

22 January 2014

Social Housing Policy Team
Department of Family and Community Services
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Australia Square NSW 1215
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Dear Social Housing Policy Team

Social Housing in NSW Discussion Paper

I write to make a submission to the Family and Community Services Social Housing in NSW discussion paper.

I attach copies of my submissions to the 2014 Legislative Council Inquiry into Social, Public and Affordable Housing and 2014 Legislative Assembly Inquiry into Tenancy Management in Social Housing. I also refer you to my motion in parliament on social housing: www.parliament.nsw.gov.au/Prod/Parlment/hansart.nsf/V3Key/LA20130620011

I ask that you consider these along with the reports and recommendations of the two parliamentary inquiries and the Auditor General's 2013 report *Making the Best Use of Public Housing* in any proposals for reform of social housing in NSW.

I support the intention to build a social housing system that encourages independence and is fair and sustainable. However this must be done in a way that recognises that social housing is needed because the private market does not provide for all, and reflects the characteristics of tenants who need subsidised and supported housing.

Pillar 1: Opportunities and Pathways for Independence

Secure affordable housing is vital for many people who suffer from disadvantage. Social housing should be seen as essential infrastructure and a vital part of the community response to injustice and need.

The crisis in social housing identified in the discussion paper has been partly caused by a housing market that is increasingly not affordable for many people. A number of factors have led to this situation including historical taxation and investment policies, and the shift of Commonwealth investment from housing to private rental subsidies.

The latest Demographia International Housing Affordability Survey puts Sydney as the world's third most expensive housing market, after Vancouver and Hong Kong. The Demographia survey house price to income ratio shows Sydney's median house price is 9.8 times median income.

The discussion paper does not address the need to improve housing affordability to reduce social housing demand, which is central to the problems identified.



The government must address broader concerns about housing affordability so that more people are able to access private rental and home ownership options.

The government must increase the supply of affordable rental accommodation so that there is a real option for leaving social housing.

The ageing population, long term deinstitutionalisation and the privatisation of ageing, disability and mental health services means there are an increasing number of people who have complex needs and require lifetime supports and housing, for whom opportunities and independence outside the social housing system are not an option.

Reform to social housing in NSW needs to ensure funding and support for those, who due to their circumstances will unlikely ever be able to secure housing outside the social system. I am concerned that the focus on getting people out of housing could neglect needed reforms to address their needs. I understand people in this demographic currently make up a large number of those housed and on the waiting list for social housing.

Encouraging independence and tenants to move out of subsidised housing is a commendable approach; however this must be based on individual circumstances and recognise the specific conditions for each tenant. Social housing has increasingly targeted people who face serious barriers to employment and the private housing market rent, including age, disability and serious illness with up to 70% of new allocations being for households with 'special needs'

Some social housing tenants have high level and complex health and welfare needs that mean they are unable to sustain independent living without significant support. There is a significant need for supported housing such as through the HASI program. Some of these tenants may never be able to live independently in large social housing communities.

The government must significantly expand supported accommodation programs such as HASI.

People with a long history of homelessness need supported accommodation that helps them develop the skills and daily living capacity to maintain a home.

The government must retain specialist housing support and accommodation services for population groups including Indigenous people, migrants and refugees, young people, homeless people, people with a disability and those escaping domestic and family violence.

While health and welfare services are better integrated now than in the past, it is clear that the great majority of tenants who have complex health and welfare needs do not receive early and ongoing help. Social housing has been let down by these services and support systems.

The government should mandate funding and support from health and welfare services for people with complex needs as an integral part of tenancies.

The government should review policies that push tenants out of social housing once they are employed and financially stable like short term leases and non-lease renewal when market rent becomes affordable to ensure they do not act as a disincentive to training and

employment. Tenants that remain in social housing when they can afford market rent, help contribute to funds for maintenance and new housing stock.

In the inner city, the high cost of housing prevents social housing tenants who gain part time work or low wage jobs from being able to move close to their established community support networks and employment. They may be forced to live in the city fringes away from the health, education and employment services they need.

Current policies allow for Rentstart to be paid where rent is up to 50 per cent of household income and require tenants to repay the Rentstart bond in addition to high rents, however, research evidence shows housing stress when households spend more than 30 per cent of their income on rent. These policies result in housing stress and make it difficult to sustain private rental and employment or education, undermining the aim of independence.

Constituents report difficulty getting accurate assessment of rent calculations when they gain employment if they are paid by calendar month, as the Housing NSW rent system only allows fortnightly assessment. They say that the Housing NSW rent system is unable to accommodate the rent calculation and payment needs where tenants' income fluctuates due to casual, part-time or contract work. Many tenants tell me that getting paid work has made it more difficult to pay rent correctly, even when HNSW officers calculate payments, with the result being regular rent arrears that jeopardize their tenancy, their job and cause repeated financial stress.

The government should establish flexible rent assessment and payment arrangements to help tenants who have monthly income, short term and part time jobs, seasonal work or otherwise fluctuating incomes.

Pathways to gain independence need to consider the individual needs, abilities and interests, as well as location. Where low paid employment may provide adequate income to rent privately in some locations in NSW, this may not be the case for inner Sydney residents where there are high rents and cost of living.

Pathways for independence requires coordination with federal government welfare policies and payments that are a disincentive to recipients working or training where they may be financially worse off as a result. Changes to TAFE and university funding and insufficient Centrelink payments make training and education opportunities further out of reach for low income earners and need to be addressed to provide incentives and access for low income earners.

The government must work with the Commonwealth Government to ensure that tenants have access to personalised assessment and ongoing support to achieve greater independence, including training and employment.

Opportunities for independence for tenants should include early case management to identify individual opportunities as well as needs and start when people apply for social housing if this course is appropriate.

Pillar 2: Social Housing that is Fair

I share the view that those people with greatest need should be given priority for access to social housing. However social housing has been increasingly targeted to people with high

level complex needs. The result has been reduced income from rent, increased expenses on ageing properties, consolidation of disadvantage and fewer tenants able to leave social housing for private rental.

While I support the notion that tenants who are able to leave social housing should be given opportunities to do so, I am concerned that this relies on a supply of affordable housing in the private rental market that simply does not exist. The discussion paper does not address this gap, and the situation is unlikely to improve in the near future. With very few exceptions, there are no mandated requirements for new housing developments to include low cost housing, and where provision of low cost housing has been negotiated such as at Barangaroo, opportunities are rarely maximised and agreed targets have been scaled back as the development progresses.

The government must urgently establish practical strategies to significantly increase affordable housing.

Unfortunately the discussion paper does not offer proposals aimed at expanding social housing supply. A fair and sustainable social housing system needs to include:

- Increased funds to increase supply and modify existing housing stock;
- New ways to fund social housing including through Waratah Bonds;
- Stronger partnerships with other government agencies and non-government organisations;
- Recognition of the need for a diverse range of housing options, including emergency and temporary accommodation, boarding houses, supported housing and share housing;
- Transfer of property ownership allowing tenants to remain in their homes, with ownership or management transferred to private or community housing once tenants are no longer eligible for public housing; and
- Options for social housing tenants to buy social housing properties.

The government must use new strategies to increase funds for and the supply of social and affordable housing.

Pillar 3: Social Housing that is Sustainable

I welcome the material provided in the discussion paper that sets out the increasingly difficult context for government to ensure a home for all citizens. However, a sustainable social housing system must also expand to meet growing need.

Governments at federal and state level have increasingly turned to supporting private rental and investment instead of providing housing. I am very concerned that there are no mechanisms in planning or development that would ensure a supply of appropriate and affordable private rental housing. Forcing people out of social housing and further restricting access to low cost housing threatens a return to the slums, poverty and homelessness that public housing was introduced to overcome.

Government must take urgent steps to increase the supply of affordable rental housing if the social housing system is to be made sustainable.

Currently housing stock is declining as properties are sold to cover the maintenance costs of other social housing.

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The sale of Millers Point social housing is a case in point. Three hundred people in a supportive community with low levels of crime, anti-social behaviour and conflict have already been forced to leave with their homes being sold. While sale of these homes will reap significant income, the government has not given a guarantee that there will be more housing as a result, and there is widespread understanding in the community that these 'assets' will not be replaced.

Social housing tenants in other inner city locations such as Woolloomooloo and Glebe are concerned that the government will go on to sell their homes. This strategy is short sighted and risks creating wealthy enclaves close to the city, with other citizens forced to the fringes.

Social housing must be spread across a wide range of localities and not concentrated in low cost and already disadvantaged areas far from transport, services and jobs.

The government should retain existing inner city social housing.

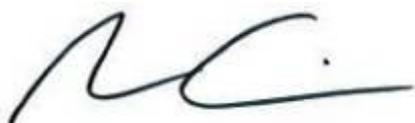
Social housing reform needs to be considered within the context of the wider housing market, where rents and cost of housing continue to increase and has contributed to the increasing number of people living in housing stress, homeless and waiting for social housing.

A sustainable social housing system requires an interdepartmental approach with education, housing, ageing, disability, mental health, health, police, planning, community services and transport, and all levels of government to ensure reform is sustainable.

I support early intervention to help people keep their home when they experience crisis or stresses that threaten homelessness or financial problems that will impact on their ability to maintain their housing.

The Housing Act states that the government has a responsibility to maximise opportunities for everyone to have access to secure, appropriate and affordable housing. I welcome the intention to improve social housing in NSW and look forward to reforms that will increase access for those in need.

Yours sincerely

A handwritten signature in black ink, appearing to be 'AG', written in a cursive style.

Alex Greenwich
Member for Sydney