



Submission to the NSW Government's discussion paper: Social Housing in NSW

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1. Introduction

The Benevolent Society applauds the NSW Government's commitment to implementing much needed reform of the social housing system and welcomes the opportunity to comment on the proposed reforms.

The Benevolent Society runs two low cost housing complexes in Sydney for older people over 70, on low incomes, who have no, or minimal, assets. In addition many of our services provide support to people in housing stress, in insecure housing or who are homeless.

As a mainstream provider of services to low income and disadvantaged people in New South Wales (NSW), we see firsthand the link between inadequate housing and disadvantage. Low income households in NSW are finding it increasingly difficult to obtain housing that is affordable, secure and appropriate to their needs. This in turn limits their ability to obtain and retain employment, engage in education and training and access key services and supports. This makes it difficult for them to build better lives for themselves and their dependants, and have a good quality of life in older age.

2. About The Benevolent Society

The Benevolent Society is Australia's first charity. We are a not-for-profit and non-religious organisation and we've helped people, families and communities achieve positive change for over 200 years. We help people change their lives through support and education, and we speak out for a just society where everyone thrives.

Our focus is to foster wellbeing throughout life – from infancy to older age – with services that:

- prevent problems or reduce their negative impact
- tackle problems early before they become entrenched
- help people use their strengths to solve their own problems
- give priority to people experiencing social and financial disadvantage.

Snapshot

- The Benevolent Society is a secular non-profit organisation with 985 staff and 614 volunteers who, in 2014, supported more than 84,110 children and adults primarily in New South Wales and Queensland.
- We deliver services from 55 locations with support from local, state and federal governments, businesses, community partners, trusts and foundations.
- We support people across the lifespan, including children and families, older people, women and people with mental illness, and run community development and social leadership programs.
- Our revenue in 2013/14 was \$143 million, the majority of which came from government sources.
- The Benevolent Society is a company limited by guarantee with an independent Board.

For more details visit www.benevolent.org.au

3. Recommendations

The Benevolent Society recommends that the NSW Government:

1. in partnership with the Australian Government, commits to investing adequate capital and recurrent funding to significantly increase the supply of social housing, by set targets and timeframes.
2. sets timely, achievable targets for reducing the number of people waiting on the NSW Housing Register for social housing.
3. accepts the recommendation of the Legislative Council Select Committee on Social, Public and Affordable Housing to develop a strategy that identifies priority locations for new social housing development which are located close to employment opportunities, education, transport and 'wrap around' services (Recommendation 26).
4. expands services that provide or facilitate access to temporary and medium term accommodation for women escaping domestic and family violence (such as the *Start Safely* subsidy) and services that provide access to support with housing and other complex needs, such as *This Way Home* in Newcastle.
5. improves cross-government collaboration and partnerships with NGOs to develop better linkages between housing services and mainstream services, so that people's needs can be addressed more holistically and effectively.
6. recognises social housing as a form of infrastructure and amends the *Restart NSW* Act to enable proceeds from Waratah Bonds to fund new supply of social, public and affordable housing.
7. accepts the recommendation of the Legislative Council Select Committee on Social, Public and Affordable Housing to invest all proceeds from the sale of public housing properties in a dedicated fund for the purpose of creating new supply of social, public and affordable housing (Recommendation 2).
8. considers adopting a mixed-income model for social housing tenancies and easing the eligibility criteria.
9. negotiates with the Australian Government to remove the restriction from public housing tenants receiving Commonwealth Rent Assistance (CRA).
10. advocates to the Australian Government to improve the targeting of CRA so that the payment rate is more in line with market rents in different localities.
11. reviews trends in the supply of independent living units (rental retirement housing) for low income older people, and options for stimulating growth in a low cost form of this type of housing, including through partnerships with church and charitable organisations.

4. Funding and supply of social housing

It is widely recognised that there is insufficient housing within the financial reach of low income people in NSW, that the supply of social housing has been in decline for two decades, and that the demand for public and social housing is rapidly increasing. Reasons for increased demand include:

- shortage of available properties in the private rental market, especially affordable properties

- increasing unaffordability of the private rental market
- low payment rates for pensions and allowances
- increasing disadvantage amongst an ageing population
- population growth
- declining rates of home ownership.

The Australian Bureau of Statistics projects that between 2012 and 2061 the population of NSW will increase by more than sixty per cent, from 4.2 million people to 11.5 million people.¹ Obviously, all of these people will require housing and, alarmingly, in 2012, the National Housing Supply Council estimated that there was already a shortage of 89,000 dwellings in NSW.² This is not good news for low income renters, who are already struggling to find accommodation when competing against higher income tenants.

Anglicare's *2014 Rental Affordability Snapshot* found that, of 12,164 properties available for private rental in Greater Sydney, only 33 properties - 0.3% - were both affordable and appropriate for households with income support as their primary source of income. The situation was only slightly better for single parents earning the minimum wage, who could have afforded 28 of the properties advertised for rent in the whole of Greater Sydney. Singles without children could have afforded 56 properties. People on Newstart, Disability Support Pension or Youth Allowance were the worst affected – there were no properties available at all that they could have afforded.³

Demand for social housing

This situation puts greater pressure on an already overburdened social housing system. In June 2014, there were 59,500 approved applicants waiting for social housing on the NSW Housing Register (the waiting list). It is expected that this number will reach 86,000 by 2016.⁹ The waiting list exceeds ten years in high demand areas.

As noted in the discussion paper, exits from social housing have been declining. This is largely because the vast majority of tenants - 94% - receive Centrelink benefits as their primary source of income. Of these, more than two-thirds receive the Age or Disability Support Pension, so their financial circumstances are unlikely to improve. It is therefore unlikely that the majority of social housing tenants will be leaving social housing, as they simply cannot afford to rent in the private rental market.

The economic profile of approved applicants on the waiting list is similar to that of current social housing tenants in that 95% receive income support payments as their primary source of income. This means low and declining rates of exits from social housing are likely to continue, as most new tenants will also remain in social housing long-term because they can't afford to rent elsewhere.

Housing stress and hidden need for social housing

Although the number of approved applicants on the waiting list is high, the actual need for social housing is much greater. A true indicator of need is the number of households in NSW who are living in housing stress. Housing stress is commonly understood to occur when a low income household spends more than 30% of its income on housing costs. Research undertaken by the NSW Welfare Rights Centre and Shelter NSW in 2014 estimated the number of households in housing stress to be around 173,000, even *after* receiving Commonwealth Rent Assistance.⁴

Some of the people living in housing stress may be on the waiting list for social housing, but many more are not. This is because over the years the eligibility criteria for social housing has been significantly tightened as a result of the income limits for eligibility not keeping pace with wages and the increased cost of living. For example, in 1987 the income limit for a single person applying for social housing was around \$200 per week, which was around 44% of the NSW average full-time adult wage of \$459.50.⁵ However, currently the

income limit for a single applicant is \$575, which is not only less than 40% of the average full-time wage of \$1,459.00⁶, but also lower than the national minimum full-time wage of \$640.90.⁷

Declining home ownership

Levels of home ownership are declining at the same time that the population is ageing. One result is that more and more people continue to rent as they get older. There is a growing body of evidence that indicates many people who have rented all their lives, and are reliant on the age pension, will no longer be able to afford private rental beyond retirement. Older women are at particularly high risk of homelessness as a result of factors including lower wages and time spent out of the workforce caring for children and elderly parents, and therefore inadequate superannuation. Already research has indicated that the number of older women in private rental housing doubled between 2006 and 2011.⁸ If the NSW Government does not invest in more social housing now the number of people living in poverty, especially older people, will continue to increase.

More funding is urgently required

We acknowledge that the NSW Government is undertaking a number of steps to make better use of the resources and stock available, including through greater reliance on community housing. However this will only go so far.

The discussion paper refers to the need to improve the social housing system 'within the Government's existing funding envelope' (p.33). With almost 60,000 approved applicants on the waiting list, around 173,000 households in housing stress, and a growing population, there is an urgent need to significantly increase the size of the 'funding envelope' and increase supply by building more social housing dwellings.

Recommendation 1: That the NSW Government, in partnership with the Australian Government, commits to investing adequate capital and recurrent funding to significantly increase the supply of social housing, by set targets and timeframes.

We are concerned that, despite the acknowledgment of the great need for social housing, no targets have been set for reducing the size of the waiting list, even though waiting times in high demand areas exceed ten years and the number of approved applicants is expected to reach 86,000 by 2016.⁹

Recommendation 2: That the NSW Government sets timely, achievable targets for reducing the number of people waiting on the NSW Housing Register for social housing.

The importance of location

Location is an important factor when planning new social housing dwellings. Housing that is not only affordable, stable and secure, but also well-located is critical for people to live healthy and fulfilling lives. Connection to community networks and key supports, such as such as health services and accessible transport, is essential to wellbeing.

The discussion paper acknowledges the importance of locating social housing dwellings close to employment and educational opportunities, while at the same time acknowledging that currently there are limited employment opportunities in many areas where social housing is located. Locating all future housing in close proximity to transport and services is therefore crucial.

This is consistent with the position of the Legislative Council Select Committee on Social, Public and Affordable Housing which, in 2014, recommended that the NSW Department of Family and Community Services develop a strategy that identifies priority locations for new social housing development which are located close to employment opportunities, education, transport and 'wrap around' services. We call on the NSW Government to accept this recommendation.

Recommendation 3: That the NSW Government accepts the recommendation of the Legislative Council Select Committee on Social, Public and Affordable Housing to develop a strategy that identifies priority locations for new social housing development which are located close to employment opportunities, education, transport and 'wrap around' services (Recommendation 26).

5. Secure, stable and affordable housing

Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control – *Article 25, Universal Declaration of Human Rights*.

Secure and stable housing is a basic human right. It provides a foundation on which people, in particular those who are vulnerable, can build on their strengths and achieve their goals. It is a vital factor for escaping poverty, providing the stability needed to attain an education and get and keep a job. This stability also helps people manage other issues they may be facing such as managing mental illness. The availability of affordable and secure housing is crucial to ensure the safety of families escaping domestic and family violence. Yet one of the most difficult challenges faced by a large number of our clients is accessing stable housing that is both affordable and located close to transport and other essential services.

Links between housing and child development

The connections between housing and childhood development are well-recognised in the literature. Insecure housing has been found to affect the mental health of parents and family stability. Family instability is associated with poorer educational performance and lower rates of school completion.¹⁰ Safety and stability are key to children growing up as resilient and fully functioning members of society.¹⁰

Research indicates that there are positive associations between affordable housing and children's wellbeing, and that these effects are cumulative over time.¹¹ We also know that effective prevention and early action measures, including providing stable housing and income security, for families with young children can improve children's life chances and the earlier we act, the greater the impact and the more cost effective.¹²

John's story

The following case study from one of our services illustrates the positive outcomes that can be achieved through a combination of stable housing and intensive support programs.

John is the single father of three young children aged 4, 8 and 12 years. For many years the family, including the children's mother, lived in insecure housing, moving frequently between caravan parks, hotels, motels and units in the private rental market. The family also struggled with additional stressors including substance abuse, domestic violence, and unemployment.

John was referred by the NSW Department of Family and Community Services to The Benevolent Society's child protection program, Resilient Families. He was referred to us after leaving his abusive partner, giving up taking drugs and obtaining temporary accommodation for himself and his children for up to 12 months with a community housing provider in south-west Sydney. John had reached crisis point trying to take care of the children on his own, and had he not obtained accommodation was at risk of having them removed from his care.

The terms of John's 12 month lease with the community housing provider included that he search and apply for 20 properties per month in the private rental market in a certain price range. Although John was assessed as being able to afford a certain rent in the private market, in reality there was no way he would be able to afford that amount of rent.

During the initial few months of engagement with the family The Benevolent Society's case worker prioritised helping John with basic living and parenting skills and routines including taking the children to school, making sure their school uniforms were washed, cleaning, grocery shopping, cooking meals and packing lunches etc. John was also supported in taking the children to doctors' and dental appointments, organising counselling, and extra activities such as swimming lessons.

Although John was expected to be able to look for long-term accommodation during this time he found it impossible to do so while focusing on providing structure for the children and looking after them, both physically and emotionally.

With the support of The Benevolent Society's case worker John made exceptional progress with his parenting skills. John felt more in control and less stressed, and he no longer resorted to yelling at the children. The children's behaviours improved, their attendance at school and pre-school was excellent and the family spent more quality time together, including planning an 'adventure' outing each fortnight.

Towards the end of the 12 month lease, the community housing provider began to put more pressure on John to find alternate accommodation in the private rental market. The Benevolent Society's case worker attended a meeting with John and the community housing provider to discuss his options, but John was told that his lease could not be extended. However, the community housing provider mentioned that the waiting list for public housing was much shorter in some regional areas, and John decided to investigate this possibility.

John chose a regional area with a short waiting list and applied for public housing. He was offered a house within a month. With help from The Benevolent Society John and his children moved into their regional public housing property and are doing well. The town has good infrastructure and the house is well-located within walking distance to both the local primary and high schools, and also a pre-school which the youngest child attends. We set up supports for John by linking him to a family support service in the town which continues to provide him and his family with assistance. He also has a case manager with Housing NSW who checks in with the family regularly to make sure all is well.

With the stability of public housing, John has now enrolled in the local TAFE and is studying horticulture. The home he and his family are now living in has a large backyard and John has planted a vegie garden. The children are attending school and receiving counselling, and the family has begun to build up local social networks through neighbours and school friends.

The Benevolent Society believes it is unacceptable that children's development and future wellbeing should be put at risk because of insecure housing, frequent moves or homelessness.

Early childhood, in particular, is a critical time during which the basic foundations for development are laid down, upon which all future learning and development builds cumulatively. The nature of the home environment in which children grow up, has an important influence on child wellbeing. The quality of the parental-child relationship is especially important. Conversely, adverse experiences such as sustained poverty are detrimental to children's development. It is a concern, therefore, that high housing costs may be causing some families to live in poverty.

Impact of insecure housing

A 2009 study by the Australian Housing and Urban Research Institute (AHURI) found that housing insecurity makes it more difficult for people to engage in paid work or to study, thus contributing to and reinforcing their financial insecurity. It can be very difficult for people to look for, find or keep paid employment when they move a lot. It also found that housing insecurity affects social connectedness. In particular, frequent moves, housing instability and a lack of a sense of belonging, are obstacles to social connectedness for adults and children. Lack of a secure home can make it difficult to establish a sense of identity and self-esteem:

Achievement of housing security across its various dimensions would appear to be particularly important for people with life-histories of high mobility and a sense of lack of belonging. To deal with other areas of uncertainty in their lives they need to be 'at home'.

For lower-income people who are unlikely to buy their own home, housing security means having the opportunity to have a rental home which is stable, safe, private and comfortable, and in which adults and children can develop a sense of belonging and a sense of continuity and constancy in everyday life.¹³

The Benevolent Society provides a range of services to people experiencing disadvantage. In particular, we work with children and families, older people and people experiencing mental illness.

In our experience, however, if clients do not have secure housing, our ability to assess and assist them is very limited.

When first referred to us, some of the people with serious mental illness who we assist through our Personal Helpers and Mentors (PHaMs) services, are living in their cars or couch-surfing with family or friends. Others are in very temporary housing (e.g. a refuge) or have just come out of a residential facility. Even when we do become involved many have been unable to obtain long term, affordable and secure housing because of the limited availability of social housing, and of private rental housing affordable to someone on a disability support pension (or the lower paying Newstart Allowance).

When supporting people with mental illness, often with backgrounds of trauma, our first priority is to try help them stabilise and feel safe. It is difficult, if not impossible, to do this in the absence of a stable and secure home.

A recent evaluation by The Benevolent Society of our PHaMs services, found that one of the most common needs identified by participants at entry to the program was access to safe, secure and stable housing, without which they found it very difficult to deal with any other issues and/or begin their recovery journey.¹⁴

From our experience of working with low income families we have observed the damaging effects of housing instability on parents and children. For example, constant moves make it more difficult to:

- find employment
- undertake training
- comply with Centrelink requirements and appointments
- receive important correspondence from Housing NSW in time
- register with local health services, maintain preventive health checks etc
- attend school or child care
- make use of child and family support services (for example, a hard won place in a child care service may be lost if the family moves, or it might not be possible to continue to have access to a support service if the equivalent service in the new area is run by a different organisation).

Most of the older people we support through our community care services have secure housing – they are homeowners or live in public housing. However, for those who do not, their housing situation in the private rental market is often very precarious and their options very limited. Typically such clients will be living in places that are very unsuited to their health and mobility and/or they have to move frequently. When they move it is often very difficult to relocate within the same geographical area. While local connections and familiar local amenity are important at any age, they are particularly crucial to older

people's wellbeing and ability to live independently. These connections are much harder to rebuild in older age if broken by a forced move to a new area.

Impact of high housing costs

High housing costs affect the families we work with in many ways. For example, some families paying a high proportion of their income in rent struggle to pay for other necessities such as food, transport or medication. It is common for children to go without up-to-date school books and uniforms, and to miss out on school excursions and leisure activities because their families simply cannot afford them.

While The Benevolent Society does not provide emergency relief, some of our programs have a limited allocation of funds that can be spent on buying certain goods and services to support families. This list of the most common items purchased provides a snapshot of the essential items that low income families in housing stress may have to forego:

- children's clothing, school uniforms and shoes, school excursions and other activities
- specialist assessments and treatments for children (e.g. speech therapy)
- child care fees
- essential furniture and household items, beds, mattresses, linen and blankets
- nappies and personal hygiene products
- medications
- family outings
- cleaning products
- books and educational toys for children
- home safety equipment (e.g. stair gates)
- transport
- food and groceries (in emergencies only)
- electricity bills (in emergencies only).

Older clients paying high rents will typically cut expenditure on medications and other health items to make ends meet.

6. Purpose and objectives of the NSW social housing system

The Council of Australian Governments (COAG) states that the 'overarching objective of housing and homelessness services is that all Australians have access to affordable, safe and sustainable housing that contributes to social and economic participation'.¹⁵

The discussion paper states that the *Housing Act 2001* (NSW) 'envisages a social housing system with broad objectives to provide universal access to secure, appropriate and affordable housing for all' (p.12).

Alongside the objective of housing those most in need, the stated objectives of the Act include:

- (a) to maximise the opportunities for all people in New South Wales to have access to secure, appropriate and affordable housing, and
- (b) to ensure that housing opportunities and assistance are available to all sections of the community with housing needs.

The Benevolent Society supports the current objectives, under the Act, of the social housing system to provide access to secure, appropriate and affordable housing for all who have housing needs. While we

agree in principle with the new overall objective - *to provide a safety net for vulnerable people, while they need it and where they need it* – we are concerned that this much narrower objective focuses on helping **only** those who are experiencing the most disadvantage.

Tenants entering social housing are, by definition, people with low incomes ‘who are unable to access suitable accommodation in the private rental market’ (p.10). As detailed in the discussion paper, more than two-thirds of tenants are receiving either the age pension or the disability support pension. It is not reasonable to expect that these people will ever be able to afford to move to the private rental market in its current state. Therefore, the Government needs to accept that providing a safety net for vulnerable people ‘while they need it’ will, in many cases, be ongoing.

The discussion paper states that there are ‘fewer opportunities to assist the 59,500 approved applicants on the NSW Housing Register waiting list’ because ‘tenants are staying longer in public housing’ (p.6). It is important to acknowledge that the shift in policy to allocate properties to the most disadvantaged applicants as a priority has resulted in a greater proportion of very disadvantaged tenants with little prospect of moving to the private rental sector. It’s essential that funding and supply keeps pace with demand for social housing.

In addition, the waiting list has continued to grow exponentially as funding for social housing has failed to keep up with the growing demand resulting from factors such as growing inequality and poverty, an increasing population, and a chronic shortage of affordable housing in the private market.

We respond to the proposed 3 Pillars below.

7. Pillar 1: A social housing system that provides opportunity and pathways for client independence

The discussion paper states that ‘the current focus of the social housing system is on sustaining a tenancy, rather than encouraging opportunity or independence. While some people use assistance to regain their independence, many individuals and families remain reliant on the social housing system’ (p.13).

It is important to acknowledge that, for a person with a severe mental illness who has been de-institutionalised, an ex-prisoner released into the community, or a person with a disability, among others, maintaining a social housing tenancy and taking care of their home, with or without support, is living independently, regardless of whether or not they receive a rental subsidy. For these people, maintaining a tenancy in social housing is an achievement that provides them with the stability to focus on getting other aspects of their lives back on track. The stability of a long-term social housing tenancy can also ease the significant anxiety a person can experience when they don’t know how long they will be able to stay in their home and whether they will be able to find another home they can afford that is well located and suited to their needs.

The Benevolent Society believes that the focus of the social housing system on sustaining a social housing tenancy should remain. As the paper acknowledges, ‘Stable housing is not just a foundation for education and work, but also an important foundation for recovery from health issues, mental illness, and trauma and for stabilising families where children are at risk of removal’ (p.18).

We note that, while the proposed direction of Pillar 1 focuses on pathways to independence, there is acknowledgement that ‘transitioning to the private rental market may not be appropriate for **some** tenants’ (p.17). With more than two-thirds of social housing tenants receiving the Disability Support Pension or the Age Pension, transitioning to the private rental market is not appropriate for **most** tenants, and for these disadvantaged people social housing is a ‘life-long destination’ rather than a ‘stepping stone’

(p.18). It is important to acknowledge, therefore, that leaving social housing is only a 'realistic goal' for a minority of tenants.

While the cost of private rental remains high and Centrelink payment rates are low, demand for long-term social housing will continue to grow. As the population grows and ages and inequality widens increased investment in social housing is needed to meet the growing demand.

We welcome the focus in the discussion paper on improving the way social housing and therapeutic support services intersect, especially with domestic violence, mental health and disability services.

Helping clients resolve their housing needs

Although it is generally not the primary purpose of our services, we help many of our clients overcome housing-related problems. These clients include:

- families with children who are struggling with parenting or there are concerns about the wellbeing of the children; many of these families also have mental health and/or drug and alcohol issues
- individuals with serious mental illness who need assistance to manage their daily activities in order to live independently
- older people who do not own a home who need both secure housing and support to continue to live independently
- women, with or without children, trying to escape domestic and family violence.

Many such clients when they first come to us – including those with children – are living in garages, 'couch surfing' or sleeping on the floor with friends or family, literally sharing a couch with children, living in cars or moving from motel to motel. Others are paying unsustainably high amounts of rent relative to their incomes. In some cases, families have had to split up because of lack of suitable and affordable housing. In some cases, victims of domestic violence and their children remain living with perpetrators because they have nowhere else to go.

In these circumstances much of the work of our staff, especially at the initial stages of engaging with a client, is taken up with helping them to address their immediate housing needs. This tends to mean spending many hours supporting clients to call the Domestic Violence Line and Link2Home (Homelessness Hotline) and advocating on behalf of clients with Housing NSW for Temporary Accommodation, with other housing services, supported accommodation providers, and private agents and landlords – and getting an awful lot of knockbacks.

We frequently assist clients to apply to go on the priority housing waiting list and in some cases have been able to successfully assist clients into public or social housing. Developing partnerships with local community housing providers has

Kevin's story

Kevin is a single man in his 50s receiving support with living skills from The Benevolent Society. He has no permanent home and his income is the Newstart Allowance. Kevin faces several barriers to employment including his homelessness, a past criminal record and self-harming behaviour. Kevin feels that he is unable to look for work until he has found stable accommodation and received counselling and treatment in relation to his self-harming behaviour.

Kevin has been sleeping on the couch in a studio apartment rented by his adult son for the past eight months, but the cramped conditions have led to tensions in his relationship with his son and he will need to leave soon.

facilitated this.

For those who we are able to assist to obtain housing (whether public, social or private rental) some then need help to sustain their tenancies, especially to start with.

In some geographical areas we have been able to develop good relationships with local real estate agents. By reassuring the agents that clients will be assessed for their ability to sustain a tenancy (financially and in other ways) and that they will be supported by us, we have been able to assist clients into private rental housing. However, our ability to do this is dependent on the state of the local rental market, as landlords often do not want people on low incomes if they have other potential tenants on higher incomes or with good rental records from which to choose. We have also found that some real estate agents actively reject rental applications by women fleeing domestic and family violence (often using the *Start Safely* subsidy) as they are concerned that the perpetrators will damage property.

It is very difficult assisting low income clients to find housing in the private rental market in metropolitan areas at a price they can afford.

The situation is similar in rural areas, especially during mining booms when there have been influxes of well-paid workers.

Lone fathers with young children are another group that is difficult to assist. There are few avenues open to them as women's refuges and shelters for homeless men are not suitable.

Our experiences with social housing providers

As mentioned above, as a mainstream service provider, we work closely with a number of housing services, including Housing NSW and community housing providers, in order to assist clients in housing difficulties and to advocate on their behalf. Our aim is to do so as early as possible, to prevent problems getting worse and more difficult to address.

Our experience in working with Housing NSW is varied, as is that of our clients. In some areas we have been able to develop good relationships with client services officers in the local office so that they now appropriately refer clients to us, for example, when clients need assistance to complete forms, with advocacy or other support.

However this is not always the case. We observe that Housing NSW frontline staff do not always have the skills or time to properly assist some of the families we work with – such as people with mental health or drug and alcohol issues, poor literacy and people with poor communication skills who struggle to explain their circumstances coherently. Some are simply told to get extra help from 'someone else' but not where to obtain that help.

Housing NSW rules, forms and procedures can appear impenetrable to the very people they are intended to assist. The rules associated with applying and re-applying for temporary accommodation – especially having to attend the Housing NSW office on a daily or near daily basis – can make it difficult for families with complex needs to, at the same time, look for other accommodation, attend Centrelink appointments and so on. This is especially the case when travelling long distances to and from the Housing NSW office is required.

The following case study illustrates how difficult it is for clients to 'navigate the system' without assistance.

Kelly and Sam

Kelly has long term mental health issues and her 15 year old son has intellectual and physical disabilities.

Kelly was previously living in southern NSW in public housing. However she moved to Sydney in order to improve her son's educational opportunities, which in her southern NSW area were very limited. This turned out not to have been a good move as she had 'relinquished' her public housing tenancy in southern NSW but was unable to obtain public housing in Sydney nor find anywhere else to live, and her son didn't get into any of the schools in Sydney (which was the reason for their move). She tried to move in with relatives back in southern NSW but was not welcome there. She and her son have been homeless now for 6 months.

During that period she has used nearly all of the 28 days of emergency accommodation (usually in a motel) that Housing NSW can provide for people in crisis who are homeless and who have no other options. She is only offered 1-3 nights at a time, and is required to look for private rental housing. This made it very difficult for her to put her housing situation on a more permanent footing, find schooling and other support for her son, or to address other pressing needs. At various times she used emergency refuge accommodation run by NGOs, or has stayed in caravan parks and motels at her own expense.

She came into contact with the Benevolent Society's Partners in Recovery program by chance rather than through a formal referral process. (She re-contacted a previous support worker who now works for the Benevolent Society).

In the three weeks that the Benevolent Society has been supporting her, we have assisted her to navigate Housing NSW rules and procedures, advocated for her with Housing NSW, and spent time everyday ringing all the agencies we are aware of in this part of Sydney that might have short term accommodation available.

Meanwhile we are also assisting her to re-apply for permanent priority housing with Housing NSW. This has meant trying to find a GP in Sydney prepared to take her and her son on with their complex medical histories, so as to be able provide Housing NSW with evidence of her and her son's medical situations. Her previous GP was on holiday and unavailable.

It also meant assisting Kelly to apply for a 'change of circumstances' to enable her to be considered for priority housing in Sydney, not where she previously lived. To help Kelly try and obtain private rental housing so she has somewhere to live meanwhile, we have also helped her apply to Housing NSW for a 'ledger' (a history of her previous rental payments to Housing NSW) or for a 'satisfactory tenancy report'. These are required by real estate agents as a reference, before she can put in a formal application to take on a private rental tenancy. At the time of writing Housing NSW have not yet provided these reports and have not given any indication of how long it will take.

We have recently helped Kelly successfully obtain medium term accommodation in a caravan park, but for her to take this up we have also had to help her apply for a loan from Housing NSW or an NGO source to cover the bond.

Going to her numerous appointments - medical, real estate agents and at Housing NSW - is easier said than done as Sam has poor mobility and, being without a home, Kelly needs to take all her bags with her.

Lastly, now that steps are underway to obtain housing for more than a few days at a time, we can attend to assisting Kelly and Sam in other aspects of their lives. We have successfully re-linked her son up with Ageing, Disability and Home Care (ADHC), who are now developing an education plan for him.

Our experience in dealing with Housing NSW with Kelly has been very variable and highlights room for improvement in their customer service to people with multiple and complex needs. Some client services officers were very helpful in proactively advising Kelly and us of the options open to her, the steps she needed to take and other sources of assistance. Others were less than helpful. For example, failing to provide her with crucial pieces of information such as that she could apply relatively simply to 'reinstate' her housing with Housing NSW so long as she did so within 6 months. She was also not told that she would need and could apply for a 'satisfactory tenancy report' to apply for private rental housing. Kelly was not referred to the Benevolent Society, or any other similar service (as far as we know).

Dealing with Housing NSW's procedures and requirements were totally beyond Kelly's ability without assistance. Our intervention can be regarded as a success story, as it appears that Kelly is finally on the path to getting secure accommodation and appropriate assistance for her son. They have somewhere to live meanwhile and they are still together, but it was a close shave.

The case study of Kelly and Sam illustrates how onerous and complex Housing NSW's systems are.

By contrast, our experience of community housing providers is that they are willing to work in partnership with us to share information, to advise us if vacancies arise and to explain Housing NSW's policies to people like Kelly and Sam.

Successful programs

There are several programs utilised by Benevolent Society clients that we find are particularly helpful. For example:

- temporary and medium term accommodation services such as *This Way Home* in Newcastle, that also provide access to support for other complex needs
- the *Start Safely* program, through which women are enabled to leave a domestic violence situation with support such as subsidised rent, and facilitated access to social or private rental housing
- *Rentstart* assistance with bonds and advance rent.

Feedback from Benevolent Society clients who have used the *Start Safely* program is that without it they would not have been able to access private rental housing, that it provided vital relief from the burden of high rents, and also created the opportunity to start saving money.

Recommendation 4: That the NSW Government expands services that provide or facilitate access to temporary and medium term accommodation for women escaping domestic and family violence (such as the *Start Safely* subsidy) and services that provide access to support with housing and other complex needs, such as *This Way Home* in Newcastle.

Housing and Accommodation Support Initiative (HASI)

Although The Benevolent Society is not a provider of HASI, we applaud the Government on the success of the HASI program and are pleased that the program is acknowledged in the discussion paper. We would like to see this vital program expanded.

Improving housing service and social service integration

The Benevolent Society has been pleased to contribute to discussion about how best to improve linkages between mainstream social services and housing services, through the Going Home Staying Home Linkages to Human, Social and Justice Agencies Working Group. In its 2013 final report to the Going Home Staying Home Sector Reference Group, the Working Group noted that:

Mainstream services have a significant role to play in supporting the Going Home Staying Home reforms as staff are often the first to become aware that a client is experiencing homelessness or is at risk of homelessness. They are therefore uniquely placed to intervene early to prevent homelessness in the first place or to quickly resolve the issue through a combination of a referral to another agency and direct service delivery.¹⁶

The report makes a number of important recommendations in the areas of client-focused holistic service delivery (including for any children involved), early intervention and prevention, multi-agency approaches, clear referral pathways and processes, exit planning, confidentiality and data collection.

It is important that the momentum of this work is maintained and these recommendations implemented.

Recommendation 5: That the NSW Government improves cross-government collaboration and partnerships with NGOs to develop better linkages between housing services and mainstream services, so that people's needs can be addressed more holistically and effectively.

8. Pillar 2: A social housing system that is fair

The Benevolent Society agrees in principle with Pillar 2 – to provide a social housing system that is fair. However, while we agree that prioritising those most in need is fair, for the system to be truly fair it must be adequately resourced so that it is universally available to all who need it.

We do not agree with the assertion in the discussion paper that providing social housing to people who cannot access affordable housing in the private rental market is giving 'long-term assistance to people with short-term needs' (p.21). While this 'reduces the system's capacity to assist more people' (p.21) this is because the current system is inadequate, as previously discussed.

There is a dire shortage of affordable private rental properties and this situation is expected to worsen in coming years. As discussed, the Government's proposed new objective is to *provide a safety net for vulnerable people, while they need it and where they need it* (p.12). For most people, 'while they need it' will be long-term.

Applicant eligibility and prioritisation

We note the Government's intention to 'undertake further work on applicant eligibility and prioritisation, waiting list management, dwelling allocation and rent practice' (p.32).

Any work in this regard must not result in further tightening of the eligibility criteria for social housing. The eligibility criteria is already very strict, and has become tighter over the years. Tightening it further will not reduce demand, rather it will result in more people living in housing stress and disadvantage, and will continue to hide the extent of the problem of severe housing need, rather than address it.

9. Pillar 3: A social housing system that is sustainable

We note that the main objective of Pillar 3 is that the social housing system be financially viable. While we understand that the Government operates with limited revenue and must be responsible to taxpayers for its spending, we question the requirement for an essential social service such as social housing to be financially self-sufficient. To put this in context, the Government invests in other essential community services, such as health and education, without this expectation.

In the 2014-15 NSW Budget the Government allocated 28% of total expenditure to the health system, 21% to the education sector, 13% to transport and communication, but only 4% to housing and community amenities. In relation to capital expenditure over the next four years, the Government has allocated fifteen times more funds to the transport sector than for social and affordable housing projects - \$31.8 billion for transport compared to \$2 billion for housing. The capital expenditure on housing represents a mere 3% of the capital works budget. Given the immense need for affordable housing, and the fact that adequate housing forms the foundation for health and wellbeing, we are disappointed that housing is not a priority in the Budget.

We are however pleased that the Government has prioritised social housing under the Premier's Innovation Initiative.

Housing as essential infrastructure

Housing, affordability and location are integral to enabling population growth, and labour mobility, supporting improvements in participation rates and improving productivity. The housing and construction industries are also key drivers of economic activity, and associated jobs growth. Adequate housing is also a basic necessity and human right which impacts on education, health and employment outcomes, as well as the overall wellbeing of the population. Having a private place to be which is decent and over which we have some real control is fundamental to the wellbeing of every one of us as individuals and communities. In this sense, affordable housing is both vital economic and social infrastructure.¹⁷

Social and affordable housing are key elements of infrastructure that must be included in all future planning. We note that the discussion paper indicates that the NSW Government will 'identify how the NSW social housing system fits in with other Government reforms to achieve broader Government objectives' (p.12). However, we are disappointed that no funds at all were reserved for social housing under the recently released \$20 billion *Rebuilding NSW: State Infrastructure Strategy 2014*, despite an acknowledgment in the Strategy that 'investment in social housing was a consistent theme that emerged in the Rebuilding NSW consultation'.

In its final report of the *Inquiry into social, public and affordable housing*, the Legislative Council Select Committee on Social, Public and Affordable Housing recommended that the NSW Government consider recognising social housing as a form of infrastructure, to enable proceeds from Waratah Bonds to fund new supply of social, public and affordable housing.⁹ We support this recommendation.

Recommendation 6: That the NSW Government recognises social housing as a form of infrastructure and amends the *Restart NSW Act* to enable proceeds from Waratah Bonds to fund new supply of social, public and affordable housing (Recommendation 26).

Sale of high value social housing properties

The Benevolent Society does not oppose the sale of high value social housing properties, such as those at Millers Point. We understand that this ageing stock is expensive to maintain and that the proceeds of sale can be used to help more people in need with social housing when reinvested into the system. However, there is a need for transparency around how the proceeds will be utilised. So far, we have only been told that the proceeds will be invested into new supply, yet there is no information about the new supply. We would like to see greater transparency around this and consultation with stakeholders about the number of new properties to be built, whether there will be more properties built than sold, whether the properties will be located close to transport, services and employment opportunities, what the proposed tenant mix will be and whether and what portion of the sale proceeds will be used to eliminate the maintenance backlog on existing properties.

We note that the Legislative Council Select Committee on Social, Public and Affordable Housing recommended that the NSW Government 'invest all proceeds from the sale of public housing properties in a dedicated fund for the purpose of creating new supply of social, public and affordable housing'. We call on the NSW Government to accept this recommendation.

Recommendation 7: That the NSW Government accepts the recommendation of the Legislative Council Select Committee on Social, Public and Affordable Housing to invest all proceeds from the sale of public housing properties in a dedicated fund for the purpose of creating new supply of social, public and affordable housing (Recommendation 2).

Notwithstanding our comments above, we make the following suggestions to improve the sustainability of the social housing system.

Return to a mixed income model

The discussion paper states that the Land and Housing Corporation (LAHC) has operated at a deficit since the 1990s. This correlates with the changing profile of public housing tenants from initially mostly working families to the current situation where tenants are primarily income support recipients. Targeting social housing solely to those on very low incomes has contributed and continues to contribute to this operating deficit.

The paper states that most public housing tenants receive a mean income of \$485 per week, compared to the 5% of households whose income comes from a wage, who receive an average weekly income of \$750. Despite this, and despite the fact that only 11% of social housing tenants currently pay full market rent, more than three-quarters of the LAHC's income in 2012-13 was from rental income.

It therefore seems likely that easing the eligibility criteria and returning to a mixed-income model of social housing where all low to moderate income earners are eligible to apply, combined with substantially increasing the number of social housing properties, would deliver higher returns. A mixed income model could also contribute to reducing the problem of high concentrations of disadvantaged tenants living in discrete areas.

Recommendation 8: That the NSW Government considers adopting a mixed-income model for social housing tenancies and easing the eligibility criteria.

Commonwealth Rent Assistance and Centrelink payment rates

As pointed out in the discussion paper, public housing tenants are not eligible for Commonwealth Rent Assistance (CRA), even though tenants of community and Aboriginal housing organisations are. Changing the eligibility criteria for CRA to allow public housing tenants to receive this payment would not only be fairer, but would also go some way towards increasing NSW Government revenue for social housing and improving sustainability.

Recommendation 9: That the NSW Government negotiates with the Australian Government to remove the restriction from public housing tenants receiving Commonwealth Rent Assistance (CRA).

As discussed earlier in this submission, Centrelink payments, especially for allowances such as Newstart and Youth Allowance, are inadequate to enable recipients to afford private rental. Similarly, CRA is poorly targeted and its maximum payment rate is not adequate to alleviate housing stress for many private rental tenants in metropolitan areas.

Recommendation 10: That the NSW Government advocates to the Australian Government to improve the targeting of CRA so that the payment rate is more in line with market rents in different localities.

Housing for older people

As discussed above, it is well established that the number of people reaching retirement age who do not own a home is projected to increase significantly, and that the demand for low cost rental housing affordable by age pensioners will increase. There is already evidence that the number of older homeless women is increasing.

We would like to bring to the attention of the Government a form of social housing for low income older people that is often overlooked. We refer to low cost rental retirement housing operated by church and charitable organisations. These were developed mostly by aged care organisations between the 1950s to

1980s with capital subsidies then available from the Australian Government under the Aged Persons' Homes Act 1954 (APHA) (then referred to as 'independent living units' or ILUs).

Residents are typically on a full age pension and pay a rent or fee at a fixed proportion of the age pension. Some organisations ask residents to pay a small capital contribution if they are able to. The units built are typically small. Some developments consist of only a small number of dwellings while other larger groupings resemble or form part of retirement villages. Today they offer varying levels of non-housing support to residents as well, such as assistance to access community care services when needed.

As most were built in the 1950s-1980s many now require rebuilding or upgrading. However, the rental income is insufficient to provide for capital upgrades. As a result, if rebuilding or upgrading occurs, the provider will typically convert them into residential aged care or into self-care living units that require a substantial capital entry fee only affordable by those who have a home to sell. As a result there has been a gradual loss of low cost rental units. There have been a few exceptions in which organisations have been able to access National Rental Affordability Scheme funds to assist in retaining some units for rent, but this is unusual.

About 32,000 ILUs were built under the original program but it is unknown how many are still in operation¹⁸ Of concern was a survey of ILUs in 2010 which found a drop of 26% since a previous survey in 2008.¹⁹

The Benevolent Society runs two such villages in Allambie and Little Bay in Sydney, housing a total of 118 older, low income people.

Not-for-profit providers of retirement housing have the experience, skills and resources that meet the requirements to manage social housing assets, as well as experience in supporting older residents with additional support and/or community care services. We strongly recommend that the Government engage in a dialogue with non-for-profit providers of low cost rental retirement housing to explore opportunities for partnerships to expand housing solutions for low income, low or no asset older people. Such partnerships may offer opportunities to transfer seniors from public housing and in so doing free up stock of larger dwellings to provide for families on the waiting list. The Government should consider making an investment of recurrent funds (or possibly zero-interest loans) to enable providers to maintain, upgrade and expand this form of housing.

Over a third of public housing tenants are age pensioners, most of whom will probably require support from community aged care at some stage. Innovative solutions such as these may assist residents to access community care when they need it, rather than waiting for a crisis to occur requiring hospitalisation. They may also offer opportunities for overcoming social isolation among older social housing residents.

Recommendation 11: That the NSW Government reviews trends in the supply of independent living units (rental retirement housing) for low income older people, and options for stimulating growth in a low cost form of this type of housing, including through partnerships with church and charitable organisations.

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- ⁸ Institute for Social Science Research. (2014). *Older Women's Pathways out of Homelessness in Australia*. Report for the Mercy Foundation, University of Queensland.
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- ¹⁷ New South Wales Council of Social Services (NCOSS). (2014). *Submission to the NSW Legislative Council Inquiry into social, public and affordable housing*.
- ¹⁸ McNelis, S. (2004). *Independent living units: the forgotten social housing sector*, Australian Housing and Urban Research Institute, Melbourne.
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