year span (2006 – 2021) was produced by the Australian Bureau of Statistics (ABS) in collaboration with the NSW Aboriginal Lands Council<sup>2</sup>. This report details projected demographics for the NSW Aboriginal population which is expected to grow by approx. 60,000 people across NSW over these 15 years including a projected growth of 5,000 people (from 12,874 to 17,824) in the Northern Land Council region of which Tamworth is a part, and show an overall increasing rate of population growth. As a proportion of the Aboriginal population of the Northern Land Council region, people aged 15 and over (representing the majority of people with an independent housing need) is projected to increase from 59.7% – 65.8% of the population, signalling a significant impact on the need for available housing to grow and respond to the population trends in the community.

The 2011 Census reports that the Aboriginal population of Tamworth is 4721 (2,861 aged 15+) who live in 1920 households. Average household size is reported at 3.2 people. Of these 1920 households, 1103 reported that they are renting. Approximately half (525) report that they rent through real estate agents and a further third (369) who report renting through a State or Territory housing authority or housing cooperative, consistent with the Housing NSW figures quoted above. As at 7 July 2014, AHO estimates that they own 194 Aboriginal houses in Tamworth and there are 49 other homes managed by local Aboriginal organisations (Tamworth Local Aboriginal Land Council – 15; Mara Mara Community Housing Inc – 34). Many Rivers Regional Housing Management Services Aboriginal Corporation (based in Coffs Harbour/Kempsey) and Gunida Gunyah Aboriginal Corporation (based in Gunnedah) also manage properties in Tamworth as part of their growth strategy.

Growth in the Tamworth Aboriginal population (based on Northern Land Council region projections) would be expected to increase to 6,536 people by 2021, implying (by direct extrapolation) that demand for social housing will increase by 135 to just over 500 households over the same period. Based on these projections, planning for appropriate growth strategies to increase stock and capacity within the Aboriginal housing sector is essential.

AHO reports that their current budget for buying new housing stock in our region is approximately \$8-\$9m annually, which covers an area of NSW including the Central Coast to Tweed and inland to Mungindi. They report than a \$1m investment in new housing was made in Tamworth over the past year in response to the increased housing need but the budget is not nearly sufficient to meet the need.

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<sup>1</sup> Reference: Housing NSW, Commitment to improving service delivery to Aboriginal people (2010). <http://www.housing.nsw.gov.au/NR/rdonlyres/EBC517B2-4EC2-46B8-9E2F-B99110EDA307/0/CommitmenttoAboriginalService.pdf>

<sup>2</sup> NSWALC <http://www.alc.org.au/media/26184/Population%20Projections%20v1.pdf>

**Capital investment significantly greater than what is currently available is needed to ensure that the Aboriginal housing stock can meet future demands of a growing population.**

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

Current Housing NSW management strategies are reported to be in strong conflict with Aboriginal community wellbeing, with tenants reporting that Housing NSW use a hands-off approach to tenancy management, with most management being through telephone contact. Moreover, tenants report a focus is on rent payments as a priority and that when a family finds themselves with arrears opposed that they often report threats, coercion, bullying, deception and other disrespectful behaviour from Housing NSW staff in their interactions, many of which end up in the tribunal.

In these situations we are hearing from the community that Housing NSW have not met their obligations to Aboriginal tenants to look at financial management or put in diversionary measures to preclude the problems occurring and that tenants are not being made aware of their right to appeal decisions.

**Face-to-face, relationship-based tenancy management approach is required to assist Aboriginal tenants and break the cycle of intergenerational disadvantage.**

Culturally, Aboriginal people prefer face-to-face engagement with government services due to long-standing issues of distrust which have formed due to former government policies. Face-to-face engagement including regular tenant checks based on a respectful relationship, would also allow the opportunity for Housing staff to identify problems at home at an early stage, where referrals to appropriate services may help the family avoid becoming behind in their rent. Whether this be referring to a one-off budgeting session to providing information on local mental health or chronic illness services and supports, Guurrama-Li believes that this approach is essential to respectfully manage Aboriginal families and prevent cycles of disadvantage from repeating.

Rental payment issues arise from a number of factors where tenants on low incomes need to make decisions between paying rent and other family priorities such as health, which start as a small arrears but can quickly escalate.

**Changes to social welfare payments, particularly rent assistance, could dramatically reduce the likelihood of Aboriginal families falling into rental arrears.**

Currently, direct debit of rent from Social benefits is voluntary. The problem of non-payment of rent would be dramatically ameliorated if rent assistance were paid directly from Centrelink to the housing provider. This would mean that the tenant never “saw” the money, so could manage their budgets without consideration for the deduction and that any residual rent owed would be less, and thus would constitute a smaller perceived impact on their weekly household budget.

## **Maintenance and capital improvement costs and delivery requirements, recommendations on state reform options**

Tamworth currently has two Aboriginal owned and run housing providers - Tamworth Local Aboriginal Land Council (TLALC; 15 houses) and Mara Mara Community Housing Inc (Mara Mara, 34 houses). In addition to this, the NSW Aboriginal Housing Office (AHO) reports that they have 194 Aboriginal housing stock which are managed by Housing NSW. Tamworth's Aboriginal housing sector is in the desirable position that all housing providers charge market based rent so there is no income shortfall caused by undercharging or associated problems that face some Aboriginal communities.

TLALC are PARS accredited, but choose to out source a portion of management of their 15 properties to Homes North, a mainstream housing provider, because 15 houses does not provide sufficient basis to employ a housing manager (AHO estimates that 30 houses would support 1 part-time worker) and current staff already have full workloads. Mara Mara has had three clear audits but has not become accredited due to frustrations with a lack of support to complete the PARS requirements.

While AHO's policy is to transfer management of Aboriginal housing stock to PARS approved Aboriginal housing providers over time, no new housing stock has been transferred to the TLALC to increase their housing numbers or help them attain an economy of scale. TLALC reports that all of their current rental income goes into their repairs and maintenance obligations, so they have no capacity to save for new acquisitions at the current time.

**As the Aboriginal population grows, at rates above the rest of the population, demand for housing is increasing and supply is falling behind. Capital investment is urgently needed in this sector.**

TLALC report concerns that Aboriginal youth is a growth market and no new social or public housing is coming on line. This puts young people into a position of being forced into living in low-cost areas which are often disadvantaged neighbourhoods, perpetuating cycles of poverty and disadvantage. Based on the calculations above, that demand will increase by 135 social housing properties to 500 between 2006 and 2021, an additional 9 'average' (3.2 person) houses would need to be built or purchased each year to keep up with this demand. In reality this would constitute a range of smaller and larger properties tailored to those on the waiting list. We know that stock has not been purchased at this rate between 2006 and 2014, so the waiting lists grow longer and we are already behind in catering appropriately for our people's needs.

In terms of planning for the future or creating new business, the \$396.8m Build and Grow program is due to finish in 2018, and in line with this target, PARS is now shut to new registrations. This means that Aboriginal organisations who have not gone through the PARS process in the past or theoretically, any newly set-up Aboriginal housing organisations, now do not have the opportunity to access the benefits related to PARS including being able to take on growth in their properties from AHO stock, accessing capital funding, or accessing capacity and business development assistance. It also means that if current Aboriginal housing providers close that there is no opportunity for another provider to take their place, and thus all of the potential benefits to the community are lost with the organisation.

**Affordable home ownership is a great strategy that could be very successful in increasing Aboriginal home ownership. More investment needs to be made in appropriately targeting families who are in a position to take advantage of this shift.**

Affordable home ownership is a new direction that many social housing providers are now taking. This solves the problem of public and social housing being unavailable to people on critically low incomes, due to others who have benefited from social housing and are pulling themselves out of poverty, who may be on the higher end or have moved above the eligible income scale and are still occupying available homes. Affordable home ownership strategies that allow tenants to buy their properties or other affordable properties is a successful strategy when appropriately targeted, and needs more staff dedicated to it to push the benefits of affordable housing to eligible tenants on a full time basis. At the current time, the strategy has unlimited potential for freeing up housing stock and benefiting eligible tenants long term, but there are not enough staff dedicated to it.

Our local AHO officer reports that through AHO records they are able to see which tenants would fit into the right income bracket, are able to pay market rent and would benefit long term from having an asset of their own. By way of a pilot program, he worked with IBA Home Loans to approach 20 such tenants in one North West community and ended up successfully transferring 8 tenants to affordable home ownership. There would be much greater scope across the whole region to do this however, current staff are overloaded with their regular duties and no new staff dedicated to this cause.

A similar successful strategy being used by private real estate agents such as Hibbards in Tamworth are "Rent, Try, Buy" schemes. We believe that a successful Aboriginal home ownership program could be modelled around similar principals.

Common barriers to Aboriginal families getting ahead financially, including moving into affordable home ownership, include fines, bills and debts. A sensitive tenancy manager who is aware of the family situation could assist the family by referring them to budget or financial assistance, and make them aware of payment options in place to reduce these debts over time.

To be aware of when the time is right for tenants to move from renting to Affordable Home Ownership or another scheme, it is essential that tenancy managers have a relationship with the tenant and an awareness of their education or employment status, stability of their current situation and what regular expenses impact on the family budget. Talking about transitioning to affordable home ownership when the time is right for the tenant is the key to success with this strategy, and building relationships through home visits rather than telephone-based tenancy management would be the first step in the right direction. It is Guurrama-Li's belief that Aboriginal housing organisations and Aboriginal staff are best placed to build these trusting relationships with Aboriginal tenants.

**Summary of main points:**

- *Public and social housing are used by 1/3 of the Aboriginal population and therefore a strong understanding of Aboriginal culture and communities is incredibly important when planning changes in this sector;*
- *The Aboriginal population is growing at rates above the mainstream population which will strongly impact on the demand for social and public housing;*
- *A hands-on and respectful approach is needed to manage Aboriginal tenants and break cycles of disadvantage, and Aboriginal owned and run housing providers are in the best place to understand and manage these issues;*
- *Social welfare payments, in particular rent assistance, could be restructured to assist in preventing Aboriginal tenants falling into rental arrears*
- *More capital funding needs to be made available to functioning Aboriginal housing providers to ensure that supply and demand is met into the future;*
- *Thought needs to be put into supporting the growth of the Aboriginal housing sector, as current policies and strategies are currently closed to new market entrants, and are not sufficient to sustain or grow the sector; and*
- *Public and social housing strategies and growth planning need to strongly consider and incorporate the needs of the growing Aboriginal population so that Aboriginal people do not face additional disadvantages in the future.*