



Council of Social Service of New South Wales

66 Albion St, Surry Hills NSW
phone 02 9211 2599 fax 02 9281 1968
email info@ncoss.org.au web www.ncoss.org.au

abn 85001 797 137

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Ms Phaedra Parkins
Planning for the Future
Office of Community Housing
Department of Housing
Locked Bag 4001
ASHFIELD NSW 1800
phaedra.parkins@housing.nsw.gov.au

Dear Ms Parkins

NCOSS welcomes this opportunity to comment on the consultation draft of *Planning for the Future: community housing five year strategy for growth and sustainability 2007-2012* (the draft strategy), released by the Minister for Housing Matt Brown MP on 23 April 2007.

General comments

The development of a five year strategic policy framework for the community housing sector was a key recommendation of the report of inquiry into community housing by the Legislative Council Standing Committee on Social Issues in 2003¹. That report also recommended that the *Housing Act* be amended to give legislative recognition to community housing. NCOSS supports both these recommendations.

The draft strategy is effectively restricted to the growth and sustainability of housing associations, of which there are currently 38. It states that future strategies for tenant managed housing co-operatives (of which there are currently 40) and for crisis accommodation providers (of which there are currently 158) will be developed separately. We would encourage the Office of Community Housing to give priority to the development of these further strategies. It may also be appropriate to rename the draft strategy as *Planning for the future: housing associations five year strategy for growth and sustainability 2007-2012*. Consideration also needs to be given to the role of the many other community housing providers (of which there are currently 149 in total) including churches and organisations that provide health or disability or other support services.

The draft strategy includes a vision statement (more opportunities – responsive services – stronger communities) and a target of growing community housing from 13,000 to 30,000 dwellings over the next 10 years. It then outlines five themes for action: growth and innovation; diverse and flexible responses; stronger communities; building capacity and confidence; and viability and sustainability. NCOSS notes that many of the individual action items in the draft strategy are expressed in very general terms. These need to be fleshed out in action agendas that specify timeframes, resources and the allocation of responsibility for implementation.

¹ *Report on Community Housing*, Legislative Council Standing Committee on Social Issues, November 2003, recommendation 1.

NCOSS considers that the target of 30,000 dwellings is both ambitious and confusing. It is ambitious because the policy initiatives detailed in the draft strategy would appear unlikely to produce a rate of growth sufficient to produce an additional 17,000 dwellings over 10 years. It is confusing because the target is to be reached by 2017 while the draft strategy is restricted to measures to be put in place between now and 2012. NCOSS considers that it would be better to outline a dwelling target for 2012, as part of a longer term objective of growing the sector to 30,000 dwellings.

We turn now to the five specific themes outlined in the draft strategy.

Theme 1: Growth and innovation

This chapter essentially outlines one stream of measures to grow community housing along traditional lines, with the promise of capital funding of \$70 million for stock acquisition plus significant stock transfers from public to community housing, combined with a separate stream that would focus on leveraging investment in affordable (or intermediate²) housing that is targeted at a much wider part of the housing market. The latter stream of measures incorporates the fairly modest affordable housing announcement made by the previous Minister in March³, including an Affordable Housing Innovations Fund and granting selected housing associations 600 properties on a 35 year lease on the expectation that this will provide them with an 'asset' base against which they will be able to borrow more than \$11 million from the private sector to build affordable housing stock whose title would be held by the housing association concerned.

Given that access to public and CSHA community housing is tightly targeted to low income households, and increasingly to households with both low incomes and high support needs, NCOSS strongly supports the expansion of affordable (or intermediate) housing that is aimed at a mixture of very low, low and moderate income households who would otherwise be ineligible for, or do not have effective access to, social housing. We consider, however, that the measures outlined in the draft strategy are clearly insufficient to produce a significant expansion of affordable (or intermediate) housing.

While no breakdown is provided in the draft strategy, NCOSS understands that the underlying assumption of the promised 17,000 growth in the number of dwellings managed by housing associations by 2017 is to be met by:

- 6,500 extra dwellings under CSHA community housing,
- 5,500 extra dwellings from various affordable (or intermediate) housing measures, including the debt equity program, the affordable housing innovations fund, stock from the planning system and borrowings by the housing associations who will share the 600 new 35-year leases, and
- 5,000 from stock transfer of existing dwellings from public to community housing.

While NCOSS supports stock transfers, where this occurs with the agreement of the public tenant, and where there is no disadvantage to the tenant as regards amenity and legal rights,

² NCOSS notes that there is considerable disagreement about the correct usage of the term 'affordable housing'. Strictly speaking the term should have a broad meaning that incorporates public, community and indigenous housing plus rental housing managed by non-profit housing providers that is open to a broader range of households. In this submission we use the term 'affordable (or intermediate) housing' when we are specifically addressing the latter category.

³ 'Jemma Government will invest more than \$230 million to deliver affordable rental housing', media statement by Cherie Burton MP, 20 March 2007.

we note that the stock transfer program does not entail any expansion of social housing supply. It is more correctly considered to be a form of outsourced tenancy and property management.

NCOSS has not seen any modeling that would make us confident that the flow of new affordable (or intermediate) housing stock to housing associations would be anywhere near the 550 dwellings per year needed to meet this part of the growth target. We note, for example, that the sum total of all community housing initiatives involving local councils in NSW over a number of years has been to generate just 120 dwellings that are managed by housing associations. Of these 87 dwellings are only available to people eligible for social housing (that is, who have a DOH 'T' number) and just 33 are more widely available as affordable (or intermediate) housing⁴.

NCOSS has previously put before the Government a range of measures to improve housing affordability in NSW that would contribute to a substantial expansion in housing managed by non-profit housing associations. These measures include:

- A capital investment of \$400 million over four years to provide up to 2,000 additional units of housing,
- The incorporation of explicit affordable housing targets in the Department of Planning's sub-regional plans for Sydney and Regional Strategies for coastal NSW, and the use of the planning system to generate additional affordable (or intermediate) housing stock by a combination of developer levies, density bonuses and voluntary planning agreements, and
- Use of the state tax system to provide targeted incentives to investors in rental housing to encourage them to hand over their properties to housing associations to manage as affordable (or intermediate) housing on a long term basis⁵.

NCOSS also believes that housing associations targeted for growth by the Office of Community Housing would be better able to borrow from the private sector if the State Government would agree to transfer to them the title to some of the DOH stock that they manage. It is extremely disappointing that the draft strategy does not suggest any progress on this long-standing issue.

Theme 2: Diverse and flexible responses

This section of the draft strategy outlines a number of broad measures to improve access to housing by people with complex needs, develop further arrangements for the provision of support services to households whose needs extend beyond housing, support specific responses to address the needs of particular localities or population groups, and respond to those who are homeless or at risk of homelessness.

While this section includes 15 separate action items, mostly these are expressed in very broad terms. A number are clearly linked to targeting and tenure changes under Reshaping Public Housing and the roll out of the Housing and Human Services Accord. NCOSS continues to provide feedback to the Department of Housing on these matters.

In conjunction with the three SAAP peak organisations, NCOSS has publicly called on the NSW Government to develop a comprehensive and integrated 10 year homelessness strategy

⁴ *Local government housing and community housing associations: project report*, Sean Armstrong for Shelter NSW February 2007 p. 29.

⁵ *A fairer NSW: bold solutions real results* (NCOSS 2007 State election policy), NCOSS, October 2006 p. 11-12.

on whole of government basis and in partnership with the NGO sector⁶. The Auditor General has also recommended that the Government develop a state-wide framework, linked to the State Plan, that outlines its response to homelessness with a clear focus on the results it wants to achieve⁷.

Theme 3: Stronger communities

This section of the draft strategy canvasses measures to expand participation by community housing tenants in their communities, encourage community development activities by housing associations, and contribute to local and regional economic development.

While NCOSS understands that individual housing associations will wish to determine the extent of their involvement in community and economic development activities, we are supportive of the thrust of this element of the draft strategy.

Theme 4: Building capacity and confidence

This section of the draft strategy outlines measures to manage risk through regulation, build confidence in the community housing sector, develop a sector development strategy, strengthen the community housing research base and promote community housing to potential external partners.

Many of the measures in this section of the draft strategy overlap with the measures detailed in the next section. It would seem preferable to combine these two themes into one integrated theme to do with building capacity and sustainability.

NCOSS supports moves to amend the *Housing Act* to recognize, support and regulate the community housing sector. We await the Government's response to the consultations that were conducted on this matter in 2005.

Clearly the scale of the growth envisaged for housing associations will require increased attention to capacity building measures, including a workforce development strategy, an expanded focus on the provision of resource services to community housing providers and the development of voluntary resource sharing arrangements.

Theme 5: Viability and sustainability

This section outlines measures to develop alternative rent models, review the headleasing subsidy stream, improve maintenance arrangements, develop viable business models, encourage organizational efficiency, and diversify the range of products delivered by community housing providers.

As noted previously, these measures should be combined with those outlined under theme 4 to develop an integrated section to do with building capacity and sustainability.

Any proposals to review current rent models in the sector will require extensive consultation with housing providers, tenants and peak NGO groups including NCOSS.

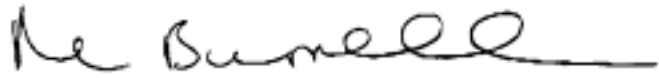
Contact for further information

⁶ *A fairer NSW: bold solutions real results* (NCOSS 2007 State election policy), NCOSS, October 2006 p. 14.

⁷ *Responding to Homelessness*, Auditor General of NSW, May 2007 p.17.

If you require any further information on the contents of this submission, please do not hesitate to contact Warren Gardiner, Senior Policy Officer, on 9211 2599 ext 112 or email warren@ncoss.org.au

Yours faithfully

A handwritten signature in black ink, appearing to read "Michelle Burrell", followed by a vertical red line.

Michelle Burrell
Acting Director