

Standing Committee on Social Issues

Report on Community Housing

Ordered to be printed according to the Resolution of the
House

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How to contact the Committee

Members of the Committee can be contacted through the Committee Secretariat. Written correspondence and enquiries should be directed to:

The Director

Standing Committee on Social Issues

Legislative Council

Parliament House, Macquarie Street

Sydney New South Wales 2000

Internet www.parliament.nsw.gov.au

Email socialissues@parliament.nsw.gov.au

Telephone (02) 9230 3078

Facsimile (02) 9230 2981

Terms of Reference

These terms of reference were referred to the Committee by the then Minister, the Hon. Andrew Refshauge MP, on 27 September 2001. Re-referred by the House on 24 June 2003.

1. That the Standing Committee on Social Issues inquire into and report on government-funded community housing, and in particular:
 - (a) The role of the government-funded community housing sector in providing accommodation within the social housing system,
 - (b) The effectiveness of the community housing sector in meeting the needs of its clients in a responsive and efficient manner,
 - (c) The relative effectiveness of large and small community housing providers in providing accommodation to their clients,
 - (d) The role and operation of community housing or related models in other jurisdictions so as to better inform future strategies and develop best practice within the sector in New South Wales,
 - (e) Appropriate models for community housing in rural, regional and metropolitan New South Wales,
 - (f) The effectiveness of links between community housing providers and government and non-government support services,
 - (g) The adequacy and effectiveness of training and support available to community housing providers,
 - (h) Current management and operational policies and practices, their efficacy and transparency,
 - (i) The adequacy of current reporting and regulatory frameworks in ensuring corporate governance and accountability,
 - (j) Any other matter arising out of or incidental to these terms of reference.
2. That the Inquiry consider community housing providers, excluding Aboriginal community housing providers.

Committee Membership

Following the State Election in March 2003 and the commencement of the 53rd Parliament, the Committee was reconstituted on 23 June 2003 with an increased membership. The Committee now consists of six Members:

- Jan Burnswoods, MLC, Australian Labor Party, **Chair**
- The Hon Robyn Parker*, MLC, Liberal Party, **Deputy Chair**
- The Hon Dr Arthur Chesterfield-Evans, MLC, Australian Democrats
- The Hon Catherine Cusack*, MLC, Liberal Party
- The Hon Kayee Griffin*, MLC, Australian Labor Party
- The Hon Ian West, MLC, Australian Labor Party

* The inquiry commenced in September 2001 and all hearings occurred prior to the March 2003 election. The Hon Robyn Parker, The Hon Catherine Cusack and The Hon Kayee Griffin did not participate in the inquiry processes occurring in the previous Parliament. Ms Parker and Ms Griffin attended the site visits in Sydney and regional and rural New South Wales conducted in August 2003. The draft report was presented to the newly constituted Committee.

At the commencement of this inquiry in September 2001, the Committee memberships was:

- Jan Burnswoods, MLC, Australian Labor Party, **Chair**
- The Hon Doug Moppett,** MLC, Liberal Party, **Deputy Chair**
- The Hon Dr Arthur Chesterfield-Evans, MLC, Australian Democrats
- The Hon Amanda Fazio, MLC, Australian Labor Party
- The Hon Ian West, MLC, Australian Labor Party

** The late Hon Doug Moppett MLC, National Party, served as Deputy Chair of the Committee from 25 May 1999 to 14 June 2002. The Hon James Samios, MLC, Liberal Party was appointed in place of Mr Moppett, taking up the position of Deputy Chair.

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Chair's Foreword

I am pleased to present the report of the Committee's inquiry into community housing.

This report focuses on the role community housing plays in providing accommodation and support to individuals and families in rural, regional and metropolitan New South Wales. While making up only 8.4% of the social housing system in this State, the important part community housing plays in providing secure and affordable rental housing has been demonstrated in the evidence to the inquiry. As the many passionate advocates of community housing told us, getting housing right is a vital part of ensuring sustainable and active communities.

As a Committee we were impressed with the innovation and flexibility of the approaches taken to house people through community housing. In the conduct of the inquiry we visited a variety of housing projects, including small co-operatives as well as the larger housing associations with over 700 properties. Despite the difference in size and style of management, we noticed a common factor amongst these projects was their focus on engaging tenants and maintaining connections with local communities.

This inquiry is timely. There is considerable public debate on affordable housing issues, particularly for Sydney and larger regional centres. While affordable housing is somewhat beyond the scope of our terms of reference, we have addressed the role that community housing can play in providing affordable housing particularly for people on low incomes, and people with special needs. Our Committee will follow the debate around the provision of affordable housing with interest. It is set to be one of the critical issues for the future, not just for government, but for society as a whole.

I am appreciative of all the people who have contributed to this inquiry. I particularly want to thank participants for their patience in waiting for this report to be released. Due to the considerable workload of the Committee in 2002, we were unable to release the report during the last Parliament. I would also like to thank all the people who welcomed us into their homes during our visits for this inquiry. We were overwhelmed by their generosity and hospitality.

I am also grateful to my Committee colleagues for the work they have undertaken on this inquiry. On their behalf I would like to acknowledge the Secretariat for their assistance in the conduct and report writing for the inquiry. In particular I would like to thank our visiting student intern, Renee LeCussan.

Following the 2003 election, the Social Issues Committee was reconstituted on 23 June 2003 and three new members were appointed. While new members joined us on our site visits this year they did not have the opportunity to participate in any of the hearings held during the inquiry. Despite this, all members support the recommendations pro forma for this important inquiry into community housing.

I commend this report to the Government.

Jan Burnswoods MLC

Chair

Executive Summary

This inquiry and its report come at a time of growing concern about the affordability of housing in this State, and particularly in Sydney and the larger regional centres. Community housing is one approach to social housing aimed at providing secure and affordable rental housing to people on low to moderate incomes, and people with particular needs. Community housing provision varies across Australian States and Territories, with New South Wales having the largest community housing sector in Australia. In this State, the community housing sector manages 8.4% of social housing properties.

Community housing has changed markedly over the last ten years. With the growth of the community housing sector has come increased professionalism and efficiency, with the vast majority of housing providers conforming to the necessary regulatory and accountability requirements. As evidence to the inquiry demonstrates, the basis of effective communities is appropriate housing. In this regard, community housing is seeking to find the most appropriate housing model for particular groups in our society. In our visits in Sydney and to regional and rural areas, we witnessed a range of different community housing projects, including large housing associations, partnership arrangements with church groups and small self-managed co-operatives. Despite the variation in management style, size of provider, and the nature and needs of the tenants, central to each community housing project is a focus on being locally responsive and flexible in the delivery of housing and support services.

The evidence to this inquiry was overwhelmingly supportive of community housing, and this report has focused on the many positive aspects of community housing provision. Evidence to the inquiry, while of a high standard, did not provide a consensus view on many issues around the role of community housing in this State. Given this lack of agreement, in some instances it has been difficult for the Committee to formulate firm conclusions and recommendations. For example, some of our recommendations ask that the government consult and consider further a variety of options for the delivery of community housing. This report, rather than providing definitive, ironclad answers, has put many of the arguments for and against various proposals on the agenda for debate. It is the hope of this Committee that the inquiry, and our report, will help to educate both government and the broader community on the value of community housing. In conducting this inquiry, we found that many people outside the community housing sector were unaware of the vital role community housing plays within the social housing network.

We make a total of 33 recommendations, many of them focused on enhancing the work already being done by government and non-government organisations. We have structured the report around the terms of reference, looking to the needs and concerns of government, community housing providers and tenants. In emphasising the importance of community housing we are not suggesting that other forms of social housing, and in particular public housing, are lesser systems of social housing. In the large part we have resisted the temptation to make comparisons with public housing for this reason. We note, however, that there is often a tension between different forms of social housing as they are all competing for government funding and support from the non-government sector. Where necessary, we have addressed the broader social housing system, as it impacts on the delivery of community housing.

In **Chapter 2** we provide an overview of the role of community housing provision in New South Wales. The chapter addresses the definitions of community housing, and the nature of the different providers and tenants. The operating framework is considered, as is the need for a cohesive and comprehensive strategic plan for community housing. This chapter also addresses the terms of reference on the effectiveness of the community housing sector in meeting the needs of tenants. We overview a number of recent surveys to gauge the responsiveness and efficiency of the sector. The chapter concludes with an examination of the links between community housing providers and government and non-government support services.

The range of different models of community housing provision is addressed in **Chapter 3**. In particular, we look at the advantages and limitations of large and small providers and the need for a range of sizes to cater for the different needs of tenants and communities. Also addressed in this chapter are the appropriate approaches to community housing in metropolitan, regional and rural areas. A number of approaches to community housing in other jurisdictions are considered, and in particular those taken in the United Kingdom and in Queensland, Victoria and South Australia.

Chapter 4 looks at governance. We consider the important issues of management and operational policies as they relate to housing associations, co-operatives and housing partnerships. The chapter also addresses the terms of reference directing us to consider the adequacy and effectiveness of training and support available to community housing providers. In **Chapter 5** the issue of regulatory and reporting frameworks is examined. The chapter begins with a brief overview of the existing framework and the comments from inquiry participants on the effectiveness of the current arrangements. The bulk of the chapter concerns the adequacy of the current framework, and the principles and specific components of a new regulatory system. The chapter concludes with a discussion on performance management under the proposed new framework.

In **Chapter 6** we move to a discussion of the future of community housing in New South Wales. While there are no specific terms of reference directing us to consider its future, there was an overwhelming focus in the evidence to the inquiry on where to take community housing in the next decade. In this chapter we have attempted to address many of the concerns of inquiry participants. Specifically, we consider the recent growth of community housing in this State and ways to attract funding for the future growth of the sector. The chapter provides a thorough analysis of ways to build capacity and addresses the issue of title and equity as it applies to housing partnerships, housing associations and housing co-operatives. The chapter also considers whether there is a need to establish a social housing register, and concludes with a discussion on homelessness and crisis housing.

Summary of Recommendations

Recommendation 1 13

That the Department of Housing as a matter of priority develop a comprehensive Five Year Strategic Policy Framework by 2005 to guide the future development of community housing in New South Wales.

This policy framework document should:

- be developed in consultation with the sector
- incorporate the roles and responsibilities of community housing as well as other aspects of the social housing system
- be reviewed and updated after each five year period
- ideally be incorporated into an overall State housing strategy.

Recommendation 2 25

That the Office of Community Housing ensure that suggestions and recommendations made by the steering committee established to consider options for tenant participation are implemented in a timely manner. In particular, the Office of Community Housing should give consideration to:

- a comprehensive training program for tenants
- ways to ensure confidentiality for all community housing tenants
- the establishment of formal tenant participation infrastructure.

Recommendation 3 25

That the Department of Housing review the current arrangements for asset management, maintenance and development of community housing properties, and in particular:

- ensure appropriate consultation between Resitech, the Office of Community Housing and housing associations
- consider establishing a sector-based umbrella management arrangement, such as the South Australian ComHouse, model as a way of addressing the delivery of maintenance services to community housing properties.

Recommendation 4 26

That the Department of Housing undertake research or commission independent research into the appropriate roles and responsibilities of the private rental market in the community housing context, and in particular consider:

- responses to requests for maintenance and repairs
- the effectiveness of the relationship between the Department and housing providers, and the private rental market
- tenants' rights to privacy in the private rental market
- concerns for tenants in rural and regional New South Wales
- concerns for tenants with a disability.

Recommendation 5 35

That the Department ensure that the Supported Housing Strategy is integrated with the Five Year Strategic Policy Framework, and disseminated to relevant government and non-government agencies. The following issues should be considered in the development and implementation of the Strategy:

- measures to ensure attendance of government services at regular inter-agency meetings
- reasons why some community housing tenancies fail with consideration of early identification of need and referral to support services

- separation of housing management structures and support service structures
- access to support services in rural and regional New South Wales
- liaison with the relevant government agencies in relation to funding for support services, particularly in mental health services, drug and alcohol detoxification, specialist counselling services for women and children and culturally appropriate services
- adequate links and formal agreements with Supported Accommodation Assistance Program (SAAP)
- adequacy and appropriateness of involvement of community housing providers in assisting with referral to and provision of support services.

Recommendation 6 35

That, in relation to support arrangements, the Government promote the use of formal agreements signed by all parties involved, including the community housing provider, government and non government support services and the tenant.

Recommendation 7 42

That the Department ensure that community housing continues to be provided in a range of sizes. The development of future community housing projects should ensure that a range of factors are taken into account when determining size, including economies of scale, location, tenant involvement, local responsiveness and target groups.

Recommendation 8 42

That the Department of Housing liaise with community housing peak organisations to investigate strategies to assist smaller community housing providers, including Secondary Co-operatives and the model for maintenance services in South Australia, ComHouse.

Recommendation 9 43

That the Department of Housing liaise with the NSW Federation of Housing Associations and tenant representative groups to consider ways to enhance community engagement in the larger community housing providers, with particular consideration given to tenants sitting directly on management committees, tenant forums, tenant representative councils and regional tenants councils.

Recommendation 10 50

That the Department of Housing ensure that the rural social housing strategy considers ways to encourage and support housing providers in rural and regional New South Wales to explore innovative approaches to partnership arrangements, including consideration to establishing a Housing Company based on the Queensland example.

Recommendation 11 50

That the Department should consider strategies to deal with issues specific to community housing in metropolitan areas including:

- ways to address the problems of high housing costs
- the development of a supported housing company.

Recommendation 12 50

That the Department ensure that all future rural, regional and metropolitan amalgamations of community housing organisations are provided with the necessary financial and administrative support to assist them in creating a new organisation.

Recommendation 13 51

That the Government, together with community housing providers, ensure there are adequate and appropriate housing choices for specific target groups, including families and children with child protection concerns, people with disability, young people, elderly people, people with a

mental illness, and people from culturally and linguistically diverse communities. This should be considered as part of the recommended Five Year Strategic Policy Framework.

Recommendation 14 72

That the Department of Housing consult with the housing co-operative resourcing and representative organisations to determine the need for the development of an accredited training program specifically aimed at housing co-operatives.

Recommendation 15 72

That the Department of Housing monitor the efficacy of community housing governance and the measures designed to support it as recent changes come into effect.

Recommendation 16 73

That the Department of Housing review the level of participation in training for board and committee members and staff and the need for measures to increase attendance if participation levels are low.

Recommendation 17 73

That the Department of Housing review the adequacy of funding allocations for training of community housing organisations.

Recommendation 18 91

That the Department of Housing finalise the details of its proposed tiered registration system in consultation with the community housing sector.

Recommendation 19 96

That the Department of Housing extend the operations and functions of the Housing Appeals Committee to include community housing tenants and applicants, and consider the incorporation into the *Housing Act* of a statutory right of appeal for all forms of social housing.

Recommendation 20 97

That the Department of Housing examine means by which providers can obtain access to an independent review of decisions made concerning their registration and performance management.

Recommendation 21 98

That the Department of Housing finalise and implement a complaints-handling policy to deal with complaints about community housing service delivery.

Recommendation 22 102

That the Department of Housing ensure that the funding and regulation functions relating to community housing have administratively separate reporting lines, with consideration given to having the regulatory function reporting directly to the Minister for Housing.

Recommendation 23 106

That the Department finalise the details of the Performance Management Framework in consultation with the community housing sector, and implement it without further delay.

Recommendation 24 108

That the Minister for Housing prepare an amendment to the *Housing Act* that incorporates:

- a definition of community housing
- the regulatory role and functions
- powers for resourcing and provisions for funding contracts
- a multi-tiered registration system, and
- provisions relating to title and equity.

In drafting the amendment, the Minister should ensure that further consultation with the community housing industry and tenants representatives occurs.

Recommendation 25 116

That the Department of Housing ensure that tenants who may be affected by transfer of public housing to community housing be consulted in the decision making process. In addition the

Committee believes that the Department should ensure that where a transfer occurs, all efforts are made to involve tenants in the new organisation and management structure.

Recommendation 26 122

That the Department of Housing ensure that the Five Year Strategic Policy Framework includes a commitment to the creation of new investment opportunities and considers the most appropriate public and private funding options. In particular, the Department of Housing should review the current rent policy with a view to ensuring the affordability and viability of the community housing sector.

Recommendation 27 122

That the Minister for Housing bring to the attention of the Federal Minister for Housing, the need for a thorough review of the efficacy of the Rent Assistance program in delivering housing affordability to low income Australians.

Recommendation 28 124

That the Department of Infrastructure, Planning and Natural Resources ensure that the review of SEPP 5 – Housing for Aged or Disabled Persons is completed in a timely manner with a view to ensuring housing projects adequately cater for older people and people with disabilities, particularly for people on low incomes.

Recommendation 29 124

That the Department of Infrastructure, Planning and Natural Resources ensure that SEPP 70 – Affordable Housing is actively explored as a option to provide affordable housing in areas undergoing redevelopment in the greater metropolitan region. In addition, the Department should consider options for affordable housing in areas undergoing significant redevelopment in rural and regional centres.

Recommendation 30 133

That the Department of Housing review its policies relating to title and equity arrangements for housing partnerships.

Any changes to title and equity arrangements should ensure safeguards are maintained for public funds, equity of access and tenants' rights.

Recommendation 31 141

That the Department review its title and equity arrangements for housing associations and co-operatives to examine opportunities for raising private finance to expand the sector. In particular, consideration should be give to the establishment of sector-based intermediary agencies to hold title and equity for the housing association and housing co-operative sectors.

Recommendation 32 143

That the Department of Housing, together with non-government community housing stakeholders, develop a central social housing register. In developing a central social housing register, the Department should ensure that community housing's focus on local needs is not eroded.

Recommendation 33 146

That the Department include the Crisis Accommodation Program in the proposed Five Year Strategic Policy Framework.