

# **Submission to the Public Accounts Committee Inquiry into Tenancy Management in Social Housing**

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**August 2014**

Council of Social Service of NSW (NCOSS)

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# About NCOSS

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The Council of Social Service of NSW (NCOSS) is the peak body for the not-for-profit community sector in New South Wales. NCOSS provides independent and informed policy advice, and plays a key coordination and leadership role for the sector. We work on behalf of disadvantaged people and communities towards achieving social justice in NSW.

## Introduction

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NCOSS welcomes this opportunity to contribute to the Committee's Inquiry into Social Housing Tenancy Management.

We understand that the Inquiry covers tenancy management in both public and community housing. We use the term 'social housing' to cover both systems, and 'community housing' and 'public housing' when referring specifically to those parts of the system.

We acknowledge that the state's social housing system is facing a range of entrenched challenges. Last year's report by the Audit Office Making the best use of public housing highlighted the fact that the state's social housing stock is sufficient to meet less than half of the real need; much of the properties were planned years ago and are now the wrong size and in the wrong place; spending on maintenance is less than is required; and that an increasing number of tenants have complex needs<sup>1</sup>.

In that report the Audit Office noted that "a range of options have been explored to address these public housing issues such as tightening the eligibility for social housing, increasing rent, selling existing stock, management and ownership transfer to the community housing sector. However, these have not been translated into a plan to address the underlying systemic and structural issues to ensure sufficient supply and a viable social housing system"<sup>2</sup>. A year later that remains situation.

The Auditor General recommended that by December 2013 FACS should:

- complete a social housing policy that aligns tenant management with emerging client need;
- complete and release an asset portfolio strategy that delivers housing at an appropriate standard and shows how future new supply will align with emerging client need; and
- finalise the government's long term strategy for managing public housing estates to deliver a sustainable reduction in disadvantage on estates<sup>3</sup>.

While we have been briefed on progress on an asset portfolio strategy, none of these recommendations have been implemented in full and we understand that work on a long term estates strategy has ceased.

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<sup>1</sup> *Making the best use of public housing*, Audit Office of NSW, July 2013.

<sup>2</sup> *Making the best use of public housing*, Audit Office of NSW, July 2013, p.25.

<sup>3</sup> *Making the best use of public housing*, Audit Office of NSW, July 2013, recommendations 3 (p.26), 5 (p.39) and 6 (p.35).

# Tenancy management

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It is difficult for bodies such as NCOSS to provide factual comment on the terms of reference of the Committee's Inquiry without an agreed definition of 'tenancy management' and without more transparent information on the current NSW housing budget.

We note that a team of AHURI researchers is currently working on a major study of management costs and tenant outcomes in social housing. That work is incomplete but they have released a positioning paper that includes a conceptual framework for measuring costs and tenant outcomes. That paper differentiates four elements of the cost of provision, namely:

- tenancy management – allocation/letting, rent collection and arrears management, managing leases, and managing neighbourhood issues including anti-social behaviour;
- property and neighbourhood management – property inspections, managing responsive maintenance, managing planned maintenance, and responding to changing dwelling needs;
- individual tenant support – client support visits, client referrals to support services, managing support partnerships and responding to changing support needs, and
- additional tenant and community services – supporting tenant participation, community building/place making, and direct provision of community services<sup>4</sup>.

That framework links these activities to outcome measures such as tenant satisfaction, tenant sustainment and tenant well-being and social/economic participation. They aim to assist in the development of performance metrics to facilitate robust comparison of efficiency and effectiveness between both provider types and individual provider entities.

## Cost effectiveness

Our understanding of cost effectiveness is that it compares the relative costs and outcomes of two or more courses of action.

In this regard NCOSS cautions that attempts to accurately measure the cost effectiveness of current public housing tenancy arrangements, compared to private rental and community housing, is a complex matter. To be done properly requires a comparison of like with like, access to appropriate data and agreement about relevant outcome measures. We question whether the Committee will have access to sufficient information to do so, given that the AHURI research has not been completed and that the researchers have already concluded that the net recurrent cost per dwelling efficiency measure used in the annual Report on Government Services series is of little value in calibrating expenditure on management activities<sup>5</sup>. They argue that developing a single cost effectiveness score is not the best approach to assessing the cost of provision and associated tenant outcomes.

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<sup>4</sup> Pawson, H., Milligan, V., Phibbs, P. and Rowley, S. *Assessing management costs and tenant outcomes in social housing: developing a framework*, AHURI Positioning Paper No. 160, July 2014 p.4. Available online at [www.ahuri.edu.au](http://www.ahuri.edu.au)

<sup>5</sup> Pawson, H., Milligan, V., Phibbs, P. and Rowley, S. *Assessing management costs and tenant outcomes in social housing: developing a framework*, AHURI Positioning Paper No. 160, July 2014 p.2. Available online at [www.ahuri.edu.au](http://www.ahuri.edu.au)

NCOSS supports a multi-provider social housing system delivered by a diverse range of public and community (not for profit) entities, where tenants and applicants can choose the provider that they consider will best meet their particular needs.

NCOSS notes media speculation that the current inquiry will lead to private for profit providers being given responsibility for public housing tenancy management<sup>6</sup>. NCOSS is completely opposed to this suggestion.

We do not consider that private rental tenancy management is focused on achieving good outcomes for vulnerable groups such as Age or Disability Support pensioners. Such tenancy managers are primarily focused on maximising financial returns for landlords within the limitations set out in the Residential Tenancies Act. They are generally not responsible for ensuring that individual tenants have access to necessary supports, let alone for putting in place complementary measures such as tenant engagement, community building and place making.

### The range and effectiveness of support services

Tight targeting of eligibility for social housing has inevitably resulted in greater numbers of tenants having complex needs. While there are many partnership agreements in place to provide tenants with access to necessary support services, the extent of these agreements varies from location to location and too often support can only be provided for relatively short periods of time, due to the requirements of other government programs.

The Housing and Accommodation Support Initiative (HASI) linking housing, clinical services and support services provided by mental health NGOs is a rare example of a program that provides clients with the long term support necessary to sustain their tenancy and extend their social and economic participation. The external evaluation of HASI concluded that consumer outcomes were positive in terms of mental health status, mental health hospital admissions, stable tenancies, independence in daily living, social participation, and involvement in education and voluntary or paid employment<sup>7</sup>.

The number of HASI places is, however, limited and access is restricted to mental health clients needing secure accommodation. NCOSS has been advocating for some time on the need for a parallel program to assist existing social housing tenants with a serious mental health condition who have unmet support needs<sup>8</sup>.

Only some social housing tenants need access to mental health support services and mental health is but one of the range of support services that tenants potentially need. According to AIHW data public and community housing tenants in NSW most frequently report accessing mainstream health/medical services; mental health services; information, advice and referral

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<sup>6</sup> 'NSW Government looks at handling public housing rent, maintenance and inspections to private sector', *Daily Telegraph* 9 July 2014.

<sup>7</sup> Bruce, J., McDermott, S., Ramia, I., Bullen, J. and Fisher, K.R. (2012), *Evaluation of the Housing and Accommodation Support Initiative (HASI) Final Report*, for NSW Health and Housing NSW, Social Policy Research Centre Report, Sydney September 2012 p.9. Available online at [www.sprc.unsw.edu.au](http://www.sprc.unsw.edu.au)

<sup>8</sup> NCOSS has recommended that the NSW Government progressively fund 200 Housing and Mental Health Support Packages for these tenants, see *Sharing the benefits: NCOSS Pre Budget Submission for 2014-15*, October 2013 recommendation 6.2 p.22. Available online at [www.ncoss.org.au](http://www.ncoss.org.au)

services; financial and material assistance; aged care services; and day-to-day living support services<sup>9</sup>.

Services that tenants would like to receive but which they were unable to access were not surveyed as part of the National Social Housing Survey. A recent consultation process with several hundred mental health consumers about their housing situation showed that the biggest unmet need for public housing tenants was support with daily living (35%), whereas for private tenants it was financial support (48%)<sup>10</sup>. Consumers participating in that study were much more likely to be living alone in social housing (82% in community housing and 80% in public housing), compared to tenants in the private rental market (40%).

## **Outcomes for tenants from current arrangements**

There is comparatively little information available on the outcome of current tenancy management arrangements. The National Social Housing Survey (NSHS)<sup>11</sup> conducted every two years does measure tenant satisfaction according to some key domains, such as amenities, location, maintenance, dwelling condition and dwelling utilisation.

Overall NSW social housing tenants reported lower levels of overall satisfaction than social housing tenants in other states and territories. Consistent with the national trend, community housing tenants in NSW reported higher levels of overall satisfaction than public housing tenants in NSW (70% compared to 56%)<sup>12</sup>. Satisfaction data for individual community housing providers is not publicly available.

The AHURI research team has identified a need to review and refine the NSHS, particularly to capture the added value a tenant may derive from provider action to provide individual support and to reconnect work-ready tenants with the labour market<sup>13</sup>.

## **Possible measures to improve current tenancy management services**

There are a range of measures that could be implemented to improve current tenancy management services. Developing a plan to do so requires detailed consultation with social housing tenants, housing providers, peak organisations, consumer groups and the providers of necessary support services.

Consideration of the detailed findings of the National Social Housing Survey should be an important aspect of this process, particularly in identifying the key domains in which satisfaction of NSW social housing tenants is significantly below the national level.

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<sup>9</sup> *National Social Housing Survey: detailed results 2012*, AIHW 2013 pp 64 and 66. Available online at [www.aihw.gov.au](http://www.aihw.gov.au)

<sup>10</sup> Unpublished data provided to NCOSS by the NSW Consumer Advisory Group – Mental Health Inc.

<sup>11</sup> *National Social Housing Survey: detailed results 2012*, AIHW 2013. Available online at [www.aihw.gov.au](http://www.aihw.gov.au)

<sup>12</sup> *National Social Housing Survey: detailed results 2012*, AIHW 2013 p.10. Available online at [www.aihw.gov.au](http://www.aihw.gov.au)

<sup>13</sup> Pawson, H., Milligan, V., Phibbs, P. and Rowley, S. *Assessing management costs and tenant outcomes in social housing: developing a framework*, AHURI Positioning Paper No. 160, July 2014 p.1. Available online at [www.ahuri.edu.au](http://www.ahuri.edu.au)

# Conclusion

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NCOSS hopes that this Inquiry will not result in far reaching changes being proposed in the absence of sufficient evidence and hard information.

To the extent, however, that an overall social housing reform plan is developed in conjunction with the sector, we are happy to engage constructively with the development of implementation plans that would improve the sustainability of the system and improve outcomes for current and future tenants.

If the Committee would like to clarify any aspect of this submission, please do not hesitate to contact Mr Warren Gardiner, Senior Policy Officer, on 02 9211 2599 ext 112 or email [warren@ncoss.org.au](mailto:warren@ncoss.org.au)