



St Vincent de Paul Society
NSW
good works

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19 February 2015

To the Social Housing Policy Team,

Submission on 'Social Housing in NSW: A Discussion Paper for Input and Comment'

The St Vincent de Paul Society NSW is pleased that the NSW Government is reviewing its social housing policy.

In our submission, however, we have not confined ourselves to commenting on the 'Social Housing in NSW' discussion paper. This is because the dire challenges facing the social housing system are rooted in the broader housing market, in particular, the inadequate supply of private rental housing that is affordable for lower-income households.

We think that significant reform of the social housing system is necessary to achieve financial viability and more sustainable communities. Our '10 Steps Over 20 Years' strategy includes:

- Transferring title to half the social housing portfolio (comprising the good-quality stock) to the community housing sector;
- Channelling all proceeds from the progressive sale of poor-quality dwellings into replacement stock, primarily higher-density developments mixing social, affordable and private-market housing (with some flexibility for heritage dwellings); and
- Allocating \$3 billion to growth in social and affordable housing supply (provided the leasing of the NSW 'poles and wires' goes ahead).

We see the social housing system as playing a critical role in countering the poverty and exclusion experienced by many in our community. We therefore welcome this opportunity to comment on the discussion paper, and to participate in any further consultations on this important issue.

Yours sincerely,

Ray Reynolds
President, NSW State Council
St Vincent de Paul Society NSW



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Introduction

The St Vincent de Paul Society NSW (‘the Society’) sees the social housing system as playing a vital role in our housing system.

We are a member and volunteer organisation that has been working with people experiencing disadvantage in New South Wales for over 130 years. We have over 25,000 members and volunteers across the state, in 414 communities.¹ In 2013–14, our members made over 224,000 visits (to people experiencing poverty and marginalisation, in their homes and in hospitals, prisons, nursing homes and detention centres). They distributed over \$19 million in financial assistance to people in crisis² (much of which was linked to accommodation or the impact of high housing costs).

Our 102 Special Works across NSW include homelessness, domestic and family violence, mental health, young people, disability, rural assistance, financial counselling and support, refugee and migrant, and addiction support services.³

In 2012, we established a subsidiary company, St Vincent de Paul Housing Ltd, trading as Amélie Housing. Last year, Amélie Housing was registered as a Tier 2 provider under the National Regulatory System for Community Housing. By leveraging the Society’s housing and other properties, homelessness support services and financial resources, Amélie Housing aims to develop more social and affordable housing to meet the needs of households who are experiencing or at risk of homelessness.

Across NSW:

- We support people living in social housing;
- We support people who are seeking to access social housing, because they are staying in our homelessness services or they are at risk of homelessness (for example, people living in marginal forms of housing such as boarding houses and residential parks⁴, and people living in housing stress⁵ in the private rental market); and
- We support people who are unable to access social housing (because their incomes are higher than the eligibility requirements for social housing)—people on lower incomes whose lives are greatly disadvantaged by the poor housing options presented by the private rental

market⁶ (housing that is unaffordable, in poor condition and in locations that are far from jobs, services and public transport).

We have witnessed the impact of the major challenges facing the social housing system on peoples' lives.

We therefore welcome the release of the 'Social Housing in NSW' discussion paper as presenting an important opportunity to address three major issues, in particular:

- Social housing only meets about 44% of need in NSW.⁷ There were 59,534 applicant-households on the social housing waiting list as at 30 June 2014⁸ (55,000 applicants represented 120,000 people in 2013, while there were 240,000 social housing tenants in 2014)⁹;
- Funding for the Land and Housing Corporation does not cover its operational costs, and liability for maintenance expenditure is increasing due to ageing social housing assets. The Land and Housing Corporation estimates that 30–40% of its dwellings are not 'well-maintained'. To cover its funding shortfall, the Land and Housing Corporation has been reducing its maintenance and upgrades, and selling assets (in 2012–13, the Land and Housing Corporation expected to be about \$490 million in deficit, with an additional \$100 million being required to ensure that maintenance was at an appropriate standard)¹⁰; and
- Constrained rental income levels have exacerbated the financial crisis facing the Land and Housing Corporation. A priority focus on social housing applicants with higher needs has increased the proportion of tenants who receive Centrelink benefits. The lower rental income levels have had an impact on the financial sustainability of the social housing system¹¹, as well as on the social sustainability of tenant communities.¹²

These grave challenges cannot be addressed solely by focusing on the social housing system. This is because broader forces and policies relating to the private housing market have a major impact on housing demand from households across the spectrum of incomes and on housing supply—these in turn shape demand for social housing and how the social housing system operates. The required solutions to the crisis facing the social housing system therefore need to take into account the influence of these broader drivers on the housing circumstances of lower-income households.

For this reason, we are concerned that the discussion paper takes a narrow view of the reform that is so urgently needed, by discounting the context of the private housing market.

Increasing the supply of housing in the private market that is affordable for lower-income households

A pivotal feature of Australia's private housing market is an insufficient supply of rental housing that is affordable for households on lower incomes, in both metropolitan and non-metropolitan areas—housing that is also well-located (close to jobs, public transport, educational and training opportunities, and other services), appropriate (for disability, ageing, cultural and other needs) and in decent condition, housing that makes economic and social participation possible for all in our community. Of the 12,164 private-rental properties available in Greater Sydney on 5–6 April 2014, only 33 properties or 0.3% were affordable and appropriate for households on income support.¹³

One factor influencing the extent of the insufficient supply has been a catastrophic loss of affordable rental stock. There was a 57% decrease in affordable properties in the NSW private rental market for lower-income households between 2006 and 2013. This was particularly acute in Greater Sydney, with a 67% decrease for Inner Ring suburbs, a 71% decrease for the Middle Ring and a 62% decrease for the Outer Ring.¹⁴

The shortage of affordable private rental is exacerbated by higher-income households renting some of the properties that are affordable to lower-income households. For example in 2011, there was a shortage of 271,000 affordable and available rental dwellings for households on very low incomes across Australia, including 84,000 dwellings that were occupied by higher-income households: that is, 31% of the shortage was attributable to occupation by higher-income households.¹⁵ Higher-income households are now staying in the private rental market for longer periods, mainly because there are fewer affordable properties available for homeownership. For example, in June 2001, 81.9% of properties available for homepurchase across NSW were affordable for moderate-income households, but by June 2014, only 31.5% of properties were affordable.¹⁶

The ramifications of an insufficient supply of affordable private rental housing for lower-income households include¹⁷:

- Homelessness—insufficient affordable housing is one of the structural drivers of homelessness, alongside factors such as poverty and unemployment¹⁸;
- Staying homeless for longer periods—a lack of affordable housing can extend the duration of homelessness, whatever its immediate triggers¹⁹;
- Living in unsafe housing and the risk of further violence—people who are experiencing domestic or family violence may resort to housing or assistance that places them at risk of further violence, when they are unable to access safe and affordable housing alternatives²⁰;
- Living in housing stress—for lower-income households, spending over 30% of their income on housing leads to additional stressors such as food insecurity and an inability to pay medical or utility bills, and impacts on health, mental health and relationship or family stability (in NSW on Census night in 2011, 92% of rental households on very low incomes and 62% of rental households on low incomes were in rental stress²¹);
- Poor non-housing outcomes—poor outcomes across domains such as physical and mental health, employment, educational attainment for children, and recidivism for ex-prisoners are associated with lack of access to secure, safe and affordable housing²²;
- Living in inappropriate housing—housing that does not meet disability, cultural or other needs can make that housing unsustainable (for example, kitchen bench-tops and laundry equipment that are not within reach, and toilet and bathroom facilities that are not fully accessible mean that a person with mobility issues is less able to live independently²³);
- Living in overcrowded living conditions—overcrowding can contribute to health and mental health issues and relationship or family breakdown, and can lead to eviction (the 27% increase in people experiencing homelessness between Census nights in 2006 and 2011, from 22,219 to 28,190, was mostly attributed to a 64% increase in the number of people living in severely overcrowded dwellings²⁴);
- Living in poor-quality housing—conditions such as poor ventilation and inadequate natural light contribute to health and mental health issues²⁵; and

- Living in poorly-located housing—living in areas that are not close to jobs, public transport, schools and other services creates barriers to economic and social participation, can lead to social isolation, and has an impact on wellbeing.²⁶

An inadequate supply of affordable rental housing influences the social housing system, because it contributes to increasing demand for social housing. It is estimated that the social waiting list will grow by 60% to more than 86,000 applicant-households by 2016.²⁷ However Housing NSW has advised that the waiting list alone ‘is not a good indication of need’; this is because social housing need incorporates unexpressed demand (people who would be eligible for social housing but are not on the waiting list) as well as expressed demand (applicants on the waiting list).²⁸

An inadequate supply of affordable private rental also means that there are fewer exit options for those leaving the social housing system (as well as those leaving Specialist Homelessness Services, Temporary Accommodation and other services such as correctional and mental health facilities).

To not address the issue of an inadequate supply of affordable private rental housing is to thwart the work of both the social housing system, and the Specialist Homelessness Services system.

To address this issue, a target is needed. This would help to focus efforts by the government, non-government and private sectors on reducing the housing gridlock for lower-income households.

The Society supports the call by Shelter NSW for the NSW Government to commit to a 10-year target of 100,000 additional affordable rental properties, including private rental dwellings and at least 20,000 social housing dwellings.²⁹ This additional supply would make a significant contribution towards meeting Goal 13 of the NSW Government’s ‘NSW 2021: A Plan to Make NSW Number One’: ‘Better protect the most vulnerable members of our community and break the cycle of disadvantage’.³⁰

The NSW Government has a broad range of levers at its disposal that can contribute to meeting this target. These levers can help to facilitate more affordable rental supply, better private rental housing and a more efficient private housing market.

The Society calls for:

- Including Local Government Area targets for the provision of new affordable rental dwellings in all future metropolitan and regional land-use plans³¹—we are concerned that the new metropolitan strategy for Sydney, ‘A Plan for Growing Sydney’, includes a target for 664,000 additional homes over the next 20 years, yet no targets for affordable rental housing (targets that would help to ensure that lower-income households are able to enjoy the benefits of ‘a strong global city, a great place to live’³²); and
- Abolishing the First Home Owner Grant (New Homes) Scheme—there is no means testing for eligibility for this grant. Evidence indicates that first home-buyer grants generally drive up housing prices, meaning that the assistance benefits existing homeowners (rather than households looking to buy).³³ It is estimated that first homeowner assistance measures across Australia have cost over \$22 billion since the 1960s, and yet homeownership rates have declined since 1961.³⁴ Instead, the Society supports the introduction of homeownership assistance in this state that is targeted to lower-income households, such as shared-equity schemes.³⁵

We also support Shelter NSW's recommendations to enhance the private housing market for low-income households using the following measures³⁶:

- Amending the *Residential Tenancies Act 2010* to specify reasonable grounds for termination, so prohibiting evictions 'without grounds' (this would have a real impact on improving security of tenure for private rental tenants³⁷); and
- Phasing out conveyance or stamp duty for purchasers of dwellings to be used for owner-occupation while phasing in a new regime for increased land tax, making it easier for people to relocate for employment opportunities, or to a more appropriate home (however the new regime should allow 'asset-rich but income-poor' landowners to defer tax payments until the owner sells the dwelling or the land).

As part of a federated structure, we work with the St Vincent de Paul Society National Council of Australia, in advocating to the Commonwealth Government to utilise the national levers available to improve housing justice—for example, to:

- Reform the taxation treatment of housing, to help lessen distortions caused by speculative investment in the residential property market and rising house prices (for example, in relation to negative gearing, whereby the costs of owning investment properties are offset against other income, and the exemption of the family home from capital gains tax);³⁸
- Increase income support levels—to mitigate poverty; and
- Review Commonwealth Rent Assistance to ensure that it delivers effective relief for lower-income renters³⁹ (in 2014, 42% of recipients of Commonwealth Rent Assistance were still in housing stress).⁴⁰

Enhancing the financial and social sustainability of the social housing system, and boosting social and affordable housing supply

With respect to Pillar 3 ('Developing the financial sustainability of the social housing system—A sustainable system that provides appropriate housing assistance now and into the future'⁴¹) from the discussion paper, the Society agrees that achieving financial sustainability for the social housing system is a fundamental priority. However given the level of need, devising a model for the social housing system that solely focuses on achieving financial sustainability within current government funding constraints is not enough.

The discussion paper states: 'The social housing system is often difficult to access for those most in need. What measures are required to create a system which is fair for those already in social housing, those on the waiting list and others who may need assistance?'.⁴² In our view, the primary reason for the social housing system being 'difficult to access' is that there is an insufficient supply in both the public and private housing markets to meet burgeoning demand from lower-income households:

- Without an increase in supply, it will never be possible to lower the social housing waiting list—This is particularly so for groups facing additional barriers in accessing affordable housing in the private rental market, such as Aboriginal peoples and people from culturally

and linguistically diverse backgrounds (for example, due to discrimination), and people exiting correctional facilities (for example, due to poor rental histories)⁴³;

- Without an increase in supply, it will never be possible to meet the needs of existing social housing tenants—For example, for social housing tenants with mental illness, their independence may have been enabled by social housing’s security of tenure. However if they are required to exit into the private rental market, the experience of struggling to afford to pay the rent, not feeling in control over their home and the higher incidence of mobility due to insecurity of tenure can contribute to psychotic episodes or serious depression⁴⁴; and
- Without an increase in supply, it will never be possible to protect some households on lower incomes from a risk of homelessness, as there are simply not enough affordable and well-located housing options in the private rental market.

This is why it is paramount that the NSW Government commits to growth in supply.

We therefore support a bold new approach to social housing delivery. We propose that the NSW Government adopts our ‘10 Steps Over 20 Years’ strategy for achieving:

- Financial and social sustainability;
- A refreshed portfolio that better meets the needs of social housing tenants (with dwellings that are smaller in size, accessible, have lower repair and maintenance liabilities, and are located close to jobs, services and public transport, and in areas of need); and
- Growth in social and affordable supply.

Key features of the reforms outlined in ‘10 Steps Over 20 Years’ are:

- Transferring title to half the Land and Housing Corporation’s portfolio (comprising good-quality stock) to community housing providers;
- Channelling all proceeds from the progressive sale of poor-quality dwellings into a NSW Social Housing Fund, primarily for the construction of higher-density developments mixing social, affordable and private-market housing (with some flexibility for heritage dwellings); and
- Creating a \$3-billion Restart NSW Affordable Housing Growth Fund to boost social and affordable housing supply, provided that the leasing of the NSW ‘poles and wires’ goes ahead.

We call for the NSW Government to take 10 steps over 20 years to deliver an invigorated social and affordable housing system:

1. Appoint a Minister for Housing to be responsible for driving reform, streamline responsibilities for the Department of Family and Community Services, position the community housing sector as primary social and affordable housing provider (alongside the Aboriginal Housing Office and Aboriginal community housing providers), and report regularly on the geographic spread of demand, tenant housing needs, performance outcomes and maintenance liabilities

This first step in our ‘10 Steps Over 20 Years’ strategy focuses on the government and departmental changes required to lead reform of the social housing system.

We recommend that the NSW Government appoints a Minister for Housing, who will have responsibility for steering these far-reaching and important changes.

Our strategy sees the Land and Housing Corporation moving away from managing the NSW Government's social housing portfolio, and Housing NSW no longer providing social housing services. Instead, the Department of Family and Community Services would focus on:

- Funding (including administering funding under the National Affordable Housing Agreement);
- Strategic planning and policy (including for social and affordable housing, and assistance for lower-income households living in or seeking access to the private rental market);
- Administering a combined Housing Pathways social and affordable housing waiting list (we think that the current statewide social housing waiting list should be expanded to cover affordable housing applicants); and
- Registration and regulation of providers.

Under '10 Steps Over 20 Years', the community housing sector would become the primary provider of social and affordable housing.

However, the Society thinks that strategic planning for the 5,000 dwellings owned by the Aboriginal Housing Office and the 5,000 dwellings owned by Aboriginal community housing providers should be determined by those agencies.⁴⁵ We acknowledge the importance of Aboriginal community-controlled organisations in 'meeting housing needs, preserving cultural ties and promoting self-determination'.⁴⁶ We think that Aboriginal housing providers should be included as key stakeholders in planning for construction of social and affordable housing, to ensure that stock meets the needs of Aboriginal peoples. As part of this, we support the call by the NSW Council of Social Service for the NSW Government to work in partnership with Aboriginal communities, organisations and peoples when determining policies and services to counter disadvantage experienced by Aboriginal peoples⁴⁷ (and specifically, to ensure that housing assistance is provided to Aboriginal peoples in culturally-appropriate ways).

To steer the implementation of '10 Steps Over 20 Years', we propose that the Department of Family and Community Services, in consultation with providers, compiles a five-yearly report on:

- The geographic distribution of demand for social and affordable housing across NSW—the review could also take into account data on geographic demand for and exits from Specialist Homelessness Services and Housing NSW's Temporary Accommodation program, plus private rental data from Housing NSW's 'Rent and Sales Report';
- Tenant needs (including in terms of number of bedrooms and ageing, disability, cultural and other needs);
- Maintenance and repair liability for existing stock; and
- The effectiveness of social housing provision (monitoring and evaluation).

As for social housing performance measurement, we support the recommendation of the NSW Legislative Assembly Public Accounts Committee (in its 2014 report on 'Tenancy Management in Social Housing') that the NSW Government adopt the framework proposed by the Australian Housing and Urban Research Institute for defining and measuring the performance of social housing provision (this encompasses tenancy management, property and neighbourhood management, individual tenant support, and additional tenant and community services).⁴⁸

We support the call by the NSW Federation of Housing Associations for the creation of a Premier's Advisory Council on Affordable Housing—to formulate a strategy to increase the supply of affordable

housing in NSW. It would be comprised of Family and Community Services, Treasury and Planning, with representatives from the community housing and private sectors plus local government.⁴⁹

2. Amend the *Restart NSW Fund Act 2011* to increase private investment opportunities

Private investors in NSW Government bonds called Waratah Bonds currently help to raise money for infrastructure projects. Funds raised from these bonds are deposited into the Restart NSW Fund, and then allocated to specified projects such as for public transport, roads and hospitals.

The Society supports the call by the NSW Council of Social Service and Shelter NSW to amend the *Restart NSW Fund Act 2011*—so that the supply of social and affordable housing is specified to be an approved form of infrastructure project for the purpose of the fund.⁵⁰

This amendment would open up an avenue for funding opportunities for new supply (including those sourced from private investment), and it fittingly reflects the importance of social and affordable housing as essential infrastructure.⁵¹

3. Dedicate \$3 billion to new supply

To kick-start a transformation of the social and affordable housing landscape in NSW, we propose that the NSW Government contributes \$3 billion of the funds raised from the leasing of the NSW electricity transmission and distribution networks (the ‘poles and wires’) to a Restart NSW Affordable Housing Growth Fund, should that leasing go ahead.⁵²

We suggest that this fund be converted into a discounted loans fund, to help maximise private sector investment in social and affordable housing. Administration of the fund would be tendered out, and the selected financial institution would also contribute capital.

Access to loans at discounted interest rates would encourage community housing providers to combine private finance with government capital funding. The level of discount available to the proponent of a project would increase as their contribution to the project increases. By encouraging projects of a larger scale, the discounted loans would help generate investment products that appeal to institutional investors, such as superannuation funds.

To be eligible to access loans at discounted interest rates, community housing providers, local councils and churches would be required to contribute land or capital. The Restart NSW Affordable Housing Growth Fund would therefore provide incentives for community housing providers, local councils and churches to use their land to build social and affordable housing. Community housing providers would also be able to contribute other assets and support services. We suggest that project proponents (community housing providers, local councils and churches) would be eligible to borrow up to 70% from the fund, and 30% from a financial institution for the construction of new social and affordable housing stock.

Loan repayments would replenish the Restart NSW Affordable Housing Growth Fund, and so the fund would be self-sustaining. Another advantage would be that the discounted interest rates would stimulate investment from the private sector (including institutional investors) without creating an ongoing burden on state finances.

Title to the social and affordable housing stock developed via the Restart NSW Affordable Housing Growth Fund should be transferred to community housing providers, the Aboriginal Housing Office and Aboriginal community housing providers.⁵³

An important statewide benefit of this \$3-billion investment in social and affordable housing would be the economic multiplier effect of this construction activity. This was demonstrated by the impact of the \$5.638 billion Social Housing Initiative as part of the Nation Building–Economic Stimulus Plan (from 2008–09 to 2011–12): for every \$1.00 spent on construction activity, around \$1.30 in total turnover (or an additional \$0.30 in turnover) was generated in the economy.⁵⁴

4. Investigate and pilot a model for harnessing private investment in social and affordable housing, such as an affordable housing ‘sales and leaseback’ program

Given the level of demand for social and affordable housing, it is critical the NSW Government encourages the private sector to contribute to boosting supply.

The Society supports Shelter NSW’s recommendations to enhance the supply of affordable housing by⁵⁵:

- Ensuring that NSW planning law continues to require developers of higher-density sites to provide developer-contributions for affordable housing, where they have benefited from increased land-values due to rezoning (under the principle of ‘value sharing’); and
- Requiring 15% of new dwellings in areas designated for higher-density development as part of urban renewal projects to be affordable housing.

It is appropriate for community housing providers to manage these additional affordable housing dwellings.

We think that models for attracting private-sector investment in the provision of social and affordable housing should be pursued, including investment by institutional investors such as superannuation and other managed funds.⁵⁶

We therefore suggest that the Department of Family and Community Services investigates and pilots a model for attracting private investment in social and affordable housing.

For example, the Defence Housing Australia’s Sales and Leaseback program could be adapted to boost affordable housing supply.⁵⁷ Defence Housing Australia is a Commonwealth Government business enterprise that is the largest affordable housing provider in Australia that is not a state housing authority.⁵⁸ The Sales and Leaseback Program is Defence Housing Australia’s primary source of capital. In 2013–14, this government business enterprise managed approximately 13,000 properties on behalf of investors with whom it had lease agreements, generating \$386.4 million in revenue.⁵⁹

Under a sale and leaseback program adapted for affordable housing, stock owned by a community housing provider to be used for affordable housing would be sold to private investors under a leaseback arrangement (based on Defence Housing Australia’s experience, this would mainly be individual investors but may also include institutional investors⁶⁰). The properties would be leased back to community housing providers to manage on secure, long-term leases (Defence Housing Australia’s leases are typically 10 years). The community housing providers would then lease the properties to low- to moderate-income households.

Potential advantages of modifying the Defence Housing Australia model for affordable housing include:

- The Australian Housing and Urban Research Institute stated (in their 2010 report on this model): ‘The provision of stock on a sale and leaseback model would enable the [affordable housing] sector to ‘scale up’ without the need for additional capital or taking on significant debt.’⁶¹;
- At the end of the leases, the dwellings revert to the owners. This means that the affordable housing portfolio cannot become dominated by ageing assets that are burdened by maintenance liabilities (that is, the assets that are part of this scheme can generally only become as old as the duration of the leases). This would also allow some flexibility in responding to areas of housing need, as the housing provision is not tied to fixed assets and locations.⁶²

Based on the experience of Defence Housing Australia, we think that a sales and leaseback program would appeal to investors because:

- The investment is low-risk, as there is guaranteed rental income (regardless of vacancies) and rent is adjusted to annual market reviews;
- There is a substantive maintenance program during and at the end of the lease. Property management fees are higher than those for a standard real estate agent, but they cover maintenance and most repairs, plus a substantial end-of-lease upgrade, and this provides investor certainty. By contrast, real estate agents can generally only estimate costs; and
- There is no obligation on investors to undertake day-to-day dealings with tenants and real estate agents. This makes the property investment process less onerous, more convenient.⁶³

A number of features of the Defence Housing Australia model would, however, have to be adapted for affordable housing provision:

- Under the Defence Housing Australia program, rent is guaranteed to be paid to investors, even if the property is vacant. It would be challenging for an affordable housing provider to offer such a guarantee. One option suggested by the Australian Housing and Urban Research Institute is that a state government could assume responsibility for guaranteeing the rental payments to investors, and affordable housing providers could then be charged a guarantee fee for this policy. In order to encourage community housing providers to minimise arrears, the Australian Housing and Urban Research Institute suggests that the providers could be responsible for, say, the first 15% of rent arrears in any year for any tenancy, with the government providing the remaining arrears via its guarantee fund: ‘Based on the low vacancy rates among affordable housing providers and the low levels of rent arrears, the operation of a guarantee scheme would be relatively cheap for government.’⁶⁴;
- To attract investors, Defence Housing Australia promotes Defence personnel as reliable and disciplined tenants. As for whether investors would be attracted to investing in an affordable housing scheme, the Australian Housing and Urban Research Institute has identified a potential marketing opportunity in supporting ‘key workers’, such as nurses and police officers, to live near their workplaces⁶⁵; and
- Under a sale and leaseback program adapted for affordable housing, the investor would be receiving market rent but the affordable housing provider would be charging tenants a discount-to-market rent. This leaves a shortfall. However this model would be linked to the

housing development projects of a community housing provider: the affordable housing dwellings would be part of higher-density developments that would include housing to be sold to the private market. The shortfall between the market and affordable rents for the duration of the long leases could therefore be overcome via the development margin for the private-market dwellings (namely, the difference between the cost of the development and the sale price of the private-market dwellings) and the development margin for the dwellings that are being sold to investors as part of the sales and leaseback program.⁶⁶

5. Transfer title of the good-quality stock (half the portfolio) over years 0–10

The Society proposes that the Land and Housing Corporation transfer title to good-quality social housing stock (dwellings that can be leased for at least 20 years) to the community housing sector, during the first 10 years of the '10 Steps Over 20 Years' strategy. This would comprise roughly half the social housing portfolio, or approximately 67,000 dwellings worth approximately \$16 billion.⁶⁷ (The Land and Housing Corporation has identified that as at 2010–11, 30–40% of its properties are not at its 'well-maintained' standard.⁶⁸)

The social housing rents of the transferred dwellings will provide a reliable income stream, bolstered by a rent-setting model that 'captures' Commonwealth Rent Assistance. (However the transfer of stock increases Commonwealth responsibility for providing Commonwealth Rent Assistance, as tenants in community housing are eligible—unlike those in public housing. An agreement by the Commonwealth Government to fund all eligible tenants in that increased number of community housing properties would therefore be required.)⁶⁹

The combined rents and Commonwealth Rent Assistance will help to fund the maintenance of all existing assets, which is critical to the viability of the social housing system and to improving the tenant experience.⁷⁰

Community housing providers often have charitable tax status: utilising tax concessions can make the provision of housing services by community housing providers more cost-effective compared to state housing authorities. Title transfer can capitalise on this.

Asset-title leveraging is a major financial advantage of title transfer.⁷¹ The title transfers enable community housing providers to leverage the assets to attract private finance for the development of additional stock. This is an option not available to a state housing authority. We think that any new stock developed out of leveraging asset titles should be allocated to tenants who are re-locating from stock that is to be re-developed as part of Step 7.

A further advantage of title transfer is the sector's capacity to deliver more responsive tenancy management (for example, involving 'wrap around' support) with a greater focus on community development.⁷² Community housing providers will also be able to develop long-term, localised plans for more responsive tenancy management.

Most state housing authorities, including in NSW, 'have traditionally lacked the legal power to mandate a proposed change of landlord, [so] tenant choice in some form is an unavoidable component of housing transfer procedures under existing legislation'.⁷³ For example, under the NSW Property Transfer Program, tenant participation in a whole-of-area transfer to a community housing provider was subject to individual choice—so that if a tenant did not sign up with the new provider,

their property would continue to be managed by Housing NSW. However in some UK council estates, changes of landlord from councils to housing associations required a majority tenant backing as demonstrated by a formal ballot (with abstentions discounted). The Society recommends that the Department of Family and Community Services conduct a review into methods of tenant choice in changing landlords from Housing NSW to community housing providers, to facilitate whole-of-location transfers.⁷⁴

6. Sell the poor-quality dwellings (the remainder of the portfolio) over years 5–20, with all proceeds channelled into replacing social housing stock

As stated in our introduction, social housing is only meeting an estimated 44% of need. Approximately 25% of public housing properties are over 40 years old. One in four social housing properties are studio or one-bedroom dwellings, whereas over 60% of social housing tenants are singles and couples.⁷⁵

To help overcome this mismatch between supply and demand, the Society proposes that the Land and Housing Corporation sell the remainder of the social housing portfolio that is poor quality, progressively over years 5–20 of the ‘10 Steps Over 20 Years’ strategy. This would comprise approximately 67,000 dwellings, worth approximately \$16 billion.⁷⁶

All proceeds would be ring-fenced for a NSW Social Housing Fund. This would ensure that:

- Social housing asset sales would fund social housing asset replacement via development or purchase (the funds would not be diverted into operational costs such as maintenance); and
- Interest would accumulate, enhancing the funds available for replacement stock.

We think that the 15-year timeframe for this phase would allow for the necessary planning for large-scale development projects, and tenancy management and engagement. For example, an overlap between the title transfer phase (years 0–10) and the sale and re-development phase (years 5–20) would create flexibility in housing the tenants who are being re-located due to dwelling sales.

Heritage, however, escalates the complexity of the social, cultural and economic factors involved in social housing asset sales. We therefore endorse a more flexible, localised approach where heritage affects poor-quality estate dwellings.

For example, we support the plan outlined by SGS Economics and Planning in ‘Millers Point and The Rocks: An Alternative Way Forward’, in response to the NSW Government’s plan to sell all 293 social housing dwellings in Millers Point and The Rocks.⁷⁷ SGS Economics and Planning proposes mixing social, affordable, private and aged-care housing in the area to generate greater social diversity and reduced concentrations of disadvantage, while supporting community sustainability. It proposes:

- Maintaining some social housing in the area where stock has low maintenance requirements (such as the Sirius building);
- Replacing all sold social housing stock, preferably within the inner city area, to ensure that housing is available for lower-income households in areas that are close to jobs, services and public transport;
- Developing a social housing aged-care facility to house older, long-term residents (for example, on existing government-owned land), to allow them to age in their familiar and supportive community;

- Introducing affordable housing into this high-demand area to cater for lower-income workers;
- Offering long leases on dwellings that are suitable for sale, so that the NSW Government retains an option for future use; and
- Creating a community of varied ages, backgrounds and incomes.

This plan accords with Housing NSW's goal as specified in its 'Conservation Management Guidelines, Housing NSW Properties, Millers Point, Volume One': 'In determining use of its buildings in Millers Point, Housing NSW should have regard to the community and social significance of the area to maintain a sustainable and diverse community'.⁷⁸

7. Replace poor-quality stock mainly with higher-density developments in well-serviced, high-demand locations, with Defence Housing Australia playing a leading role as developer

The NSW Social Housing Fund would be used to refresh the social housing portfolio so that:

- More dwellings cater for smaller households, and so better meet tenant needs;
- Properties satisfy a range of disability, ageing and cultural needs⁷⁹; and
- Dwellings are designed and constructed to accord with environmental sustainability, encourage residents to live sustainable lifestyles and, importantly, save energy costs for residents.⁸⁰

The Society proposes that where possible, and particularly in the case of estate renewal, poor-quality stock should be replaced as part of higher-density developments mixing social, affordable and private-market housing, plus community facilities. This would:

- Facilitate a replacement of social housing stock alongside the development of additional affordable housing stock (that is, the social housing stock would be funded by the NSW Social Housing Fund, and the affordable housing stock would be funded by the Restart NSW Affordable Housing Fund);
- Enhance financial viability by enabling social housing rents to be cross-subsidised by affordable housing rents;
- Help to create more 'more sustainable, inclusive and opportunity-enhancing communities' with residents' incomes spanning very low to moderate incomes, so as to lessen concentrations of disadvantage and help de-stigmatise estates⁸¹; and
- Comprise a more efficient use of the land via increased numbers of more-compact dwellings.

We think that location should be a critical factor as to whether poor-quality stock should be sold or the site re-developed. Replacement stock must be close to jobs, services and public transport (to promote social and economic participation), and in high-demand areas:

- For poor-quality stock on well-located sites including estates⁸², the sites could be re-developed into higher-density developments (mixing social, affordable and private-market dwellings) where possible. Where dwellings are affected by heritage, we call for a more flexible, localised approach to estate renewal (see our comments under Step 6); and
- Poor-quality stock on poorly-located sites could be sold, with replacement social housing dwellings being developed (as part of higher-density developments, where possible) or purchased in good locations. The new locations would be in the same Local Government

Area as the original stock, provided that the new location was a high-demand and well-serviced area.

Given the track record of Defence Housing Australia in delivering large-scale housing developments on time and within budget, we recommend that it plays a leading role in design, development and construction. As well as being the largest affordable housing provider in Australia that is not a state housing authority, Defence Housing Australia is a major residential land developer, with over \$1 billion committed to projects in most capital cities and many major regional centres in 2013–14. Defence Housing Australia develops approximately 1,000 dwellings per year.⁸³ The government business enterprise is also one of the largest residential property and tenancy managers in Australia (with 18,577 properties under management, worth approximately \$10 billion), and it has a focus on ‘integrated community solutions’.⁸⁴ If Defence Housing Australia were to take on work of this scale regarding NSW social and affordable housing development, an amendment to the Commonwealth *Defence Housing Australia Act 1987* would be required.⁸⁵

To ensure that dwelling designs reflect the needs of community housing providers and tenants, community housing providers should play a role at the master planning and design phase for each project. Given that the experience of living in greater density is influenced by building design and construction quality (for example, in relation to dealing with privacy and noise concerns), we think that consultations with social housing residents should also feed into the design process.⁸⁶

We propose that title to all social and affordable housing stock developed via the NSW Social Housing Fund be transferred to community housing providers, the Aboriginal Housing Office and Aboriginal community housing providers. Again, asset-title leveraging, the rental income stream and Commonwealth Rent Assistance would facilitate access to private finance for the development of additional stock.

8. Prioritise households with high needs for social housing eligibility, with flexible allocations

With respect to Pillar 2 (‘A social housing system that is fair—An integrated and fair system that provides a safety net for vulnerable people’⁸⁷), we think that social housing should be more of a ‘refuge, oasis and stepping stone’⁸⁸, rather than simply a safety net. However we agree that accessing the social housing system should be fair.

The Society defines a fair social housing system as one that helps to ensure that all in our community are equally able to access good housing that helps them to participate in social and economic life and to live well. We particularly support the following important objectives of the NSW *Housing Act 2001* specified in section 5:

- ‘(a) to maximise the opportunities for all people in New South Wales to have access to secure, appropriate and affordable housing,
- (b) to ensure that housing opportunities and assistance are available to all sections of the community with housing needs...
- (i) to encourage social mix and the integration of different housing forms in existing and new communities...’.⁸⁹

We therefore see the role of social housing as being to provide rental housing that is affordable for people on very low to low incomes⁹⁰, with a priority focus on people with high needs (such as people

experiencing homelessness) and those who may require lifelong support (for example, people with ageing and/or disability needs). Their needs are not being met by the private rental market. We think that approaches to service delivery that are person-centred, trauma-informed and culturally-responsive are integral to providing good social housing services.⁹¹

We are concerned that social housing eligibility policies that prioritise social housing access to households in greatest need has contributed to intensifying concentrations of disadvantage. This is why our ‘10 Steps Over 20 Years’ model features a strong focus on replacing poor-quality stock with higher-density developments mixing social, affordable and private-market housing, alongside community amenities.

We think that community housing providers should continue to be able to exercise discretion in allocations. That is, we support the development of flexible, localised allocation strategies, for example, in response to neighbourhood issues that have developed due to allocations solely from the priority waiting list. These strategies ‘take into account the characteristics of an area, the needs and circumstances of applicants and existing tenants, and the dynamics of existing communities’, and mean that a successful applicant may not necessarily be the next person on the priority waiting list.⁹² This is a way of crafting local solutions to help enhance social diversity and create socially sustainable communities. Flexible allocation policies also allow community housing providers to balance financial viability across their social and affordable housing portfolios, using affordable housing rents to cross-subsidise social housing rents.

9. Use incentives and flexible tenure classification to overcome disadvantage, by promoting independence, participation and stability

With respect to Pillar 1 (‘A social housing system that provides opportunities and pathways for client independence—A system that works to break the cycle of disadvantage and build people’s capacity to move into or stay in the private market’⁹³), the Society agrees that a primary focus of social housing should be on fostering the independence and participation of social housing tenants, to help break disadvantage, marginalisation and poverty. For some social housing tenants, building pathways to social and economic independence and improving their capacity to sustain tenancies (for example, by enhancing living and budgeting skills) will support an exit from social housing into a sustainable private-rental tenancy.

However, as noted above, it is not appropriate for all social housing tenants to transition into the private rental market:

- Not all social housing tenants have a capacity to move into or sustain a private rental tenancy—for example, people whose history of homelessness is linked to deinstitutionalisation (a process which was not matched by the adequate provision of appropriate accommodation);
- The private housing market does not deliver sufficient affordable housing options for households on lower incomes (as well as meeting other needs such as ageing or disability needs, or the need to be located close to medical or other services); and
- A social housing tenant’s enhanced capacity to live independently in social housing (for example, for a person with an episodic mental illness) may be linked to the secure base provided by that social housing. Experiencing the insecurity and unaffordability of the private

rental market (and loss of established social supports) may reduce that capacity, and create a risk of homelessness.

This is why our '10 Steps Over 20 Years' model includes measures for boosting the supply of social and affordable housing. This is also why we call for mechanisms to boost private rental supply, improve security of tenure in the private market, and increase mobility across the housing market.

A major barrier to building the independence and participation of social housing tenants is that some Housing NSW policies have the effect of creating work disincentives. Higher rent rates for tenants on moderate incomes create significant increases in effective marginal tax rates. Housing NSW's Tenant Employment Incentive Scheme allows a social housing tenant who commences employment to have only a 12-week period during which their rent subsidy is not adjusted, before their rent increases.⁹⁴ Additionally, increased incomes due to employment may lead to a loss of social housing eligibility⁹⁵, and yet it is the availability of affordable housing that is a key factor in supporting jobseekers to gain employment.⁹⁶

We suggest that Housing NSW allow for a more extensive 'rent freeze', such as for the first six months of employment, to lessen the work-disincentive effect.

To help bring about lasting solutions to disadvantage, we also propose that community housing providers gain the capacity to re-classify the tenure of a particular dwelling (and therefore, how its housing costs are calculated) in order to enhance tenant outcomes.⁹⁷ The property could change its categorisation from social housing to affordable housing to (limited-equity) homeownership, or back—without households experiencing the social and economic costs of moving, and without the household having to break established ties to community and supports from local services. This would mean that the community housing provider would be able to take into account the available alternative housing options for a particular household, and be more responsive to their holistic needs. The community housing provider would have a choice of enhancing participation and independence, or where appropriate, providing more intensive supports to help sustain a tenancy and create stability. We propose that community housing providers be accorded this flexibility provided that the overall numbers of social and affordable housing dwellings in that provider's portfolio do not change within a financial year.

This approach would provide individualised supports to tenants to help them to overcome the lack of opportunities and exclusion that characterise and perpetuate disadvantage⁹⁸:

- A social housing tenant who has accessed stable employment would be able to transition to an affordable housing tenancy, without relocating or exiting to the private rental market. This would provide an incentive for social housing tenants to seek employment, as they could continue to stay in their dwelling and maintain all their established links to services such as schools and community ties. There would be no disincentive in the form of an exit from social housing⁹⁹, and this would contribute to countering the 'role-model effects' generated by living in disadvantaged areas.¹⁰⁰ This would also help to create sustainable housing exit points for people entering the social housing system. There would also be fewer maintenance costs involved as there would be no change of tenant, and community housing providers would have greater flexibility in achieving financial and social sustainability.
- An affordable housing tenant who has lost their job following an episode of mental illness would be able to transition back to social housing, without the disruption of relocating to the

private market. This would enable such a tenant to maintain their links to local support services, plus they would be able to transition from higher discount-to-market rents back to income-related rents (reflecting their changed financial circumstances). Both factors would help to stabilise the tenant's circumstances, and lower any risk of homelessness.

- Community housing providers would be encouraged to develop other forms of support to build independence, such as a shared-equity homeownership scheme for affordable housing tenants. This opportunity could be offered to affordable housing tenants so that they could experience the benefits of homeownership without the disruption of relocating to another dwelling. One potential model is the San Francisco Mayor's Office of Housing and Community Development Limited Equity Home Ownership Program.¹⁰¹ Such a program would support low- to moderate-income households who would otherwise be unable to afford a home to borrow from an approved participating lender—to purchase equity in the home at an affordable price and with a limited deposit. The participating household would then be able to build equity in the property, accumulate a more extensive deposit and develop a credit rating, generating the resources to enter private homeownership. At the end of a 10-year contract, the household would sell the property back to the community housing provider with an agreed return on investment. The dwelling would therefore be retained as part of a permanent pool of affordable housing stock.

Other factors that enhance the independence and social and economic participation of social housing tenants include:

- Good housing locations, that are close to jobs, public transport, schools and other services—employment is a key avenue out of poverty for most people of working age¹⁰² and public transport is important in facilitating geographical access to employment¹⁰³;
- Fair and transparent processes for tenancy management, including complaint-handling and feedback, plus access to information and advocacy from Tenancy Advice and Advocacy Services (for example, to build awareness of tenant rights and responsibilities, and help improve skills in sustaining tenancies)¹⁰⁴;
- Referrals to support services such as to counselling, budgeting skills, mental health or drug and alcohol services—to meet individualised needs and enhance the capacity to sustain tenancies;
- A 'sustaining tenancies' approach to tenancy management, which prioritises early intervention to prevent evictions and the risk of homelessness (including support through providing information, referrals to specialist services such as mental health services and culturally-specific services, and partnerships with other services)¹⁰⁵;
- More responsive tenancy management, including repairs and maintenance processes (well-maintained properties are less likely to be stigmatised as social housing, and more likely to promote positive housing experiences¹⁰⁶—see also under Step 10);
- Collaborative partnerships to facilitate linkages to local support services (such as Employment Services Providers), to educational and employment opportunities, and to other informal support networks—in order to meet individualised needs and build community connections;
- Creating or strengthening access to educational support programs to encourage children and young people who are living in social housing to stay engaged in education—engagement in education is central to improved career paths, health and social interactions, and the

capacity to participate in society.¹⁰⁷ Community housing providers, for example, are well-placed to form partnerships with local community organisations that provide homework clubs or mentoring programs, or to link in with local volunteer networks to provide such services; and

- Developing partnerships with local independent schools for the provision of bursaries for children and young people who are living in social housing, to enhance educational opportunities.

10. Use community development measures to promote place-based solutions to disadvantage

The Society thinks that social housing assistance should include a strong emphasis on community development as a strategy to combat concentrated disadvantage.

Community development can address social alienation and improve community inclusion, often by building the stock of social capital.¹⁰⁸ Combining participation, empowerment and ownership¹⁰⁹, community development recognises ‘residents as the key stakeholders of change in their community ... using formal and informal mechanisms to facilitate resident participation in the planning, implementation and evaluation of community changes’.¹¹⁰

Facilitating local activities that encourage contact between and participation by neighbours can help communities ‘to develop self-help approaches to difficulties in their area’.¹¹¹ However informal neighbourhood networks in communities experiencing high levels of disadvantage are at risk of burn-out, so support for those networks and strong links with local services are required.¹¹²

An example of the impact of integrating community development, responsive tenancy management and economic development is the work of Argyle Community Housing and the Society in Claymore and Airds–Bradbury. Argyle Community Housing worked in Claymore public housing estate from 1995, and expanded to the Airds/Bradbury estate from 1999 until 2006.¹¹³ (The then Manager of Argyle Community Housing, Brian Murnane, is now Chief Executive Officer of Amélie Housing.) The Claymore Integration Project was developed in 1997, and it provides a model for effective service integration. It utilised regular meetings of residents and representatives from Argyle Community Housing, the Society’s Animation Project, other community organisations, local government, and state government agencies (such as Housing NSW, the police, juvenile justice, community services and schools) to identify emerging issues or provide an update on ongoing issues, to collaborate and to formulate multi-party responses. The Claymore Integration Project developed a set of principles for effective tenancy management that had a strong focus on fostering independence and participation and on implementing lasting community changes:

- Communication and relationships—developing and maintaining relationships that are based on trust and respect, and communicating with and responding to the needs of all parties;
- Working towards a shared vision—engaging tenants, community workers and senior housing staff to enable collaborative planning and responses;
- Developing community members—recognising residents as the key stakeholders of change in their community, and using formal and informal mechanisms to facilitate resident participation in the planning, implementation and evaluation of community changes;
- Continual improvement of services—a flexible and responsive approach to service delivery, alongside accessible and transparent feedback mechanisms; and

- Building sustainable infrastructure—community housing providers utilising a localised procurement model for maintenance and goods and services, so that local businesses and employment services link local unemployed people (including social housing tenants) to maintenance and upgrades work (this supports the local economy to create jobs and capture funds that would ordinarily leak away from it).

The impact of responsive tenancy management and community engagement by Argyle Community Housing in Claymore was magnified by the community-building work of the Animation Project.

Starting in 1996, the Animation Project was originally under the auspices of the Society and since then, has been delivered in partnership with other organisations, such as the Franciscan Friars, the Good Samaritan Foundation and the Presentation Sisters (Wagga Wagga). Participants include residents on estates in Claymore, Minto, Airds–Bradbury and Macquarie Fields. Based at Vincentian Social Action Centre in Campbelltown, local ‘animators’ work with residents from public housing estates that comprise some of the most disadvantaged areas in NSW. The animators have empowered residents to recognise their strengths, raise their awareness, build their self-belief, make their voices heard on issues that they identified, access resources (including funds and skills-building), and carry out their solutions to local problems.

Achievements of the Animation Project include the reclaiming of vacant land to form a community park and meeting place, the alteration of a bus route to provide access to shopping facilities, and the establishment of a community-managed coffee shop and laundromat in Claymore (this provides a meeting place and an avenue for training and work experience, as well as a practical service). The project harnesses the skills in local communities, including supporting the emergence of natural leaders amongst participants.

A 2003 evaluation by the Australian Institute of Family Studies recognised that this model of empowering residents to develop solutions to local problems improved community services, social cohesion and tenants’ wellbeing. In the evaluation report, one participant said: ‘I’ve learnt about power and rights. I know now I have power within myself to bring about change. This gives me strength, motivation to involve myself in community activities. Together we have power to bring about change to resist injustice.’¹¹⁴

Combining responsive tenancy management and community development is a powerful way of developing sustainable communities: ‘Sustainable communities are places where people feel included, where they have a sense of control over decisions that affect the place in which they live; they are places where people like living, where they feel a sense of pride, where they feel safe, have healthy relationships with family and friends and have opportunities to participate socially and economically.’¹¹⁵

Local economic development can create further opportunities for community development and overcoming disadvantage.¹¹⁶ For example, the Social Housing Initiative of the Nation Building–Economic Stimulus Plan generated approximately 9,000 full-time equivalent construction jobs from 2008–09 to 2011–12, with an overall increase of approximately 14,000 full-time equivalent jobs. The social and affordable housing construction boost proposed as part of ‘10 Steps Over 20 Years’ would provide an ideal opportunity to prioritise jobs and apprenticeships for social housing tenants.¹¹⁷

Summary

To break cycles of disadvantage, the St Vincent de Paul Society NSW recommends that the NSW Government commits to bold reform of the social housing system and significant growth in affordable rental housing supply. We call for the government to:

- a. **Boost affordable private-market supply**—Increase the supply of good housing in the private market that is affordable for lower-income households:
 - Through a raft of measures for NSW, such as including Local Government Area targets for the provision of new affordable rental dwellings in all future metropolitan and regional land-use plans, and improving security of tenure in the private rental market by prohibiting ‘without grounds’ evictions; and
 - By supporting reforms in the national sphere, such as reform of the taxation treatment of housing; and
- b. **Boost social and affordable housing supply**—Enhance the financial and social sustainability of the social housing system and increase social and affordable housing supply via our ‘10 Steps Over 20 Years’ strategy:
 1. **Appoint a Minister for Housing to be responsible for driving reform, streamline responsibilities for the Department of Family and Community Services, position the community housing sector as primary social and affordable housing provider (alongside the Aboriginal Housing Office and Aboriginal community housing providers), and report regularly on the geographic spread of demand, tenant housing needs, performance outcomes and maintenance liabilities**
 - The NSW Government would appoint a Minister for Housing, who will have responsibility for implementing the ‘10 Steps Over 20 Years’ reforms.
 - The Land and Housing Corporation and Housing NSW would move away from managing the NSW Government’s social housing portfolio and providing social housing services (respectively). The role of the Department of Family and Community Services would instead focus on funding (including administering funding under the National Affordable Housing Agreement), strategic planning and policy, administering a combined Housing Pathways social and affordable housing waiting list, and registration and regulation of providers.
 - The community housing sector would become the primary provider of social and affordable housing, alongside the Aboriginal Housing Office and Aboriginal community housing providers. We think that planning by the Aboriginal Housing Office and Aboriginal community housing providers for their combined 10,000 dwellings should be determined by those agencies.
 - As part of the department’s planning role and in consultation with providers, the department would report on geographic demand for social and affordable housing, tenant housing needs (including household size and disability, ageing and cultural needs), the effectiveness of social housing provision, and maintenance and repair liabilities every five years. This reporting would guide the implementation of ‘10 Steps Over 20 Years’.

2. **Amend the *Restart NSW Fund Act 2011* to increase private investment opportunities**
 - An amendment of the *Restart NSW Fund Act 2011* would facilitate funding opportunities for new supply, including those sourced from private investment.
3. **Dedicate \$3 billion to new supply**
 - A \$3-billion Restart NSW Affordable Housing Growth Fund would be created to generate new social and affordable housing supply, provided that the leasing of NSW electricity networks goes ahead. The Restart NSW Affordable Housing Growth Fund would be converted into a discounted loans fund, to help maximise private sector investment.
4. **Investigate and pilot a model for harnessing private investment in social and affordable housing, such as an affordable housing ‘sales and leaseback’ program**
 - The Department of Family and Community Services would investigate and pilot a model for attracting private investment in social and affordable housing. For example, the Defence Housing Australia’s Sales and Leaseback program could be adapted for affordable housing provision in this state.
5. **Transfer title of the good-quality stock (half the portfolio) over years 0–10**
 - The Land and Housing Corporation would transfer title to good-quality stock (comprising approximately half the social housing portfolio) to the community housing sector, during the first 10 years of the strategy.
 - The Department of Family and Community Services would conduct a review into methods of tenant choice in changing landlords from Housing NSW to community housing providers, to facilitate whole-of-location transfers.
6. **Sell the poor-quality dwellings (the remainder of the portfolio) over years 5–20, with all proceeds channelled into replacing social housing stock**
 - A progressive sale of poor-quality stock (the remaining social housing portfolio) would take place from years 5 to 20 of the strategy, with greater flexibility for heritage dwellings.
 - All proceeds would be directed to a NSW Social Housing Fund, to develop or purchase replacement social housing stock.
 - An overlap between the title transfer phase and the sale and re-development phase will create flexibility in housing tenants who are being re-located due to dwelling sales.
7. **Replace poor-quality stock mainly with higher-density developments in well-served, high-demand locations, with Defence Housing Australia playing a leading role as developer**
 - Replacement stock would be designed to better meet tenant needs (in terms of household size, and disability, ageing and cultural needs) and would be located in high-demand areas that are close to jobs, services and public transport.
 - Defence Housing Australia would play a leading role in design, development and construction.
 - For poor-quality stock on well-located sites including estates, the sites could be re-developed into higher-density developments mixing social, affordable and private-market housing where possible.

- Poor-quality stock on poorly-located sites would be sold, with replacement social housing dwellings being developed (as part of higher-density developments, where possible) or purchased in good locations.
- 8. Prioritise households with high needs for social housing eligibility, with flexible allocations**
- Social housing should be for people on very low to low incomes, prioritising people with high needs and those who may need lifelong support.
 - Community housing providers should be able to exercise discretion in allocations, to build social and financial sustainability across their social and affordable housing portfolios.
- 9. Use incentives and flexible tenure classification to overcome disadvantage, by promoting independence, participation and stability**
- Social housing tenancy management should incorporate incentives and flexible tenure classification. These approaches would build tenant independence and participation (such as through employment and education or training pathways, and access to shared-equity homeownership schemes), encourage stability (by supporting tenants who experience crises that create a risk of homelessness), and help households to overcome disadvantage.
- 10. Use community development measures to promote place-based solutions to disadvantage**
- Social housing tenancy management should help to address disadvantage through community development—to enhance community inclusion, social capital and local economic development.

¹ This figure includes Conference members, High School Conferences, Mini Vinnies and volunteers: St Vincent de Paul Society NSW, 'Annual Report, 2013–14, St Vincent de Paul Society NSW, 2014, p. 32.

² St Vincent de Paul Society NSW, pp. 18 and 32.

³ St Vincent de Paul Society NSW, p. 7.

⁴ See Andy Marks, 'Residents at Risk: Stories of Last Resort Caravan Park Residency in NSW', St Vincent de Paul Society NSW, 2008.

⁵ 'A household is considered to be in 'housing stress' if its income is in the bottom 40% of incomes and it is paying more than 30% of its income on housing.': Shelter NSW, 'Housing Terms Factsheet', June 2012, p. 2.

⁶ '...In general a "very low-income household" will be one where the sole income is a government pension or benefit, a "low-income household" will be a household in the bottom 20% of the household income range, a "lower income household" will be one in the bottom 40% of incomes and a "moderate income household" will be one in the bottom 40% but not in the bottom 20% (or sometimes one in the bottom 60%).': National Shelter and Shelter NSW, 'Housing Terms Factsheet', June 2012, p. 3.

⁷ NSW Auditor-General, 'Making the Best Use of Public Housing', Audit Office of NSW, 2013, p. 14. This report states that social housing need is comprised of expressed demand (households on the waiting list) and unexpressed demand (households who would be eligible for social housing but are not on the waiting list): p. 45.

⁸ Housing Pathways, 'Expected Waiting Times for Social Housing—Overview', Housing Pathways, 2014, p. 4.

⁹ NSW Auditor-General, pp. 2, 18–20.

¹⁰ NSW Auditor-General, pp. 2, 18–20, 22.

¹¹ NSW Auditor-General, p. 20.

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- ¹² J Eastgate, C Johnson and P Rix, 'View From the Estates: Tenants' Views of the Impact of Changes in Eligibility and Allocation Policies on Public Housing Estates', Shelter NSW, 2011, pp. 26–27; NSW Auditor-General, pp. 28–29.
- ¹³ B Kemp, Z Paleologos, S King and J Bellamy, 'Rental Affordability Snapshot, April 2014, Greater Sydney and the Illawarra', Anglicare, 2014, p. 13.
- ¹⁴ Data supplied by the Centre for Affordable Housing, Community and Private Market Housing Directorate, Housing NSW, Department of Family and Community Services, 9 February 2015.
- ¹⁵ K Hulse, M Reynolds and J Yates, 'Changes in the Supply of Affordable Housing in the Private Rental Sector for Lower Income Households, 2006–11', Australian Housing and Urban Research Institute, 2014, pp. 2, 29. A very low income is defined as the bottom 20% of the distribution of gross unequivalised household income.
- ¹⁶ Valuer General data used in table, 'M3b: Proportion of Purchase Stock That is Affordable', from NSW Centre for Affordable Housing, 'Local Government Housing Kit Database', Housing NSW, viewed 27 January 2015, <<http://www.housing.nsw.gov.au/Centre+For+Affordable+Housing/NSW+Local+Government+Housing+Kit/Local+Government+Housing+Kit+Database/>>.
- ¹⁷ K Florance, 'What Housing Issues Contribute to Homelessness?', Shelter NSW, 2010, pp. 6–14.
- ¹⁸ Department of Families, Housing, Community Services and Indigenous Affairs, 'The Road Home', 2008, p. 7. S Tually, D Faulkner, C Cutler and M Slatter, 'Women, Domestic and Family Violence and Homelessness: A Synthesis Report', Flinders University, Flinders Institute for Housing, Urban and Regional Research, 2008, p. 18. Chris Chamberlain and David MacKenzie, 'Counting the Homeless 2006: Australia', Australian Bureau of Statistics, 2008, p. 49.
- ¹⁹ 'Counting the Homeless 2006: Australia', p. 49. Also see 'The Road Home', p. 46.
- ²⁰ S Tually, D Faulkner, C Cutler and M Slatter, 'Women, Domestic and Family Violence and Homelessness: A Synthesis Report', Flinders University, Flinders Institute for Housing, Urban and Regional Research, 2008, p. 17.
- ²¹ Census data used in table, 'M2: Number of Households in Rental Stress', from NSW Centre for Affordable Housing, 'Local Government Housing Kit Database'.
- ²² P Phibbs with P Young, 'Housing Assistance and Non-shelter Outcomes', Australian Housing and Urban Research Institute, 2005, pp. i–iii. H Blunden with C Johnston, 'Public Housing and Nonhousing Outcomes — A Background Paper', Shelter NSW, 2005. R Scutella, G Johnson, J Moschion, Y Tseng and M Wooden, 'Journeys Home Research Report No. 1, Wave 1 Findings', University of Melbourne, 2012, pp. 28–29. M Willis, 'Ex-Prisoners, SAAP, Housing and Homelessness in Australia', Australian Institute of Criminology, for National SAAP Coordination and Development Committee, 2004, pp. 136–137.
- ²³ People With Disability Australia, 'Accommodating Human Rights: A Human Rights Perspective On Housing, And Housing And Support, For Persons With Disability', 2010, pp. 44–45.
- ²⁴ Australian Bureau of Statistics, 'Census of Population and Housing: Estimating Homelessness, 2011', Australian Bureau of Statistics, 2012, p. 6 and table 3.1, pp. 16–17. People are considered to be living in 'severely crowded' dwellings where the dwellings require four or more extra rooms to accommodate them (under the Canadian National Occupancy Standard).
- ²⁵ Mental Health Council of Australia, 'Home Truths: Mental Health, Housing and Homelessness in Australia', Mental Health Council of Australia, 2009, p. 19.
- ²⁶ T Burke and J Stone with S Glackin and J Scheurer, 'Transport Disadvantage and Low-income Rental Housing', Australian Housing and Urban Research Institute, 2014, pp. 45–46.
- ²⁷ NSW Auditor-General, p. 14.
- ²⁸ NSW Auditor-General of NSW, p. 45.
- ²⁹ Shelter NSW 2014, 'NSW Election 2015: 10 Key Issues', Shelter NSW, 2014, p. 2.
- ³⁰ NSW Government, 'NSW 2021: A Plan to Make NSW Number One', NSW Government, 2011, p. 28, viewed 27 January 2015, <[http://www.2021.nsw.gov.au/sites/default/files/NSW2021_ WEB%20VERSION.pdf](http://www.2021.nsw.gov.au/sites/default/files/NSW2021_WEB%20VERSION.pdf)>.
- ³¹ This recommendation was included in the Society's submission to the inquiry by the Legislative Council Select Committee on Social, Public and Affordable Housing (March 2014). The committee's report recommended that that the Department of Planning and Environment specify affordable housing targets 'at the state and regional level' (September 2014, p. xxii).

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- ³² Department of Planning and Environment, 'A Plan for Growing Sydney: A Strong Global City', Department of Planning and Environment, 2014, pp. A, 62. The plan states that: 'The Government will require each council to prepare a local housing strategy that ... considers local affordable housing needs and strategies to provide affordable housing'; and 'The Government will ... require local councils to include affordable housing in their local housing strategies, to respond to local demand' (p. 77).
- ³³ Regarding the impact of first home owner grant schemes on prices, see J Yates, 'Affordability and Access to Home Ownership: Past, Present and Future?', Australian Housing and Urban Research Institute, 2007, p. 8. J Kelly, 'Renovating Housing Policy', Grattan Institute, 2013, pp. 1, 24–25: 'Evidence suggests assistance to first homebuyers largely brings forward spending decisions rather than lifting ownership rates in the long run. Assistance is generally too small to overcome the deposit hurdle for many, and does little to help buyers meet regular mortgage repayments' (p. 25). Regarding any advantages of the New Home New Grant Scheme for lower-income households, note that this grant is available to investors as well as owner-occupiers. Also, we note that the First Home New Home Scheme comprises an exemption from transfer duty for new homes; however see our call for phasing out conveyancing or stamp duty and phasing in land tax. See Office of State Revenue website, viewed 29 January 2015: <<http://www.osr.nsw.gov.au/grants/nhg/about>>.
- ³⁴ J Kelly, p. 25.
- ³⁵ See, for example, San Francisco Mayor's Office of Housing and Community Development Limited Equity Home Ownership Program, City and County of San Francisco, viewed 6 February 2015, <<http://sfmoh.org/index.aspx?page=1150>>. Regional Development Australia Sydney, 'Doors to Ownership: A Business Case and Guidelines for a Shared Homeownership Scheme with NSW Community Housing Associations', Regional Development Australia Sydney, 2014 (for a summary of state and territory homeownership subsidy schemes, see pp. 40–41). Shelter NSW's 'Housing Terms Factsheet' (2012) defines shared equity as: 'An arrangement where ownership of a dwelling is shared between its occupier (the household that lives in it) and a third party—generally either a government housing department, a community housing association or a private sector company. Shared equity is a way of assisting moderate-income households into homeownership and the arrangement usually includes provision for the occupier to purchase the remaining share at a later date.' (p. 3).
- ³⁶ Shelter NSW 2014, 'NSW Election 2015: 10 Key Issues', Shelter NSW, 2014, p. 7.
- ³⁷ 'Without grounds' terminations mean that tenants are not entitled to know the reason for an eviction (which may be, for example, based in discrimination), and this makes renting in the private rental market unnecessarily insecure. For example, tenants who perceive or know that they have limited alternative housing options are unlikely to challenge rent rises or to seek repairs, and so they are particularly vulnerable to 'without grounds' terminations (K Florance, pp. 22–23). Lack of security of tenure is therefore a matter of great concern for renters—for example, private rental tenants are more likely to tolerate a tenancy problem for fear of adverse repercussions from their landlords, compared to social housing tenants (Tenants Union of NSW, 'Affordable Housing and the New South Wales Rental Market: 2014 Survey Report', Tenants Union of NSW, 2014, p. 11–12, 21). By contrast, security of tenure is seen as one of the core advantages of social housing (J Eastgate with P Rix, 'Social Housing Visions: What Tenants and Front-line Workers Value in Social Housing', Shelter NSW, 2015, pp. 11–14). Shelter NSW and the Tenancy Union of NSW have advocated for the introduction of 'just cause' provisions into residential tenancies legislation that specify the circumstances in which a landlord can terminate a tenancy, including, for example: serious or persistent breach (including rent non-payment); sale of the premises; where the premises are uninhabitable (for example, due to a natural disaster); where the landlord requires the premises for their own housing or that of a family member; demolition; and approved change of use or major renovation (Tenants Union of NSW, 'Submission on the draft Residential Tenancies Bill 2009', Tenants Union of NSW, Part 5, viewed 13 February 2015, <<http://www.tenantsunion.org.au/residential-tenancies-bill-submission>>. National Shelter and National Association of Tenant Organisations, 'A Better Lease on Life: Improving Australian Tenancy Law', National Shelter and National Association of Tenant Organisations, 2010, pp. 44–45).
- ³⁸ As at 2011–12, 90% of government expenditure on housing policies (direct expenditure and tax concessions such as capital gains tax exemption) are received by homeowners (about \$36 billion each year) and residential property investors (\$6.8 billion), compared to Commonwealth and state/territory governments spending around \$5 billion on social housing: J Kelly, pp. 22–29.

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- ³⁹ For example, see the St Vincent de Paul Society National Council of Australia’s housing submissions listed on the Society’s website, viewed 27 January 2015, <http://www.vinnies.org.au/page/Publications/National/Submissions/Housing_Submissions/>.
- ⁴⁰ Steering Committee for the Review of Government Service Provision, ‘Report on Government Services 2015’, Productivity Commission, 2015, Table GA.24, p. 5. See also Welfare Rights Centre (NSW) and Shelter NSW, ‘The Impact of Rent Assistance on Housing Affordability for Low-Income Renters: New South Wales’, Welfare Rights Centre (NSW) and Shelter NSW, 2014.
- ⁴¹ Department of Family and Community Services, ‘Social Housing in NSW: A Discussion Paper for Input and Comment’, Department of Family and Community Services, 2014, pp. 33–43.
- ⁴² Department of Family and Community Services, ‘Social Housing in NSW: A Discussion Paper for Input and Comment’, p. 32.
- ⁴³ K Florance, pp. 12–14, 27–28.
- ⁴⁴ K Hulse and L Saugeres, ‘Housing Insecurity and Precarious Living: an Australian Exploration’, Australian Housing and Urban Research Institute, 2008, pp. 34–35.
- ⁴⁵ Department of Family and Community Services, ‘Social Housing in NSW: A Discussion Paper for Input and Comment’, p. 11.
- ⁴⁶ J Eastgate and N Moore, ‘Aboriginal Community Housing in NSW: Where to From Here?’, Tenants Union of NSW, NSW Aboriginal Tenants Advice Network, Shelter NSW and NSW Council of Social Service, 2011, p. 2.
- ⁴⁷ NSW Council of Social Service (NCOSS), ‘One Step Away: NCOSS 2015 Election Platform’, NCOSS, 2014, pp. 22–23.
- ⁴⁸ Public Accounts Committee, ‘Tenancy Management in Social Housing’, Legislative Assembly of NSW, November 2014, p. ix. H Pawson, V Milligan, P Phibbs and S Rowley, ‘Assessing Management Costs and Tenant Outcomes in Social housing: Developing a Framework’, Australian Housing and Urban Research Institute, 2014, p. 4.
- ⁴⁹ NSW Federation of Housing Associations, ‘Housing Affordability: The Challenge’, NSW Federation of Housing Associations, 2015, p. 2. See the Society’s submission to the 2014 Inquiry into Social, Public and Affordable Housing by the NSW Legislative Council Select Committee on Social, Public and Affordable Housing.
- ⁵⁰ See the Society’s submission in response to the NSW Government’s ‘Rebuilding NSW Discussion Paper’ (August 2014). NCOSS, p. 7; Shelter NSW, ‘NSW Election 2015: 10 Key Issues’, p. 3.
- ⁵¹ NSW Federation of Housing Associations, p. 2.
- ⁵² See the Society’s ‘Rebuilding NSW Discussion Paper’ submission. For a comparison with the investment-capacity of \$3 billion, under the Commonwealth Government’s \$5.638 billion Social Housing Initiative as part of the Nation Building–Economic Stimulus Plan (from 2008–09 to 2011–12), \$5.238 billion was allocated to constructing 19,700 new dwellings (and \$400 million was allocated to the maintenance and repair of 12,000 existing social housing dwellings that were uninhabitable, or likely to be uninhabitable within two years): KPMG, pp. 1–3).
- ⁵³ Department of Family and Community Services, ‘NSW Community Housing Industry Development Strategy, 2013/14 – 2015/16’, Department of Family and Community Services, 2014. Aboriginal Housing Office, ‘The Build and Grow Aboriginal Community Housing Strategy, Aboriginal Housing Office, 2010. NSW Federation of Housing Associations.
- ⁵⁴ KPMG, ‘Social Housing Initiative Review’, Housing Ministers’ Advisory Committee, 2012, pp. 1–2.
- ⁵⁵ Shelter NSW 2014, ‘NSW Election 2015: 10 Key Issues’, Shelter NSW, 2014, pp. 4–5.
- ⁵⁶ V Milligan, J Yates, I Wiesel and H Pawson with C Hamilton, ‘Financing Rental Housing Through Institutional Investment—Volume 1: Outcomes from an Investigative Panel’, Australian Housing and Urban Research Institute, 2013, p. 2.
- ⁵⁷ P Phibbs and B Hanna, ‘Lessons of Defence Housing Australia for Affordable Housing Provision’, Australian Housing and Urban Research Institute, 2010, in particular, p. 27. Defence Housing Australia, ‘Annual Report, 2013–14’, Defence Housing Australia, pp. 79–88.
- ⁵⁸ P Phibbs and B Hanna, ‘Lessons of Defence Housing Australia for Affordable Housing Provision’, Australian Housing and Urban Research Institute, 2010, p. 3. The Commonwealth Government announced a scoping study into future ownership or service delivery options for Defence Housing Australia as part of the 2014–15 Budget, under its Smaller Government Reform Agenda: Department of Finance, ‘Scoping Study—Terms

of Reference: Defence Housing Australia', Department of Finance, viewed 30 January 2015, <<http://www.finance.gov.au/procurement/scoping-studies/scoping-study-terms-of-reference-defence-housing-australia>>.

⁵⁹ Defence Housing Australia, pp. 8, 80.

⁶⁰ Information provided by Defence Housing Australia on 16 February 2015.

⁶¹ P Phibbs and B Hanna, p. 27.

⁶² Information provided by Defence Housing Australia on 12 February 2015.

⁶³ P Phibbs and B Hanna, p. vi, 20–22, 27–29. Defence Housing Australia, pp. 82–83.

⁶⁴ P Phibbs and B Hanna, pp. 27–29.

⁶⁵ P Phibbs and B Hanna, p. 27.

⁶⁶ P Phibbs and B Hanna, p. 27. Information provided by Defence Housing Australia on 16 February 2015.

⁶⁷ NSW Auditor-General, p. 2.

⁶⁸ NSW Auditor-General, p. 22.

⁶⁹ Australia's Housing Ministers agreed in May 2009 that the community housing sector could increase to comprise up to 35% of social housing by 2014. This target suggests the limit of the Commonwealth Government's willingness to continue to pay CRA for these dwellings (Housing Ministers Conference, 'Implementing the National Housing Reforms: A Progress Report to the Council of Australian Governments from Commonwealth, State and Territory Housing Ministers', Housing Ministers Conference, 2009, p. 18).

⁷⁰ A 2014 report from Shelter NSW found that social housing can be financially sustainable provided there are a mix of incomes and additional sources of revenue (such as Commonwealth Rent Assistance), and that affordable housing can be financially sustainable and even contribute to capital costs through though leveraging. However the report also stated that there will still be a demand for additional stock and a need to replace existing stock as it ages (E Ferrer, 'The Cost of Increasing Social and Affordable Housing Supply in New South Wales', Shelter NSW, 2014, p. 15). See also E Ferrer, 'Leveraging Affordable Rental Housing for Sustainability and Growth', Shelter NSW, 2010, pp. 10–11.

⁷¹ Financial modelling from a report from Shelter NSW estimates that (using a mix of tenant incomes and therefore increasing rental incomes for social housing providers), with 250 new properties transferred to a community housing provider, growth through leverage could be achieved at rates of between 5–8% over 10 years, and between 11–20% over 20 years. However the report warns that the main threat to long-term financial viability is the cost of building replacement (Sphere Analysis, 'Leveraging Affordable Rental Housing for Sustainability and Growth', Shelter NSW, 2010, p. 15).

⁷² H Pawson, V Milligan, I Wiesel and K Hulse, 'Public Housing Transfers: Past, Present and Prospective', Australian Housing and Urban Research Institute, 2013, pp. 2–5. A 2014 report from Shelter NSW stated: 'Overall [social housing tenants] felt that they got a better service from locally or regionally based community housing providers than from the State Government' (J Eastgate with P Rix, p. vi).

⁷³ H Pawson, V Milligan, I Wiesel and K Hulse, 'Public Housing Transfers: Past, Present and Prospective', Australian Housing and Urban Research Institute, 2013, pp. 41–50.

⁷⁴ M Frölich, 'Tenanted Property Transfers: Towards a Community Housing Industry Preferred Approach to Managing Future Property Transfers in NSW', NSW Federation of Housing Associations, 2014, pp. 15–17.

⁷⁵ NSW Auditor-General, pp. 11, 14–15, 22. Eighteen per cent of dwellings were over 50 years old; on a per dwelling basis, costs were rising at a rate of 5% per year over the 10 year period to 2014–15: Department of Family and Community Services, 'Social Housing in NSW: A Discussion Paper for Input and Comment', pp. 39, 63.

⁷⁶ NSW Auditor-General, p. 2.

⁷⁷ Pru Goward, 'High-cost Harbourside Assets to be Sold for a Fairer Social Housing System', Department of Family and Community Services, 19 March 2014, viewed 13 February 2015, <http://www.facs.nsw.gov.au/about_us/media_releases/high_cost_harbourside_assets_to_be_sold_for_a_fairer_social_housing_system>. SGS Economics and Planning, 'Millers Point and The Rocks: An Alternative Way Forward', SGS Economics and Planning, 2014, pp. i–v, 32–36. 'Millers Point is listed on the State Heritage Register for both its social and physical character. The listing identifies Millers Point as a "living cultural landscape". Twelve residents have links to the area stretching back five generations to its working harbour past; Millers Point is listed in the LAHC Conservation Management Guidelines as a socially significant area and a key principle of these guidelines is "Maintain the social significance of the community

at Millers Point while having regard to its changing profile”’: Cred Community Planning, ‘Social Impact Assessment of the Potential Social Impacts on the Existing Millers Point Community, and the Broader Social Housing System, That May Result From the Sale of Any Further Social Housing in Millers Point’, Cred Community Planning, 2014, pp. 7–10. See also C Martin, ‘Heritage and Social Housing: Implications for Repairs, Maintenance, Modifications and Redevelopments’, Shelter NSW, 2013, p. 35: ‘...ownership and use of heritage properties as social housing should be considered as a means of heritage protection’. In accordance with the plan outlined by SGS Economics and Planning, the City of Sydney’s strategic plan has identified ‘housing for a diverse population’ as one of its 10 strategic directions: City of Sydney, ‘Sustainable Sydney 2030: The Vision’, City of Sydney, 2008, p. 27.

⁷⁸ Housing NSW, ‘Conservation Management Guidelines, Housing NSW Properties, Millers Point, Volume One’, Housing NSW, 2007, p. 101.

⁷⁹ Land and Housing Corporation, ‘Design Standards, 2014, Revision 1’, Land and Housing Corporation, 2014, pp. 22–25. Livable Housing Design Certification for Social Housing, Livable Housing Australia, viewed 9 February 2015, <<http://livablehousingaustralia.org.au/106/design-guidelines.aspx>>. An example of dwelling layout that is not culturally appropriate is that people from some cultural groups (such as Somali women) are uncomfortable with an open-plan design where the bedroom is visible: B Judd, K Kavanagh, A Morris and Y Naidoo, ‘Housing Options and Independent Living: Sustainable Outcomes for Older People Who are Homeless’, Australian Housing and Urban Research Institute, 2004, pp. 46–48. Also see P Memmott, C Birdsall-Jones and K Greenop, ‘Australian Indigenous House Crowding’, Australian Housing and Urban Research Institute, 2012, pp. 3–4: ‘Housing policies should recognise the importance of social and kin ties and the deep obligations to house kin that remain strong for many Indigenous people in urban areas (both regional cities and metropolitan areas) ... Housing stock is usually designed for smaller nuclear families and is inadequate to house large, extended and complex family structures typical of Indigenous communities.’

⁸⁰ See Green Building Council of Australia, viewed 13 February 2015, <<http://www.gbca.org.au/>>. National Australian Built Environment Rating System (NABERS), viewed 13 February 2015, <<http://www.nabers.gov.au/public/WebPages/Home.aspx>>. Defence Housing Australia, ‘Annual Report, 2013–14’, Defence Housing Australia, 2014, p. 30.

⁸¹ R Atkinson, ‘Housing Policies, Social Mix and Community Outcomes’, Australian Housing and Urban Research Institute, 2008, pp. 2–3: ‘...the use of mixed tenure, mixed use and mixed dwelling types may all contribute significantly to attempts to de-stigmatise and rebalance the social profile of an area’.

⁸² Department of Family and Community Services, ‘Social Housing in NSW: A Discussion Paper for Input and Comment’, p. 64. Thirty per cent of the social housing portfolio or 40,000 social housing dwellings are located on about 100 estates across NSW, with 60 in regional NSW. About 80,000 residents live on estates, and most of these properties are public housing.

⁸³ Information provided by Defence Housing Australia on 12 February 2015.

⁸⁴ Defence Housing Australia, pp. 8–9, 16. Defence Housing Australia describes its work as providing ‘award-winning development, construction, acquisition and leasing programs’ (p. 8). In 2013–14, Defence Housing Australia received numerous awards; for example, it was highly commended by the Planning Institute of Australia (PIA) NSW for public engagement and community planning excellence at the AE2 residential development (Ermington, Western Sydney) and was highly commended for ‘Urban renewal’ in the Urban Development Institute of Australia (UDIA) awards for planning excellence for the Bayriver residential development (Adelaide).

⁸⁵ Defence Housing Australia is required to supply and manage housing that contributes to Defence retention, recruitment and operational goals (see Defence Housing Australia, pp. 8–9). Section 5 of the *Defence Housing Australia Act 1987* specifies that the main function of Defence Housing Australia is to provide housing services for Defence personnel. Section 6 allows Defence Housing Australia to provide services to other Commonwealth Government entities or people with a contract to provide goods or services to other Commonwealth Government entities where the Minister authorises it and the provision of non-Defence services does not exceed 25% of its gross revenue. Information provided by Defence Housing Australia on 16 February 2015.

⁸⁶ H Easthope and S Judd, ‘Living Well in Greater Density’, Shelter NSW and City Futures, University of NSW, 2010, in particular, see pp. 60–62. J Barton, ‘Dwelling with Visual and Acoustic Privacy’, Shelter NSW, 2012, p. 33.

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- ⁸⁷ Department of Family and Community Services, 'Social Housing in NSW: A Discussion Paper for Input and Comment', pp. 21–32.
- ⁸⁸ J Lawson, M Berry, C Hamilton and H Pawson, 'Enhancing Affordable Rental Housing Investment via an Intermediary and Guarantee', Australian Housing and Urban Research Institute, 2014, p. 2.
- ⁸⁹ NSW Legislation, *Housing Act 2011*, section 5, viewed 9 February 2015, <<http://www.legislation.nsw.gov.au/maintop/view/inforce/act+52+2001+cd+0+N>>.
- ⁹⁰ Shelter NSW, 'Housing Terms Factsheet', p. 4.
- ⁹¹ D Habibis, R Atkinson, T Dunbar, D Goss, H Easthope and P Maginn, 'A Sustaining Tenancies Approach to Managing Demanding Behaviour in Public Housing: A Good Practice Guide', Australian Housing and Urban Research Institute, 2007, pp. 26, 101. C Kezelman and P Stavropoulos, 'The Last Frontier: Practice Guidelines for the Treatment of Complex Trauma and Trauma Informed Care and Service Delivery', Adults Surviving Child Abuse, 2012. Queensland Child Safety, 'Working with People From Culturally and Linguistically Diverse Backgrounds: Practice Paper', Queensland Child Safety, 2010.
- ⁹² NSW Auditor-General, pp. 29–30.
- ⁹³ Department of Family and Community Services, 'Social Housing in NSW: A Discussion Paper for Input and Comment', pp. 13–20.
- ⁹⁴ Department of Family and Community Services, 'Tenant Employment Incentive Scheme: Factsheet', Department of Family and Community Services, May 2014, p. 1. See also K Hulse and B Randolph, 'Work Disincentives and Housing Assistance', Australian Housing and Urban Research Institute, 2004.
- ⁹⁵ K Hulse and B Randolph, 'Work Disincentives and Housing Assistance', Australian Housing and Urban Research Institute, 2004, pp. ii, 30. In the report's survey of public housing renters: 'Although most saw the system of setting rents based on income as fair, about a third considered that this system provided a disincentive to getting a job as a means of getting ahead financially.' (p. 30). Aside from the impact of effective marginal tax rates on unemployed renters (in the public or private market) wishing to get ahead financially, they also face additional costs such as child care, clothes and travel expenses, and loss of concessions such as the Health Care Card (p. 33). Tenants Union of NSW, "'Reshaping Public Housing" and Work Disincentives', Tenants Union of NSW, 2008, p. 1. C Jones, 'Work Disincentives: The Road to Worklessness', Inner Sydney Regional Council for Social Development, 2011, viewed 13 February 2015, <<http://innersydneyvoice.org.au/pub/work-disincentives-the-road-to-worklessness/>>.
- ⁹⁶ Australians For Affordable Housing, 'Opening Doors to Employment: Is Housing Affordability Hindering Jobseekers?', Australians For Affordable Housing, 2013, pp. 4–6.
- ⁹⁷ There are numerous examples of changing the tenure of dwellings to enhance tenant outcomes. In the 1930s and 1950s, public housing in NSW included a strong focus on pathways to homeownership: see Department of Family and Community Services, 'Social Housing in NSW: A Discussion Paper for Input and Comment', p. 51, Figure 9. Under the Queensland 'Same House Different Landlord program, a tenant can move from a transitional property to a public housing property without having to relocate: Homes and Housing, 'Same House Different Landlord', Queensland Government, viewed 9 February 2015, <<http://www.qld.gov.au/housing/housing-providers-investors/same-house-different-landlord-program/>>. The Commonwealth Government's A Place to Call Home scheme (from 2008 to 2013) provided funding of \$150 million over 5 years to construct up to 600 new dwellings (155 in NSW) for allocation as crisis accommodation to people experiencing homelessness; after 12 months' support, the dwellings were transferred to the general public housing portfolio, without the tenants having to relocate. The scheme was included in the National Partnership Agreement on Homelessness in November 2008 (Shelter NSW, 'Commonwealth Initiatives on Housing Assistance 2008–2010', Shelter NSW, 2010, p. 1. Department of Social Services, 'A Place to Call Home', Department of Social Services, viewed 9 February 2015, <<http://www.dss.gov.au/a-place-to-call-home>>). In 2009, the WA Affordable Housing Taskforce called for dwellings to be able to transition from being a public housing dwelling to a National Rental Affordability Scheme property, to be able to be purchased with a shared-equity loan, and to finally become a fully-owned property (WA Affordable Housing Taskforce, 'More Than a Roof and Four Walls', WA Social Housing Taskforce, 2009, pp. 5–6, 41–43). In 2010, Hanover Welfare Services called for a 'home first' approach, in which a crisis property could be reclassified as a transitional property and later, as a public housing property, as tenant support needs change (Hanover Welfare Services, 'Making a House a Home: Response

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- to the Victorian Parliamentary Inquiry into the Adequacy and Future Directions of Public Housing in Victoria', Hanover Welfare Services, 2010, pp. 14–15).
- ⁹⁸ R McLachlan, G Gilfillan and J Gordon, 'Deep and Persistent Disadvantage in Australia', Productivity Commission, 2013, p. 2.
- ⁹⁹ Security of tenure alongside affordability are two of the features of social housing that are most highly valued by tenants: J Eastgate with P Rix, p. v.
- ¹⁰⁰ R Atkinson, p. 2.
- ¹⁰¹ San Francisco Mayor's Office of Housing and Community Development Limited Equity Home Ownership Program, <<http://sfmoh.org/index.aspx?page=1150>>.
- ¹⁰² R McLachlan, G Gilfillan and J Gordon, pp. 2, 93.
- ¹⁰³ Australians For Affordable Housing, p. 8. T Burke and J Stone with S Glackin and J Scheurer, pp. 1–2.
- ¹⁰⁴ A 2012 project undertaken by Tenants Advice and Advocacy Program (TAAP) workers demonstrated the role they play in homelessness prevention via negotiation to save tenancies: over a six month period, homelessness was prevented in 424 out of 516 or 82.2% of tenancies at risk of termination: J Foreman, 'Homelessness and the TAAP's Role in Preventing it', *Around the House*, Shelter NSW, No. 92, March 2013, pp. 11–12.
- ¹⁰⁵ D Habibis, R Atkinson, T Dunbar, D Goss, H Easthope and P Maginn, p. 13.
- ¹⁰⁶ D Habibis, R Atkinson, T Dunbar, D Goss, H Easthope and P Maginn, pp. 39, 47.
- ¹⁰⁷ R McLachlan, G Gilfillan and J Gordon, p. 1.
- ¹⁰⁸ Social capital is produced through the associations or relationships between people in a community. A Beer and A Maude, 'Community Development and the Delivery of Housing Assistance in Non-metropolitan Australia: a Literature Review and Pilot Study', Australian Housing and Urban Research Institute, 2002, pp. ix, 3. See also M Frölich, 'Community Engagement and Development Processes for Community Housing Providers', NSW Federation of Housing Associations, 2012.
- ¹⁰⁹ 'Community development involves development through collective response. This process has the ability to raise collective and individual aspirations whilst challenging existing power structures. Opportunity to develop community is further facilitated through the processes of active citizenship, working partnerships and social inclusion...': A McCabe, R Keast and K Brown, 'Community Engagement: Towards Community as Governance', conference paper at Governments and Communities in Partnership conference, Centre for Public Policy, University of Melbourne, 25–27 September, 2006, p. 9.
- ¹¹⁰ B Murnane, 'Claymore and Airds/Bradbury: Intensive Tenancy Management Projects', St Vincent de Paul Society NSW, 2006, p. 3. This report includes a report by Argyle Community Housing in partnership with NSW Department of Housing in Claymore, entitled, 'Home and Housed: Making Housing Management Work' (Office of Community Housing, 1999, see pp. 20–45).
- ¹¹¹ D Habibis, R Atkinson, T Dunbar, D Goss, H Easthope and P Maginn, p.77. R Samuels, B Judd, B O'Brien and J Barton, 'Linkages Between Housing, Policing and Other Interventions for Crime and Harassment Reduction in Areas With Public Housing Concentrations: Volume 1, Main Report', Australian Housing and Urban Research Institute, 2004, p. vi.
- ¹¹² J Eastgate and P Rix, 'We Look After Our Neighbours Here: Support Services for NSW Social Housing Tenants', Shelter NSW, 2012, page 1.
- ¹¹³ B Murnane, 'Claymore and Airds/Bradbury: Intensive Tenancy Management Projects', St Vincent de Paul Society NSW, 2006, p. 3. This report includes a report by Argyle Community Housing in partnership with NSW Department of Housing in Claymore, entitled, 'Home and Housed: Making Housing Management Work' (Office of Community Housing, 1999, see pp. 20–45).
- ¹¹⁴ Animation Project, 'Claymore Stories: Celebrating Community Achievements in Claymore', St Vincent de Paul Society, 2006, pp. 8, 27–28. Communities and Families Clearinghouse of Australia, 'Promising Practice Profiles: Animation Project', Australian Institute of Family Studies, 2003, in particular, p. 7.
- ¹¹⁵ B Murnane, p. 2.
- ¹¹⁶ A Beer and A Maude, p. 3.
- ¹¹⁷ KPMG, pp. 1–2. For example, the Department of Family and Community Services currently provides scholarships for women living in social housing to take up a non-traditional trade ('Tools For Success'), and this program could be linked to work opportunities related to a social and affordable housing boost (viewed 17 February 2015, <<http://communityhousing.org.au/toolsforsuccess/index.html>>.)